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A. Capital Markets Tribunal

A.2
Other Notices

A.2.1 Nova Tech Ltd and Cynthia Petion

FOR IMMEDIATE RELEASE
December 6, 2023

NOVA TECH LTD AND
CYNTHIA PETION,
File No. 2023-20

TORONTO – The hearing in the above-named matter scheduled to be heard on December 7, 2023 at 10:00 a.m. will instead be heard on December 22, 2023 at 10:00 a.m. by videoconference.

Members of the public may observe the hearing by videoconference, by selecting the "Register to attend" link on the Tribunal's hearing schedule, at capitalmarketstribunal.ca/en/hearing-schedule.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

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A.2.2 Notice of Correction – Go-To Developments Holdings Inc. et al., File No. 2022-8

Please be advised that the Order and Reasons and Decision for *Go-To Developments Holdings Inc. et al.*, File No. 2022-8, were incorrectly published in the November 30, 2023 issue of the Bulletin at (2023), 46 OSCB 9592 and (2023), 46 OSCB 9601. Both the Order and the Reasons and Decision have been corrected and republished in full in sections A.3 Orders and A.4 Reasons and Decisions of this issue.

A.2.3 Go-To Developments Holdings Inc. et al.

FOR IMMEDIATE RELEASE
December 6, 2023

GO-TO DEVELOPMENTS HOLDINGS INC.,
GO-TO SPADINA ADELAIDE SQUARE INC.,
FURTADO HOLDINGS INC., AND
OSCAR FURTADO,
File No. 2022-8

TORONTO – The Tribunal issued its Reasons and Decision and Order in the above-named matter.

A copy of the Reasons and Decision and the Order dated November 24, 2023 are available at capitalmarketstribunal.ca.

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A.2.4 Canada Cannabis Corporation et al.

FOR IMMEDIATE RELEASE
December 6, 2023

CANADA CANNABIS CORPORATION,
CANADIAN CANNABIS CORPORATION,
BENJAMIN WARD,
SILVIO SERRANO, AND
PETER STRANG,
File No. 2019-34

TORONTO – Staff of the Ontario Securities Commission filed a Notice of Withdrawal in the above-named matter.

A copy of the Notice of Withdrawal dated December 6, 2023 is available at capitalmarketstribunal.ca.

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A.2.5 Canada Cannabis Corporation et al. – ss. 127, 127.1

File No.: 2019-34

IN THE MATTER OF
CANADA CANNABIS CORPORATION,
CANADIAN CANNABIS CORPORATION,
BENJAMIN WARD,
SILVIO SERRANO, AND
PETER STRANG

NOTICE OF WITHDRAWAL
(Section 127 and Section 127.1 of the *Securities Act*, RSO 1990, c S.5)

Enforcement Staff of the Ontario Securities Commission withdraws the Statement of Allegations against Peter Strang.

DATED at Toronto, December 6, 2023

THE ONTARIO SECURITIES COMMISSION
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Toronto, ON M5H 3S8

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A.2.6 Mithaq Canada Inc. and Aimia Inc.

FOR IMMEDIATE RELEASE
December 7, 2023

MITHAQ CANADA INC. AND
AIMIA INC.,
File No. 2023-28

TORONTO – The Tribunal issued its Reasons for Decision in the above-named matter.

A copy of the Reasons for Decision dated December 6, 2023 is available at capitalmarketstribunal.ca.

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A.2.7 Bridging Finance Inc. et al.

FOR IMMEDIATE RELEASE
December 8, 2023

BRIDGING FINANCE INC.,
DAVID SHARPE,
NATASHA SHARPE AND
ANDREW MUSHORE,
File No. 2022-9

TORONTO – The previously scheduled day of December 11, 2023 will not be used for the merits hearing in the above-named matter. The merits hearing will continue on December 14, 2023 at 12:00 p.m. and December 15, 2023 at 10:00 a.m. by videoconference and will also continue on January 29, 30, 31, 2024 and February 1, 5 and 6, 2024 at 10:00 a.m. on each day.

Members of the public may observe the hearing by videoconference, by selecting the "Register to attend" link on the Tribunal's hearing schedule, at capitalmarketstribunal.ca/en/hearing-schedule.

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A.2.8 David Singh

FOR IMMEDIATE RELEASE
December 8, 2023

DAVID SINGH,
File No. 2023-15

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

A copy of the Order dated December 8, 2023 is available at capitalmarketstribunal.ca.

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Ontario Securities Commission

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inquiries@osc.gov.on.ca

A.2.9 Nvest Canada Inc. et al.

FOR IMMEDIATE RELEASE
December 12, 2023

NVEST CANADA INC.,
GX TECHNOLOGY GROUP INC.,
SHORUPAN PIRAKASPATHY AND
WARREN CARSON,
File No. 2023-1

TORONTO – The merits and sanctions hearing in the above-named matter will continue on January 11, 2024 at 10:00 a.m.

The hearing will be held at the offices of the Tribunal at 20 Queen Street West, 17th floor, Toronto. Members of the public may observe the hearing by videoconference, by selecting the "Register to attend" link on the Tribunal's hearing schedule, at capitalmarketstribunal.ca/en/hearing-schedule.

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A.3
Orders

A.3.1 Go-To Developments Holdings Inc. et al. – Rule 22 of the CMT Rules of Procedure and Forms and s. 2(2) of the Tribunal Adjudicative Records Act, 2019

IN THE MATTER OF
GO-TO DEVELOPMENTS HOLDINGS INC.,
GO-TO SPADINA ADELAIDE SQUARE INC.,
FURTADO HOLDINGS INC., AND
OSCAR FURTADO

File No. 2022-8

Adjudicators: M. Cecilia Williams (chair of the panel)
Sandra Blake

November 24, 2023

ORDER
(Rule 22 of the *Capital Markets Tribunal Rules of Procedure and Forms* and Subsection 2(2) of the *Tribunal Adjudicative Records Act, 2019*, SO 2019, c 7, Sch 60)

WHEREAS on October 2, 2023, the Capital Markets Tribunal held a hearing by videoconference to consider an adjournment motion by Oscar Furtado, which included a request to keep certain documents in the adjudicative record confidential;

AND WHEREAS a portion of the hearing proceeded on a confidential basis at the request of Furtado, with the issue of what portion, if any, of the corresponding hearing transcript would be kept confidential, to be determined by the Tribunal following submissions in writing from the parties;

ON READING the written submissions of each of Furtado and Staff, and on hearing the submissions of the representatives for Furtado and of Staff;

IT IS ORDERED THAT

1. pursuant to s 2(2) of the *Tribunal Adjudicative Records Act* and rule 22(4) of the *Capital Markets Tribunal Rules of Procedure and Forms*, the portions of the Adjudicative Record Documents and the October 2, 2023 transcript as attached to this order at "Appendix A" are to be made confidential;

2. the parties shall file revised versions of the Adjudicative Record Documents, redacted in accordance with "Appendix A" of this order, by 4:30pm on December 7, 2023; and

3. only the redacted versions of the Adjudicative Record Documents and the October 2, 2023 transcript shall be available to the public.

"M. Cecilia Williams"

"Sandra Blake"

Appendix A

List of Redactions to the October 2, 2023 Transcript

- Page 10 line 26-27 the words between “treating Mr. Furtado” and “And a copy”
- Page 11 line 6 the words between “being treated for” and “by his primary”
- Page 11 line 12-13 the words between “the motion was argued” and “at that point”
- Page 11 line 13-14 the words between “and then” and “by the”
- Page 11 line 14-15 the words between “psychiatrist” and “You’ll recall that”
- Page 11 line 24-25 the words between “including” and “his condition”
- Page 13 line 1 the word between “and” and “Of course”
- Page 19 line 19 the words between “including” and “significant problems”
- Page 19 line 24 the words between “time and to” and “in order to”
- Page 20 line 27 the words between “with both” and “due to legal”
- Page 21 line 1-2 the words between “Mr. Furtado’s” and “score”
- Page 21 line 2 the words between “and his” and “score”
- Page 21 line 8 the words between “latest” and “score”
- Page 21 line 8 the words between “score and” and “score”
- Page 21 line 12-13 the words between “earlier” and “without much”
- Page 22 line 28 the word between “we’ve got” and “here”
- Page 24 line 1 the first two words
- Page 24 line 2 the first word
- Page 24 line 4 the word between “got a” and “medication”
- Page 24 line 5 the first word
- Page 24 line 11 the word between “got a” and “drug”
- Page 24 line 12 the first word
- Page 24 line 13 the word between “got another” and “drug with”
- Page 24 line 14 the last three words
- Page 24 line 15 the word between “and” and “which is”
- Page 24 line 15-16 the words between “is for” and “We see”
- Page 24 line 17-18 the words between “here is” and “with common”
- Page 24 line 20 the word between “that your” and “is worsened”
- Page 24 line 21 the word between “to those” and “you don’t”
- Page 24 line 27 the first word
- Page 25 line 4 the word between “is an” and “agent”
- Page 25 line 5-6 the words between “indicated for” and “It also”
- Page 25 line 12 the word between “He’s on” and “new drugs”
- Page 26 line 14-15 the words between “including” and “Mr. Furtado”
- Page 26 line 28 the final two words on the line
- Page 27 line 1-2 the words between “necessitating” and “If you have”
- Page 27 line 16-17 the words between “suffer from” and “She’s treated”
- Page 27 line 17-19 the words between “treated him for” and “She says”
- Page 27 line 20-21 the words following “presents with”
- Page 27 line 24 the words between “His” and “is very low”
- Page 27 line 25 the words between “often” and “during”
- Page 28 line 9 the words between “to get a” and “of his eyes”
- Page 28 line 9 the words between “The” and “was ordered”
- Page 28 line 11-12 the words between “with his” and “which has”
- Page 28 line 14 the words between “average of” and “a day”

- Page 28 line 21 both words
- Page 28 line 24 the words between “of the” and “from”
- Page 28 line 25-26 the words between “that the” and “identified”
- Page 28 line 27 the first two words
- Page 28 line 27 the final two words on the line
- Page 29 line 3 the first two words
- Page 29 line 4 the final two words on the line
- Page 50 lines 15-16 the words between “defence by” and “Again, we”
- Page 50 line 19 the word after “[inaudible]”
- Page 50 line 20 the words following “says his”
- Page 53 line 7 the first three words
- Page 53 line 18 all the words up to “And in”
- Page 53 line 21 the words between “to those” and “of the”
- Page 54 line 8 the final word on the line
- Page 56 line 8 the words between “He claims a” and “with no”
- Page 56 line 18 the words between “references” and “We’ve included”
- Page 57 line 2 the words between “experiencing” and “due to legal”
- Page 58 line 5 the words between “stress or” and “that”
- Page 58 line 7-8 the words between “from stress” and “Medications”
- Page 58 line 9 the words between “issues like” and “might make”
- Page 79 the two words after “answers” in the index
- Page 79 the word after “asking” in the index
- Page 79 the first reference to “August” in the index
- Page 79 the sixth, seventh, and eighth reference to “back” in the index
- Page 80 the word after “biggest” in the index
- Page 80 the word after “blind” in the index
- Page 80 the word after “break” in the index
- Page 80 the word after “causing” in the index
- Page 80 the word after “Cecilia” in the index
- Page 80 the second reference to “changed” in the index
- Page 80 the two words after “changed” in the index
- Page 80 the word after “choice” in the index
- Page 80 the word after “clearly” in the index
- Page 81 the word after “cross-examined” in the index
- Page 81 the word after “crystal” in the index
- Page 81 the two words after “denying” in the index
- Page 81 the word after “disconcerting” in the index
- Page 81 the word after “discussions” in the index
- Page 81 the two words after “dismissed” in the index
- Page 81 the two words after “Div” in the index
- Page 81 the word after “driving” in the index
- Page 82 the two words after “extremely” in the index
- Page 82 the word after “fourth” in the index
- Page 83 the word after “Futures” in the index
- Page 83 the word after “grants” in the index
- Page 83 the word after “great” in the index
- Page 83 the word after “grounds” in the index

- Page 83 the three words after “he’ll” in the index
- Page 83 the word after “hyperlinked” in the index
- Page 84 the word after “inquiry” in the index
- Page 84 the word after “January” in the index
- Page 84 the word after “joins” in the index
- Page 84 the word after “light” in the index
- Page 85 the first, second, fifth, twelfth, thirteenth, and fourteenth reference to “medication” in the index
- Page 85 the three words after “multiple” in the index
- Page 85 the word after “necessity” in the index
- Page 85 the word after “neither” in the index
- Page 85 the word after “Okay” in the index
- Page 86 the word after “paid” in the index
- Page 86 the word after “panel” in the index
- Page 86 the word after “pardon” in the index
- Page 86 the two words after “phase” in the index
- Page 86 the word after “precluding” in the index
- Page 86 the second reference to the word “prescribed” in the index
- Page 86 the word after “pressed” in the index
- Page 87 the two words after “restlessness” in the index
- Page 87 the word after “roll” in the index
- Page 88 the word after “says” in the index
- Page 88 the word after “scheme” in the index
- Page 88 the first reference to the word “significant” in the index
- Page 88 the fifth reference to the word “six” in the index
- Page 88 the three words after “skipping” in the index
- Page 88 the word after “snap” in the index
- Page 88 the word after “spanning” in the index
- Page 88 the two words after “step” in the index
- Page 88 the word after “streamlined” in the index
- Page 89 the word after “team” in the index
- Page 89 the third and fourth reference to “ten” in the index
- Page 89 the word after “tenets” in the index
- Page 89 the fourth reference to “three” in the index
- Page 89 the word after “Thursday” in the index
- Page 89 the word after “transcription” in the index
- Page 89 the word after “tying” in the index
- Page 90 the first reference to “upper” in the index
- Page 90 the word after “we’ve” in the index
- Page 90 the word after “willing” in the index
- Page 90 the second and third reference to “work” in the index
- Page 90 the first reference to “18” in the index

List of Redactions to Adjudicative Record Documents

Hearing Exhibit 1 – Motion Record of Oscar Furtado

Exhibit “A” to Affidavit of Carly Vande Weghe, sworn September 12, 2023

- Pages 27-28

Exhibit “B” to Affidavit of Carly Vande Weghe, sworn September 12, 2023

- Pages 30-33

Exhibit “C” to Affidavit of Carly Vande Weghe, sworn September 12, 2023

- Pages 35-38

Exhibit “D” to Affidavit of Carly Vande Weghe, sworn September 12, 2023

- Pages 40-44

Exhibit “L” to Affidavit of Carly Vande Weghe, sworn September 12, 2023

Affidavit of Oscar Furtado, sworn May 10, 2023

- Page 95 in paragraph 10 the words between “time and” and “Accordingly”

Exhibit “E” to Affidavit of Oscar Furtado, sworn May 10, 2023

- Page 122 the four lines of information, including an address, following the date and “Oscar Furtado”
- Page 123 the four lines of information, including an address, following the date and “Oscar Furtado”
- Page 123 everything following item 2
- Page 123 following item 3, the words between “Medical Issues:” and “this is worsening”
- Page 123 following item 3, the words from “1 to 3 months” to the end of the paragraph

Exhibit “X” to Affidavit of Carly Vande Weghe, sworn September 12, 2023

- Page 250 the date of birth and address details
- Page 251 the drivers license ID number, phone numbers, and email address

Exhibit “Y” to Affidavit of Carly Vande Weghe, sworn September 12, 2023

- Page 259 the address following “BAFARO has the same reported address”
- Page 259 the address following “INC has the same reported address”
- Page 260 the address following “TRUST has the same reported address”

Affidavit of Oscar Furtado, sworn September 12, 2023

- Page 345 para 16 the words between “changes were made” and “with the hope”
- Page 345 para 21 the words from “further changes” to the end of the paragraph
- Page 347 para 28 the three words following item (a)
- Page 347 para 28 item (f) the words between “of time and “in order to brief”

Affidavit of Oscar Furtado, sworn May 10, 2023

- Page 353, Page 3 of affidavit in paragraph 10 the words between “time and” and “Accordingly”

Exhibit “E” to Affidavit of Oscar Furtado, sworn May 10, 2023

- Page 380 the four lines of information, including an address, following the date and “Oscar Furtado”
- Page 381 the four lines of information, including an address, following the date and “Oscar Furtado”
- Page 381 everything following item 2
- Page 381 following item 3, the words between “Medical Issues:” and “this is worsening”
- Page 381 following item 3, the words from “1 to 3 months” to the end of the paragraph

Exhibit “C” to Affidavit of Oscar Furtado, sworn September 12, 2023

- Page 386 in the first paragraph the words from “him to suffer” to the end of the paragraph
- Page 386 in the second paragraph the words from “presents with” to the end of the paragraph

Hearing Exhibit 2 – Supplementary Motion Record of Oscar Furtado

Supplementary Affidavit of Oscar Furtado, sworn September 22, 2023

- Pages 157-158 all of paragraph 3
- Page 160 at paragraph 10 the words between “has recommended that” and “but has asked”
- Page 160 at paragraph 10 the word between “product monograph for” and “is attached”
- Page 160 at paragraph 11 the words “I am under” and “and has impacted”

Exhibit “A” to Affidavit of Oscar Furtado

- Pages 163 through 244

Exhibit “B” to Affidavit of Oscar Furtado

- Pages 246 through 328

Exhibit “C” to Affidavit of Oscar Furtado

- Pages 330 through 357

Exhibit “D” to Affidavit of Oscar Furtado

- Pages 359 through 390

Exhibit “E” to Affidavit of Oscar Furtado

- Pages 392 through 426

Exhibit “F” to Affidavit of Oscar Furtado

- Pages 428 through 479

Exhibit “G” to Affidavit of Oscar Furtado

- Pages 481 through 537

Exhibit “H” to Affidavit of Oscar Furtado

- Pages 539 through 618

Exhibit “I” to Affidavit of Oscar Furtado

- Pages 620 through 682

Exhibit “J” to Affidavit of Oscar Furtado

- Pages 684 through 707

Exhibit “K” to Affidavit of Oscar Furtado

- Page 709 the four lines of information, including an address, following the date and “Oscar Furtado”
- Page 709 the full sentence after “23rd Jan 2023”
- Page 709 the words between “since several times” and “and we have struggled”
- Page 709 the full sentence after “general outlook”
- Page 709 the rest of the sentence following “has not helped much”
- Page 709 the rest of the paragraph following “he has been suffering with”

Exhibit “L” to Affidavit to Oscar Furtado

- Pages 711 through 745

Exhibit “M” to Affidavit of Oscar Furtado

- Page 747 the words from “stress causing” to the end of the sentence

Hearing Exhibit 3 – Further Supplementary Motion Record of Oscar Furtado

Further Supplementary Affidavit of Oscar Furtado, sworn September 29, 2023

- Page 2 at para 5 the words between “to get a” and “of my eyes”
- Page 2 at para 5 the words between “eyes. The” and “was ordered at”
- Page 2 at para 5 the words between “experiencing with me” and “which has contributed”
- Page 2 at para 5 the words between “contributed to the” and “I have been experiencing”
- Page 2 at para 5 the words between “taking, on average” and “daily”
- Page 2 at para 6 the words between “and decided to” and “in an effort to”
- Page 2 at para 6 the words from “my Second Affidavit” to the end of the paragraph
- Page 2 at para 7 the words between “the results of my” and “which he had”
- Page 2 at para 7 the words between “advised me that the” and “identified a new”
- Pages 2-3 at para 7 the words between “indicating that I have” and “Dr. Shroff is investigating”
- Page 3 at para 7 the words between “Dr. Shroff has” and “and, once those”

Exhibit “A” to Affidavit of Oscar Furtado

- Pages 6 through 69

Hearing Exhibit 4 – Motion Record of Staff

Exhibit “F” to Affidavit of Michelle Spain, affirmed May 17, 2023

- Pdf page 61, the three lines of information, including address, following “Re: Oscar Furtado”
- Pdf page 61 in the 12th line of text on the page the words between “This patient was” and “on Thursday”

Exhibit "G" to Affidavit of Michelle Spain, affirmed May 17, 2023

- Pdf page 63 in the second line the words between "continue to test him" and "Please note"
- Pdf page 63 the words between "your client is" and "and estimates"
- Pdf page 65 the three lines of information, including address, following "Re: Oscar Furtado"
- Pdf page 65 the two words between "This patient was" and "on Thursday, May"
- Pdf page 65 all the words following "Additional Notes:"

Exhibit "H" to Affidavit of Michelle Spain, affirmed May 17, 2023

- Pdf page 68 the words between "your client is" and "and estimates"

Exhibit "J" to Affidavit of Michelle Spain, affirmed May 17, 2023

- Pdf page 83 at line 7 the words between "Mr. Furtado was" and "which"
- Pdf page 83 at line 8 the words between "he was" and "that"

List of Redactions in Oscar Furtado's Moving Submissions, dated September 25, 2023

- Page 12 at para 37 the words between "including: (i)" and "(ii) significant"
- Page 13 at para 37 the words between "time and" and "in order to brief"
- Page 13 at para 38 the words between "related to stress" and "Mr. Furtado has filed"
- Page 13 at para 39 the words between "evidence disclosing" and "he is currently taking"
- Page 13 at para 40 the words after "has been seeing" to the end of the sentence
- Page 13 at para 40 the words between "treated Mr. Furtado" and "In her letter"
- Page 13 at para 40 the words following "causing him to suffer" to the end of the paragraph
- Page 14 at para 42 the words between "was referred to" and "his condition is worsening"
- Page 14 at para 42 the final word of the paragraph
- Page 14 at para 43 the words between "confirms that Mr. Furtado's" and "have both
- Page 14 at para 43 the words between "that, although" and "we have struggled"
- Pages 41-43, all of them

List of Redactions in Staff's Responding Submissions, dated September 28, 2023

- Page 6 at para 7 the words between "indicating he was" and "and thus could not"
- Page 7 at para 7 the two words following "believe he was"
- Page 7 at para 8 item (a) the words between "currently taking" and "which are prescribed"
- Page 7 at para 8 item (b) the words between "prescribed to reduce" and "and to reduce"
- Page 7 at para 8 item (b) the words between "and to reduce" and "There is no medical"
- Page 7 at para 8 item (b) the words between "he began experiencing" and "or how long"
- Page 8 at para 8 item (c) the words following "ailments caused by" to the end of the item
- Page 8 at para 8 item (d) the word between "unspecified dosage of" and "for an undisclosed"
- Page 8 at para 8 item (e) the words between "has been prescribed" and "he had not yet"
- Page 8 at para 8 item (e) the word between "Mr. Furtado takes" and "or at what"
- Page 8 at para 8 item (f) the words between "reports taking" and "There is no evidence"
- Page 11 at para 11 the words between "clinical assessment tools" and "Both those tools"
- Page 18 at para 29 item (b) the words between "Furtado has" and "due to legal issues"

- Page 18 at para 29 item (e) the words between “dentist outlining his” and “but not when”

- Page 18 at para 29 item (f) the words between “indicating he has” and “without information”

A.3.2 David Singh – ss. 127(1), 127(4.0.1)

IN THE MATTER OF
DAVID SINGH

File No. 2023-15

Adjudicators: James Douglas (chair of the panel)
Cathy Singer
Jane Waechter

December 8, 2023

ORDER
(Subsections 127(1) and 127(4.0.1) of
the *Securities Act*, RSO 1990, c S.5)

WHEREAS on December 8, 2023, the Capital Markets Tribunal held a hearing by videoconference to consider a request by Staff of the Ontario Securities Commission for an order imposing sanctions against David Singh pursuant to subsections 127(1) and 127(4.0.1) of the *Securities Act* (***Act***);

ON READING the materials filed by Staff and on hearing the submissions of the representatives for Staff, and no one appearing on behalf of Singh, although properly served;

IT IS ORDERED, for reasons to follow, that:

1. pursuant to paragraph 2 of subsection 127(1) of the *Act*, trading in any securities or derivatives by Singh cease permanently;

2. pursuant to paragraph 2.1 of subsection 127(1) of the *Act*, acquisition of any securities by Singh be prohibited permanently;

3. pursuant to paragraph 3 of subsection 127(1) of the *Act*, any exemptions contained in Ontario securities law do not apply to Singh permanently;

4. pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the *Act*, Singh resign any positions that he holds as a director or officer of any issuer or registrant;

5. pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the *Act*, Singh is prohibited permanently from becoming or acting as a director or officer of any issuer or registrant; and

6. pursuant to paragraph 8.5 of subsection 127(1) of the *Act*, Singh is prohibited permanently from becoming or acting as a registrant or promoter.

“James Douglas”

“Cathy Singer”

“Jane Waechter”

A.4
Reasons and Decisions

A.4.1 Go-To Developments Holdings Inc. et al. – Rules 22, 27 and 29 of the CMT Rules of Procedure and Forms

Citation: *Go-To Developments Holdings Inc (Re)*, 2023 ONCMT 44
Date: 2023-11-24
File No. 2022-8

IN THE MATTER OF
GO-TO DEVELOPMENTS HOLDINGS INC.,
GO-TO SPADINA ADELAIDE SQUARE INC.,
FURTADO HOLDINGS INC., AND
OSCAR FURTADO

REASONS AND DECISION
(Rules 22, 27, and 29 of the *Capital Markets Tribunal Rules of Procedure and Forms*)

Adjudicators:	M. Cecilia Williams (chair of the panel) Sandra Blake	
Hearing:	By videoconference, October 2, 2023	
Appearances:	Johanna Braden Michelle Vaillancourt Braden Stapleton	For Staff of the Ontario Securities Commission
	Melissa MacKewn Dana Carson Asli Deniz Eke	For Oscar Furtado
	Ian Aversa	For the Receiver, KSV Restructuring Inc.

REASONS AND DECISION

1. OVERVIEW

[1] At a hearing before the Tribunal on October 2, 2023, we heard a motion brought by Oscar Furtado for orders:

a. adjourning the merits hearing set to commence on November 3, 2023, extending related filing dates, and extending the time to deliver and file a better witness summary;

b. requiring Staff to provide further disclosure; and

c. hearing part of the motion and filing part of the motion record confidentially.

[2] On October 5, 2023, we dismissed the motion, reserving our decision on his request for confidentiality. These are our reasons.

2. BACKGROUND

[3] This is Furtado's second motion for an adjournment. The merits hearing had been scheduled to start in August and continue in November 2023.

[4] Furtado's first motion to adjourn, brought in May 2023, was for an indefinite period based on health reasons. The panel granted the adjournment, but not indefinitely. The merits hearing was rescheduled to commence on November 3, 2023.

[5] At the final attendance prior to the start of the merits hearing, Furtado advised that he would be bringing this second motion to adjourn the merits hearing.

3. ISSUES

[6] The issues we must address are the following:

a. Should the Tribunal further adjourn the merits hearing on medical grounds?

b. Should the Tribunal adjourn the merits hearing due to late disclosure by Staff?

c. Is Staff required to provide further disclosure related to:

i. law enforcement documents and conversations;

ii. a September 2022 investigation order and future enforcement plans;

iii. Staff's forensic accountant witness, Stephanie Collins' amended witness summary?

4. ADJOURMENT MOTION

4.1 Law on Adjournments

[7] Rule 29(1) of the Tribunal's *Rules of Procedure and Forms* provides that every merits hearing shall proceed on the scheduled date unless the party requesting an adjournment satisfies the panel that there are exceptional circumstances requiring an adjournment. The standard set out in rule 29 is a "high bar" that reflects the important objective set out in rule 1, that Tribunal proceedings be conducted in a just, expeditious and cost-effective manner.[1]

4.2 Adjournment on medical grounds

[8] Furtado submits that his health has worsened since the first adjournment and he is continuing to experience health issues including significant problems with memory, concentration, and fatigue. He submits that he has had difficulty instructing his legal counsel.

[9] Furtado provided evidence from a dentist and osteopath who confirm that Furtado suffers from stress-related dental and physical ailments.

[10] Furtado also filed a list of medications he is currently taking, along with the product monograph listing the possible side effects from these medications.

[11] Furtado was granted the first adjournment, in part, to enable him to seek further treatment from a psychiatrist. He was assessed in late June 2023 by an unnamed psychiatrist, who is referred to as Dr. X, and was provided with a treatment plan. He had a number of follow-up visits in August 2023 with Dr. X and another scheduled in September 2023. However, while preparing for this motion Furtado learned that Dr. X is under supervision and review by the College of Physicians and Surgeons of Ontario. This fact, Furtado submits, has exacerbated his health issues.

[12] Despite mental health issues being his main ground for seeking an adjournment, Furtado has not filed any evidence from Dr. X who treated him for the preceding three months. Furtado advised that due to Dr. X's ongoing supervision and review by his regulator related to his knowledge, skill and judgment as a psychiatrist, he would not be relying on evidence from Dr. X in this proceeding.

[13] Instead, Furtado chooses to rely on his own affidavit evidence, which we have already referred to above, and a new letter dated September 18, 2023, from his treating family physician, Dr. Shroff.

[14] Dr. Shroff's letter states that Furtado's legal issues are affecting his mental health. The letter also provides scores from a psychiatric self-assessment, and says that Furtado's scores have increased, indicating that Furtado's condition or symptoms have worsened. Dr. Shroff refers to a letter from Dr. X and concurs with Dr. X that a timeframe of six months to recuperate is very reasonable.

[15] We find the evidence from Dr. Shroff insufficient. Psychiatric self-assessments do not provide a diagnosis or treatment plan. The reference to concurring with Dr. X is vague. We have a recommendation from Dr. X., but we are missing the basis for the recommendation. How will a six-month adjournment assist? What is the start date for the period of recuperation? It's not clear that any of Furtado's medical issues will be resolved in six months.

[16] Staff urges us to draw an adverse inference from the failure to provide the best evidence available, that being from Dr. X.

[1] *Money Gate Mortgage Investment Corporation (Re)*, 2019 ONSEC 40 (***Money Gate***) at para 54; *First Global Data Ltd (Re)*, 2022 ONCMT 23 (***First Global Data***) at para 7

[17] To refute Staff's request to draw an adverse inference, Furtado cites *Mascarenhas v. Winter,* which states "it does not always follow that because the party has access to further evidence, that an adverse inference should be drawn if that evidence is not tendered.[2]" Furtado further quotes from *Parris v Laidley* the test for drawing an adverse inference:

> Drawing adverse inferences from failure to produce evidence is discretionary. The inference should not be drawn unless it is warranted in all the circumstances. What is required is a case-specific inquiry into the circumstances including, but not only, whether there was a legitimate explanation for failing to call the witness, whether the witness was within the exclusive control of the party against whom the adverse inference is sought to be drawn, or equally available to both parties, and whether the witness has key evidence to provide or is the best person to provide the evidence in issue.[3]

[18] Furtado submits that a legitimate explanation was provided for why the psychiatrist's letter hadn't been provided on this motion, and further submits that we have the evidence of Furtado himself, and the letter from Dr. Shroff.

[19] Staff submits that applying the test set out in *Parris v Laidley*, the conclusion is that an adverse inference ought to be drawn against Furtado for failing to provide even the psychiatrist's name. Staff does not have access to the witness who would provide the best evidence of Furtado's medical condition.

[20] We note that Dr. X is still licensed and practicing and conclude that as the treating psychiatrist for the past months, he would have the best evidence concerning Furtado's medical condition. While the case law supports the drawing of an adverse inference, we decline to do so. Instead, we consider the limited evidence before us.

[21] Staff submits that none of the evidence provided by Furtado is sufficiently particularized to justify a second adjournment. To justify an adjournment, it is not sufficient to establish merely the existence of a medical condition or treatment. Rather, the evidence must detail the nature of the issue and explain why the party cannot attend. The decision-maker must be satisfied that a medical issue gives rise to a true inability to attend.[4]

[22] We are not satisfied that Furtado's physical ailments give rise to a true inability to prepare for and attend this hearing. Some of those conditions are of long duration and pre-existed the alleged misconduct. Some are of an unknown duration, for which we have no evidence. Further, we did not find it helpful to our analysis about whether Furtado was able to prepare for and attend a hearing to have a list of the potential side effects of medication that had been prescribed for him. Evidence of the side effects suffered by Furtado, and how those side effects impact his ability to prepare for and attend a hearing is required.

[23] General statements that a proceeding may cause or contribute to stress do not assist. As the Supreme Court has stated "[s]tress, anxiety and stigma may arise from any criminal trial, human rights allegation, or even a civil action…". As noted by the Superior Court of Justice in the civil context: "[m]ost physicians, if asked, once told what being examined for discovery involves, would tell you that it is likely to cause their patient stress".[5]

[24] Furtado cites *Zhang* to support the requested adjournment, which states that the required review on a motion for an adjournment based on medical evidence "should not be confined to a search for flaws in whatever evidence has been delivered."[6]

[25] Staff submits that in *Zhang* and other cases[7] that have considered adjournments or other accommodations on medical grounds, there is an underlying ailment. Here, it is the proceeding itself that appears to be the cause of most, if not all, of Furtado's mental health issues.

[26] We agree with Staff. We also distinguish *Zhang,* as in that case the Tribunal had available hospital records, specialist reports and detailed medical records. In this case, we are not combing the medical evidence in a search for flaws. We have no evidence to comb through. We have been provided some evidence of pre-existing physical ailments, a generic description of possible symptoms related to medications Furtado has been prescribed, Furtado's own evidence unsupported by independent evidence, and a vague letter from Furtado's treating family physician. The evidence is insufficient to reach the threshold of exceptional circumstances warranting a second adjournment based on medical grounds.

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2 *Mascarenhas v Winter,* 2021 BCSC 474 at para 68
3 *Parris v Laidley,* 2012 ONCA 755 at para 2
4 *McIntyre v Connolly*, 2008 CanLII 12496 (ONSC) at para 4; *Law Society of Upper Canada v Kryvenko*, 2010 ONLSHP 108 at para 11
5 *Blencoe v British Columbia (Human Rights Commission)*, 2000 SCC 44 at para 59; *Botiuk v Campbell*, 2011 ONSC 1632 at para 31
6 *Zhang (Re),* 2023 BCSECCOM 192
7 *Mohanadh v Thillainathan*, 2010 ONSC 2678 at paras 4-5, 8; *Ozerdinc Family Trust v Gowlings*, 2015 ONSC 2366 at para 6, 27, 31, 34; *Debus (Re)*, 2020 ONSEC 20 at paras 22, 25.

4.3 Adjournment on disclosure grounds

[27] Furtado submits that Staff breached its duty to make reasonably prompt disclosure of new documents that arose from an investigation order made on September 20, 2022.

[28] The new documents at issue were provided as the sixth tranche of disclosure in May 2023 and consisted of 2147 documents. The seventh and eighth tranches of disclosure in July and September 2023 contained a relatively small number of documents. In the covering letter to the May 2023 disclosure, Staff stated, "some documents relate to transactions within the material period in the Statement of Allegations, others are outside and are being disclosed out of an abundance of caution." In September 2023 Staff informed Furtado that Staff intended to rely on 600 of the new documents from the sixth disclosure tranche in the merits hearing.

[29] Furtado submits that he is unable to review and respond to this information in the short time left before the merits hearing. An adjournment – alongside a disclosure order – is an appropriate remedy where the prosecution fails to disclose in a timely manner.[8]

[30] Staff points out that Furtado has now had disclosure of the documents for at least five months and that the documents are Furtado's own financial and corporate documents. No concerns were raised at the first adjournment motion or at an attendance on July 20, 2023. In any event, Staff submits that disclosure is expected to be ongoing because the receivership related to this matter is ongoing.

[31] When considering disclosure, one must take a broad view of relevance and apply a low threshold for relevance but must also separate the wheat from the chaff.[9] Disclosure must be adequate and need not be perfect.[10]

[32] We find that Staff has discretion when making decisions about disclosure. While there may have been some delay in producing the records from the September 2022 investigation order, Furtado has had more than five months to review his own records. We do not find that there has been a delay in disclosure that amounts to exceptional circumstances warranting an adjournment.

5. DISCLOSURE MOTION

5.1 Law enforcement documents and conversations

[33] In the eighth tranche of disclosure provided to Furtado in September 2023 are documents obtained from and/or sent to the Financial Transactions and Reports Analysis Centre of Canada (**FINTRAC**).

[34] Furtado submits that the FINTRAC documents include reference to the Commission having authorized the "dissemination" of the FINTRAC documents to the RCMP. Furtado further submits that it is unlikely that there are no additional communications or documents exchanged between Staff and FINTRAC and/or the RCMP. Even if there are not, Staff should be required to confirm this. Furtado submits that these law enforcement documents are relevant, given Staff's election to disclose the FINTRAC documents even though Staff are not relying upon them at the merits hearing. Furtado further submits that this information is necessary because if he chooses to testify he needs to know if any evidence he might give could result in him incriminating himself in possible, future criminal proceedings.

[35] In response, Staff submits that it is not the Commission that is sharing its information with law enforcement. Rather, the Commission is just not forbidding FINTRAC from sharing information. The RCMP won't disclose this information to Furtado and the Commission has no obligation to make such disclosure. Investigative privilege is important and, in any event, is not relevant to this proceeding.

[36] We agree with Staff. Knowing whether FINTRAC shared information with the RCMP is not going to help in this proceeding. Any information that Staff may give cannot help with whether Furtado would incriminate himself, as it depends upon what evidence Furtado plans to give.

5.2 Evidence from the September investigation order and future enforcement plans

[37] Furtado submits that as part of its ongoing disclosure obligations, Staff should be required to confirm whether a separate and potentially overlapping proceeding may be commenced in connection with a new investigation order that was obtained in September 2022. Furtado requests the status of that investigation. This is because Furtado should not be required to defend the allegations against him in this proceeding, only to have Staff potentially commence a separate but overlapping proceeding against him based on the evidence collected pursuant to the new investigation order. Nor would

8 *R v O'Connor*, [1995] 4 SCR 411 at para 83. See also *R v McMahon*, 2013 ABPC 75 at para 20 and *College of Nurses of Ontario v Member,* 2003 CarswellOnt 10596 at Appendix A

9 *Biovail Corporation (Re)*, 2008 ONSEC 14 at para 15

10 *Agueci (Re),* 2012 ONSEC 44 at para 44

such an approach be fair to this Tribunal. Staff of the Commission is not entitled to litigate enforcement proceedings by instalment.

[38] Furtado further submits that he requires the information sought to be disclosed by Staff so that he may make informed tactical defence decisions (for example, whether he will testify, considering his Charter rights; whether he will seek to have the proceedings joined; and/or whether he will seek a stay of proceedings). These are complex legal issues requiring sufficient information to make informed decisions.

[39] Staff submits there are instances where it may be important to keep an investigation quiet. There has been new conduct since the Statement of Allegations resulting in an additional investigation order and a review of Furtado's assets. Some documents disclosed related to the transactions during the material period, while some are outside the period.

[40] Staff further submits that an investigation is not a proceeding. There is currently only one proceeding from the statement of allegations in this matter and it does not get hung up if further investigations uncover further wrongdoing. The conduct is differentiated in time. This is not a situation of double jeopardy. If in the future Furtado faces another proceeding he can bring whatever motion he wants about the appropriateness of that proceeding in that proceeding. The test remains relevance. The status of the other investigation and where it may be going is not relevant to this proceeding.

[41] We rely on *Cormark Securities Inc. (Re)*[11] to conclude that Furtado is not entitled to receive all the evidence arising from the September 2022 investigation order. In *Cormark,* the Tribunal rejected a request from respondents to order disclosure of all materials obtained under a s 11 order. Information obtained in an investigation is not automatically relevant to the allegations. The disclosure standard remains one of relevance.

[42] Similarly, we conclude that there is no obligation on Staff to inform Furtado of future enforcement plans. The Statement of Allegations frames this proceeding. It has not been amended. Furtado knows the case he must meet and any concerns he has raised in this motion are speculative.

5.3 Update to Collins witness summary

[43] Stephanie Collins is a Senior Forensic Accountant at the Commission. An amended witness summary was filed on September 19, 2023. Furtado submits that the amended Collins witness summary significantly expands the timeframe of Collins' existing financial analysis and adds new analysis of a further account held by Furtado. However, it does not include any information about Collins' findings and the anticipated use of such evidence in relation to the allegations Staff seek to prove. Furtado therefore requests that the witness summary be amended so that Furtado can assess what, if any, additional evidence, he wishes to present in his defence of this matter.

[44] Staff submits that while the amended witness summary has been updated to the time the receiver was put in place, Staff cannot change the scope of the proceeding through disclosure. In any event, a review of the amendments do not reveal anything "earth shattering". The flow of funds to investors has been updated but no changes have been made to the substance of the evidence which is already outlined in the witness summary. Staff submits that if Furtado is concerned that the disclosure is outside the material time, such an argument can be made at the merits hearing.

[45] We find the amended witness summary meets the requirements of rule 27(3)(b), which is to provide the substance of the witness's evidence. The witness is providing a chart showing the source and use of funds from various accounts. As an accountant, this summary of the flow of funds is the witness's findings. The witness cannot make legal conclusions about the flow of funds.

6. CONFIDENTIALITY REQUEST

[46] Furtado sought to have part of the hearing conducted in camera to protect his personal medical information and to treat that same information as confidential in the written record.

[47] Staff did not oppose having the issue dealing with Furtado's adjournment request on medical grounds being held in a non-public hearing, but that the transcript of the submissions be made public subject to submissions to redact portions of it.

[48] Rule 22(2) provides that the Tribunal may order that a hearing or part of a hearing be held without the public present if it appears that avoiding disclosure of intimate financial or personal matters or other matters during the hearing outweighs adherence to the principle that hearings should be open to the public.

[49] Further, rule 22(4) provides that a panel may order that an adjudicative record be kept confidential if it determines that avoiding disclosure of intimate financial or personal matters or other matters outweighs adherence to the principle that

[11] *Cormark Securities Inc (Re)*, 2023 ONCMT 23 at paras 31, 35

adjudicative records should be open to the public. The test for determining whether portions of the adjudicative record should remain confidential is the same as for determining if a hearing should be held in confidence.

[50] The Tribunal's *Practice Guideline* states that personal information relevant to the resolution of the matter is generally not treated as confidential.

[51] Court and tribunal proceedings are presumptively open to the public and court openness is protected by the constitutional guarantee of freedom of expression. The test for discretionary limits on court openness is directed at maintaining the presumption while offering sufficient flexibility to protect other public interests that may arise.[12]

[52] Applying rules 22(2) and 22(4), and considering the case law, we proceeded in the same manner as an earlier adjournment motion in this hearing.[13] We agreed to hear the portion of the hearing dealing with an adjournment request on medical grounds in a non-public hearing and that the parties propose redactions to transcript.

[53] Regarding redactions to the materials filed confidentially in relation to this motion and to the transcript of the confidential portion of the hearing, we rely on the conclusions reached by the Tribunal in *Go-To Developments Holdings Inc (Re).*[14] Where the health of a party is central to the issues in a proceeding before the Tribunal, as it is to the adjournment portion of this motion, there needs to be sufficient information available to the public so it can understand the issues and the basis for the panel's decision.[15]

[54] Consistent with the earlier *Go-To Developments Holdings Inc.* decision, as well as recent decisions issued by the Tribunal in *Odorico (Re)*[16] and *Ali (Re)*[17], the appropriate balance between the public interest in preserving Furtado's dignity and the public interest in open hearings is achieved, in our view, by redacting from the documents in question language that deals with specific symptoms, diagnosis and treatment, the public disclosure of which could reasonably be considered to result in an affront to his dignity.[18]

[55] Furtado also proposes that we redact certain materials attached as Exhibits to their Motion Record that do not deal with Furtado's health. These materials include s 11 orders from Staff's investigation and indices, lists, and documents from Staff's disclosure to Furtado. Neither party made submissions about redacting these materials. We conclude that they should be redacted. Redacting the s 11 orders is consistent with the fact that such orders are confidential until a hearing is begun. Staff's disclosure to a respondent is intended to allow the respondent to make full answer and defence to Staff's allegations. Not all the material in Staff's disclosure becomes part of either Staff's or a respondent's case in a merits hearing. Redacting those materials does not, in our view, infringe on the open court principle.

7. CONCLUSION

[56] For the reasons above, we conclude that:

a. the motion to adjourn the merits hearing is dismissed;

b. the motion requiring Staff to provide further disclosure is dismissed, and the documents filed in connection that the disclosure motion shall be redacted as indicated in Schedule A to the order; and

c. the documents filed in connection with the adjournment motion and the transcript of the confidential portion of the hearing shall be redacted as indicated in Schedule A to the order.

Dated at Toronto this 24th day of November, 2023

"M. Cecilia Williams"

"Sandra Blake"

12 *Sherman Estate v Donovan*, 2021 SCC 25 at para 30 (***Sherman Estate***)
13 *Go-To Developments Holdings Inc (Re)*, 2023 ONCMT 35 (***Go-To Developments Adjournment Motion #1***)
14 *Go-To Developments Adjournment Motion #1*
15 *Go-To Developments Adjournment Motion #1* at para 51
16 2023 ONCMT 10
17 2023 ONCMT 30
18 *Sherman Estate* at para 30

A.4.2 Mithaq Canada Inc. and Aimia Inc. – ss. 127(1), 127(2)

Citation: *Mithaq Canada Inc (Re)*, 2023 ONCMT 48
Date: 2023-12-06
File No. 2023-28

IN THE MATTER OF
MITHAQ CANADA INC.

AND

IN THE MATTER OF
AIMIA INC.

REASONS FOR DECISION
(Subsections 127(1) and (2) of the *Securities Act*, RSO 1990, c S.5)

Adjudicators:	Timothy Moseley (chair of the panel) James D. G. Douglas Dale R. Ponder	
Hearing:	By videoconference, October 19, 2023	
Appearances:	Andrew Gray Sarah Whitmore Hanna Singer John Emanoilidis	For Mithaq Canada Inc.
	Orestes Pasparakis James Renihan Mark Laschuk	For Aimia Inc.
	Teresa Tomchak	For Eagle 1250 Investments Group LLC
	Cullen Price Jason Koskela	For Staff of the Ontario Securities Commission

REASONS FOR DECISION

1. OVERVIEW

[1] Mithaq Capital SPC (**Mithaq Capital**) is the largest common shareholder of Aimia Inc., a publicly traded company. Since at least the spring of 2023, Mithaq Capital, together with its wholly-owned subsidiary Mithaq Canada Inc. (**Mithaq Canada**), has been engaged in litigation in court and more recently before this Tribunal over various questions relating to Aimia's governance and strategy.

[2] In the dispute before us, Mithaq Canada has asked this Tribunal to, among other things:

a. cease trade a shareholder rights plan that Aimia adopted; and

b. make orders about a private placement of Aimia securities, for which Aimia was in the process of seeking approval from the Toronto Stock Exchange.

[3] Mithaq Canada says that the shareholder rights plan and private placement are improper defensive tactics that Aimia's board adopted in response to Mithaq Canada's unsolicited take-over bid of Aimia. Aimia asserts that these measures were adopted in good faith, for legitimate corporate purposes.

[4] Mithaq Canada asked for interim relief pending the full hearing of its application. We heard submissions on October 19, 2023, following which we issued an order granting some of that relief, for reasons to follow.[1] These are our reasons for that decision, in which we took into account an undertaking Aimia gave us about steps it would take to unwind the intended private placement if Mithaq Canada's application were ultimately successful. We also considered Aimia's representation about what securities would be issued under the private placement.

[1] *Mithaq Canada Inc (Re),* (2023) 46 OSCB 8654

[5] With those in mind, we decided that unless Aimia gave an additional undertaking, we would cease trade the private placement. The primary element of that additional contemplated undertaking was that any securities issued under the private placement could not be tendered to any alternative take-over bid or issuer bid that a third party or Aimia might commence. In our view, such an undertaking was necessary to preserve the rights of Aimia shareholders should Mithaq Canada be successful on its application.

2. BACKGROUND

[6] Aimia is a reporting issuer, whose common shares are listed on the Toronto Stock Exchange. Mithaq Capital filed early warning reports in February and May 2023, disclosing that it owned or controlled 19.99% and 30.96%, respectively, of Aimia's common shares.

[7] In advance of an April 2023 annual general meeting of Aimia shareholders, Mithaq Capital issued a news release stating that it would be voting against the re-election of the Aimia board. As reported by Aimia, the board chair was not re-elected at the meeting, and none of the other director nominees received more than 52.41% of the votes cast. Mithaq Capital's request for a proxy review of these voting results was denied. Mithaq Capital then applied to the Superior Court of Justice, seeking relief to facilitate its requested proxy review.

[8] Aimia responded by commencing a proceeding in the Superior Court of Justice to prevent Mithaq Capital from, among other things, requisitioning a special shareholder meeting, voting its Aimia shares, and acquiring additional Aimia shares.

[9] In June 2023, Aimia adopted a shareholder rights plan, which it stated publicly was in response to Mithaq Capital's increased shareholdings. As of the hearing before us, Aimia had neither sought nor obtained shareholder approval of the plan. Among other things, the shareholder rights plan provides that in order for a take-over bid not to trigger the plan, that bid must have a minimum tender condition of more than 50% of the Aimia shares held by "independent" shareholders.

[10] On October 5, 2023, Mithaq Canada made an all-cash offer for all outstanding common shares of Aimia at $3.66 per share (the **Offer**). The Offer remains open for acceptance until January 18, 2024, unless extended. On October 10, 2023, Aimia announced that it had formed a special committee of the Board to assess the Offer.

[11] On October 13, 2023, Aimia announced that it intended to complete a private placement to a group of undisclosed investors, and to close that transaction on October 19, 2023. The private placement would be for up to 10,475,000 Aimia common shares, and an equal number of common share purchase warrants.

[12] Aimia also announced that under the terms of the private placement, the investor group would get up to three of the eight board seats and, if the private placement were fully subscribed and all warrants exercised, the shares issuable would represent 24.89% of the then-outstanding Aimia common shares (on an undiluted basis). The private placement was expected to raise up to $32.5 million in gross proceeds, the stated purpose of which was to fund Aimia's operations over the next 12 to 24 months and to support its strategic investment plan and other contingencies.

3. INTERVENOR

[13] Eagle 1250 Investments Group LLC (**Eagle**), the lead investor in the private placement, appeared at the hearing. It had intended simply to observe the hearing, but on seeing the proposed undertakings decided to ask for the right to make oral submissions.

[14] Rule 21(4) of the *Capital Markets Tribunal Rules of Procedure and Forms* authorizes a panel to grant intervenor status to any person or company who is not a party to the proceeding and who brings a motion seeking that status. Eagle had not served or filed any motion or other material, but we agreed to hear brief oral submissions. Those submissions related to the form of undertakings that Aimia might give. However, Aimia and Eagle had not discussed the proposed undertakings before the hearing. Eagle's submissions therefore had no influence on our decision.

4. ANALYSIS

4.1 Introduction

[15] At the hearing, Aimia emphasized its desire to go ahead with the private placement. It was common ground among Mithaq Canada, Aimia and Staff that Aimia could do so if there were measures in place, pending the hearing of Mithaq Canada's application, to ensure that:

a. until this Tribunal hears and decides the application, there would be some limitations on the use that could be made of any securities issued under the private placement, either directly or by the exercise of warrants; and

b. if Mithaq Canada were to succeed in its application, it would be possible to unwind the transaction and return Aimia and its investors to the position they had previously been in.

[16] It was also common ground that such protections could be achieved in the form of undertakings that Aimia would give to this Tribunal. All that was in dispute at the hearing was how extensive those undertakings should be.

[17] With respect to the time period between this initial hearing and the date on which this Tribunal will issue its decision on Mithaq Canada's application, Aimia was prepared to undertake that any securities issued under the private placement, either directly or by the exercise of warrants, could not be:

a. traded;

b. voted at a meeting of Aimia shareholders; or

c. included in a calculation to determine whether Mithaq Canada had satisfied the minimum tender condition associated with Mithaq Canada's take-over bid, should the deposit period for that bid be shortened.

[18] Aimia was also prepared to undertake that if Mithaq Canada were to succeed in its application:

a. Aimia would promptly rescind the private placement and return to the investors any consideration paid;

b. Aimia would cancel any securities that had been issued under the private placement; and

c. any agreements connected to the private placement, including to confer rights on private placement investors, would terminate.

[19] Mithaq Canada was satisfied with those undertakings as far as they went, but submitted that additional undertakings were required, to give all Aimia shareholders sufficient protection against potential abusive effects of the private placement, and against the application being rendered moot. Mithaq Canada submitted that we should cease trade the private placement unless Aimia gave further undertakings:

a. to make private placement investors aware of Aimia's various undertakings and of the risk that the private placement would be unwound;

b. to provide greater certainty about any rights to be conferred on private placement investors, including rights to acquire additional securities;

c. to address a possible intervening bid for Aimia shares; and

d. to facilitate an unwinding of the private placement, should that be required.

[20] Aimia submitted that Mithaq Canada's requested additional undertakings were unnecessary and overly invasive to Aimia's operations. We address that submission in our analysis below.

[21] Aimia further submitted that we ought to be influenced by what Aimia described as the unusual nature of Mithaq Canada's Offer, given the large number of conditions attached to it, including:

a. a due diligence condition that Aimia says gives a "free option" to Mithaq Canada to withdraw its bid; and

b. a condition that existing court proceedings between Aimia and Mithaq be resolved to Mithaq Canada's satisfaction.

[22] We determined at this preliminary stage not to seek further submissions in response to Aimia's concerns about the Offer. We did not consider those concerns to be relevant to our decision about interim relief.

[23] We now turn to address each of the four categories of undertakings at issue.

4.2 Undertakings to inform private placement investors

[24] Mithaq Canada submitted that Aimia should undertake to ensure that the private placement investors were aware of the extent of any undertakings Aimia gave in connection with the private placement. In particular, the disclosure should make clear that if Mithaq Canada succeeds on its application, the private placement would be fully unwound. Mithaq Canada was indifferent as to how the disclosure was made (*i.e.*, in the subscription agreement or otherwise), so long as the investors were put on notice.

[25] Mithaq Canada's objective was to ensure that those who would be directly affected by a reversal of the transaction, should that be ordered, would not later say that they had been unduly prejudiced. The disclosure would be important so that those investors:

a. entered into the transaction knowing the likelihood of objections to it; and

b. had an opportunity to make submissions.[2]

[26] Aimia submitted in response that Eagle, the lead investor in the proposed private placement, was present at the hearing and fully understood the risks of proceeding with the investment. Further, Ontario securities law would require Aimia to make the requested disclosure in any event and Aimia's assertion at the hearing that it intended to comply with its disclosure obligations would make it unnecessary and inappropriate to require a further undertaking to that effect.

[27] We agreed with Aimia and therefore dismissed this request by Mithaq Canada.

4.3 Undertakings to provide greater certainty

[28] Aimia agreed to undertake that if Mithaq Canada's application were successful, and the Tribunal so directed, Aimia would cancel the common shares and warrants issued under the private placement as well as all common shares issued upon the exercise of the warrants.

[29] Mithaq Canada was concerned that Aimia might, in connection with the private placement, grant to investors some rights that would themselves result in the issuance of securities not covered by Aimia's proposed undertaking. Mithaq Canada's uncertainty resulted from its inability to see the agreements relating to the private placement. The concern was underscored by Aimia's press release announcing the private placement, which referred to "investor rights", and by Aimia's advice at the hearing that investors were to have the ability to nominate board members. Mithaq Canada and Staff expressed uncertainty about whether a suspension of "investor rights" would affect that ability.

[30] At the hearing, Aimia confirmed that no securities would be issued under the private placement, other than the up to 10,475,000 common shares and associated share purchase warrants, as had been publicly disclosed. With Aimia's agreement, we included this representation in the preamble to our order. With that representation included, no further undertaking was necessary, and we dismissed this request.

4.4 Undertakings to address a possible intervening bid

[31] As noted above, Aimia advised at the hearing that it was prepared to undertake that until this Tribunal issues its decision on Mithaq Canada's application, any securities issued under the private placement could not be voted at a shareholders' meeting, and would not be included for the purposes of Mithaq Canada satisfying the minimum tender condition.

[32] Mithaq Canada sought to expand this undertaking's reach, so that any such securities could not be tendered to an alternative take-over bid or issuer bid.

[33] Aimia submitted that such a request was speculative and unnecessary. If any bid were to arise, the parties could return to this Tribunal for any necessary relief.

[34] We decided that that this requested undertaking was core to Mithaq Canada's application, which is about alleged abusive defensive measures. Mithaq Canada argued that the securities issued under the private placement would materially affect control of Aimia, entrench the Aimia board, and manipulate the outcome of Mithaq Canada's offer. We agree that the issuance of a material number of securities of an issuer can have an impact on both control of an issuer and outcomes in the context of shareholder meetings and take-over bids. It was important, and not unduly prejudicial to Aimia, to have this additional protection.

[35] Accordingly, we ordered that the private placement would be cease traded unless, by noon the day after this initial hearing, Aimia undertook that the securities issued under the private placement could not be tendered to any alternative take-over bid or issuer bid that might be commenced by a third party or by Aimia. We also required that Aimia would have to disclose this additional undertaking in a news release.

[36] After we released our decision, but before noon on October 20, 2023, Aimia gave the additional undertaking. Accordingly, our order did not result in the private placement being cease traded.

4.5 Undertakings to facilitate the unwinding of the private placement

[37] The final area of dispute about the extent of any undertakings related to two measures Mithaq Canada submitted should be in place to ensure that it would be practical to unwind the private placement,[3] should this Tribunal order that.

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2 *Eco Oro Minerals Corp (Re)*, 2017 ONSEC 23 (***Eco Oro***) at para 169

3 *Eco Oro* at para 169

[38] The first such measure would be a requirement that Aimia set aside the proceeds of the private placement, so that the funds would be available to reverse the transaction. Mithaq Canada referred us to *Geosam Investments Limited (Re)*, a 2009 decision of the British Columbia Securities Commission, in which that Commission imposed such a condition.[4]

[39] Aimia responded that such a requirement would be an unnecessary and unwarranted intrusion into Aimia's operations. Aimia asserted that funds it would raise through the private placement would have the lowest cost of capital of any funds available. If Aimia were ultimately required to repay the proceeds, it might need to acquire more expensive capital to make that repayment, but it did not want to have to seek more expensive capital unless and until the private placement has to be rescinded.

[40] We decided that an undertaking to hold the private placement proceeds in a segregated account was not required in this case. The parties were united in their intention to have Mithaq Canada's application heard expeditiously, and there was no evidence before us that the proceeds would be at risk during that short time.

[41] We do not consider the British Columbia decision in *Geosam* to be persuasive authority in this case. That decision dealt with a request for a stay of a TSX Venture Exchange decision approving a private placement. There is no mention of any undertakings having been given from the issuer, either to unwind the private placement if necessary, or to do anything else. The legal and factual contexts in *Geosam* are different from those in this case, in meaningful ways.

[42] The second measure Mithaq Canada requested was Aimia's undertaking that Aimia would be responsible for any private placement investor's breach of the terms of the undertakings. Aimia responded that it is not the guarantor of the conduct of any private placement investor. Aimia's own undertakings would be to the Tribunal; neither Aimia nor its investors would be giving undertakings to Mithaq Canada.

[43] Mithaq Canada referred us to a 2014 order of the Commission, issued without reasons, which dismissed an interim request for a cease trade order in respect of a private placement.[5] The order's preambles reflect the issuer's representation that it had the legal ability to obtain agreement by the private placement investor to comply with undertakings that the issuer gave to the Commission. Mithaq Canada submitted that its request was similar.

[44] We do not accept that order as persuasive in this case. We must always be reluctant to give much weight to orders made without reasons. Further, we note that one of the undertakings in the 2014 order purported explicitly to impose an obligation directly on the private placement investor, even though it was the issuer, not the investor, who gave the undertaking. In those circumstances, there appears to have been a logical basis for the issuer's assumption of responsibility for the investor's conduct. In this case, no party proposes an undertaking that would purport to impose a similar obligation on any Aimia investor.

[45] Requiring Aimia to assume responsibility for any breaches by private placement investors would be overreaching and is insufficiently connected to the stated objective of facilitating the unwinding of the private placement if necessary. We therefore dismissed this request.

5. CONCLUSION

[46] For the reasons above, we ordered that:

a. Eagle have intervenor status for the purpose only of making brief oral submissions at the initial hearing;

b. the private placement would be cease traded unless by noon on October 20, 2023, Aimia undertook to the Tribunal that the common shares and warrants issued under the private placement, as well as all shares issued upon exercise of warrants, may not be tendered to any alternative take-over bid or issuer bid that may be commenced by a third party or Aimia in respect of the Aimia common shares; and

c. if Aimia were to give the additional undertaking, Aimia would forthwith issue a news release that included disclosure of that additional undertaking.

Dated at Toronto this 6th day of December, 2023

"Timothy Moseley"

"James D. G. Douglas"

"Dale R. Ponder"

[4] 2009 BCSECCOM 695

[5] *Access Holdings Management Company LLC and Tuckamore Capital Management Inc (Re),* (2014) 37 OSCB 7477

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B. Ontario Securities Commission

B.1
Notices

B.1.1 CSA Notice – Amendments to National Instrument 24-101 Institutional Trade Matching and Settlement and Changes to Companion Policy 24-101 Institutional Trade Matching and Settlement

CSA/ACVM Canadian Securities Administrators Autorités canadiennes en valeurs mobilières

CSA NOTICE

AMENDMENTS TO
NATIONAL INSTRUMENT 24-101 INSTITUTIONAL TRADE MATCHING AND SETTLEMENT
AND
CHANGES TO
COMPANION POLICY 24-101 INSTITUTIONAL TRADE MATCHING AND SETTLEMENT

December 14, 2023

Introduction

The Canadian Securities Administrators (the **CSA** or **we**) are adopting amendments to National Instrument 24-101 *Institutional Trade Matching and Settlement* and changes to Companion Policy 24-101 *Institutional Trade Matching and Settlement*, together referred to as the **Amendments**. The Instrument and the Companion Policy are collectively referred to as **NI 24-101**.

Provided all necessary Ministerial approvals are obtained, the Amendments will come into force on May 27, 2024 in all CSA jurisdictions.

The text of the Amendments is published with this Notice and is also available on the websites of the following CSA jurisdictions:

www.bcsc.bc.ca
www.albertasecurities.com
www.fcaa.gov.sk.ca
www.mbsecurities.ca
www.osc.ca
www.lautorite.qc.ca
www.fcnb.ca
nssc.novascotia.ca

Background

NI 24-101 came into force in 2007 and was intended to encourage more efficient and timely pre-settlement confirmation, affirmation, trade allocation and settlement instructions processes for institutional trades in Canada, through a process known as institutional trade matching (**ITM**).

The CSA published proposed amendments to NI 24-101 (**Proposed Amendments**) for a 90-day comment period on December 15, 2022 in preparation for the migration to a shorter settlement cycle in 2024 at the same time as the industry in the United States.

Substance and Purpose

We are making the Amendments for two reasons. First, the Amendments reflect the upcoming shortening of the standard settlement cycle for equity and long-term debt market trades in Canada from two days after the date of a trade (**T+2**) to one day after the date of a trade (**T+1**). The move to a T+1 settlement cycle in Canada will occur on May 27, 2024, the same day the Amendments come into force. This timing was chosen to align with the move to T+1 and associated regulatory rule changes in the United States. Because of a statutory holiday in the United States, the Canadian changeover and rule changes will occur one day earlier than those made by U.S. markets and regulators.

The rule changes to support the change to T+1 are as follows:

- Changing references to T+2 to T+1;
- Changing the ITM deadline; and
- Changing the times for some of the data reporting requirements in two forms applicable to clearing agencies and matching service utilities, respectively.

The second purpose of the Amendments is to permanently repeal the exception reporting requirements in Part 4 of the Instrument, including the requirement to file Form 24-101F1 *Registered Firm Exception Reporting of DAP/RAP Trade Reporting and Matching* (**Form 24-101F1**). Form 24-101F1 has been subject to a reporting requirement since 2020.

In addition to these changes, we have added a reference to cyber resilience in connection with the assessments matching service utilities must undertake for core systems. We have also corrected a few minor typographical errors.

Comments Received

In response to the Proposed Amendments, we received submissions from 4 commenters. We have considered the comments received and thank all of the commenters for their input. A list of those who submitted comments and a summary of the comments and our responses are attached to this Notice at Annexes C and D respectively. Copies of the comment letters are available at www.osc.gov.on.ca.

Summary of Changes Since Publication for Comment

After considering the written comments received, we have changed the ITM deadline in the Proposed Amendments (9 p.m. on T) to 3:59 a.m. on T+1. We have also made additional changes to the data reporting requirements applicable to clearing agencies and matching service utilities. One of these data reporting changes reflects a further comment submitted by one of the original commenters. The additional comment letter is also available at www.osc.gov.on.ca. In the interest of fairness, the other commenters were given the opportunity to respond to this letter, but none chose to do so.

Local Matters

Annex G is being published in any local jurisdiction that is making related changes to local securities laws. It also includes any additional information that is relevant to that jurisdiction only.

List of Annexes

The notice contains the following annexes:

- Annex A – Amendments to NI 24-101
- Annex B – Changes to CP
- Annex C – Commenters
- Annex D – Summary of comments and CSA responses
- Annex E – Amendments to NI 24-101, blacklined to show changes from Proposed Amendments
- Annex F – Changes to CP, blacklined to show changes from Proposed Amendments
- Annex G – Local matters

Questions

Please refer your questions to any of the following:

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ANNEX A

AMENDMENTS TO
NATIONAL INSTRUMENT 24-101 *INSTITUTIONAL TRADE MATCHING AND SETTLEMENT*

AMENDING INSTRUMENT

1. ***National Instrument 24-101*** **Institutional Trade Matching and Settlement** ***is amended by this Instrument.***

2. ***Section 1.1 is amended by repealing the definition of "***T+2***".***

3. ***Subsection 3.1(1) is amended by replacing "***12 p.m. (noon) Eastern Time on T+1***" with "***3:59 a.m. Eastern Time on T+1***".***

4. ***Subsection 3.3(1) is amended by replacing "***12 p.m. (noon) Eastern Time on T+1***" with "***3:59 a.m. Eastern Time on T+1***".***

5. ***Section 4.1 is repealed.***

6. ***In Ontario, section 4.1.1 is repealed.***

7. ***Subparagraph 6.5(a)(iv) is amended by adding "***adequacy of cyber resilience and the***" before "***vulnerability of those systems and data centre computer operations***".***

8. ***Form 24-101F1*** **Registered Firm Exception Report of DAP/RAP Trade Reporting and Matching** ***is repealed.***

9. ***Form 24-101F2*** **Clearing Agency Quarterly Operations Report of Institutional Trade Reporting and Matching** ***is amended by***

i. ***replacing "***MMM***" with "***MM***", and***

ii. ***replacing tables that appear after the heading "***Table 1 – Equity trades:***" and before the word "***Legend***" with the following:***

	Entered into matching service utility by dealer-users/subscribers				Matched in matching service utility by other users/subscribers			
	# of Trades	% Industry	$ Value of Trades	% Industry	# of Trades	% Industry	$ Value of Trades	% Industry
T – 12:00 p.m.								
T – 4:00 p.m.								
T – 7:30 p.m.								
T + 1 – 3:59 a.m.								
T + 1 - 12:00 p.m.								
T + 1 – 4:00 p.m.								
T + 1 – 11:59 p.m.								
> T + 1								
Total								

Table 2 – Debt trades:

	Entered into matching service utility by dealer-users/subscribers				Matched in matching service utility by other users/subscribers			
	# of Trades	% Industry	$ Value of Trades	% Industry	# of Trades	% Industry	$ Value of Trades	% Industry
T – 12:00 p.m.								
T – 4:00 p.m.								
T – 7:30 p.m.								
T + 1 – 3:59 a.m.								
T + 1 – 12:00 p.m.								
T + 1 – 4:00 p.m.								
T + 1 – 11:59 p.m.								
> T + 1								
Total								

10. ***Form 24-101F3*** **Matching Service Utility Notice of Operations** ***is amended by***

i. ***replacing "***MMM***" with "***MM***" wherever it occurs, and***

ii. ***deleting the words "***during normal business hours***" after "***the matching of trades for more than thirty minutes***" under the heading "Exhibit N – Material systems failures" in Item 6.***

11. ***Form 24-101F4*** **Matching Service Utility Notice of Cessation of Operations** ***is amended by replacing "***MMM***" with "***MM***".***

12. ***Form 24-101F5*** **Matching Service Utility Quarterly Operations Report of Institutional Trade Reporting and Matching** ***is amended by***

i. ***replacing "***MMM***" with "***MM***", and***

ii. ***replacing the tables that appear after the heading "***Table 1 – Equity trades:***" and before the word "***Legend***" with the following:***

	Entered into matching service utility by dealer-users/subscribers				Matched in matching service utility by other users/subscribers			
	# of Trades	% Industry	$ Value of Trades	% Industry	# of Trades	% Industry	$ Value of Trades	% Industry
T – 12:00 p.m.								
T – 4:00 p.m.								
T – 7:30 p.m.								
T + 1 – 3:59 a.m.								
T + 1 – 12:00 p.m.								
T + 1 – 4:00 p.m.								
T + 1 – 11:59 p.m.								
> T + 1								
Total								

Table 2 – Debt trades:

	Entered into matching service utility by dealer-users/subscribers				Matched in matching service utility by other users/subscribers			
	# of Trades	% Industry	$ Value of Trades	% Industry	# of Trades	% Industry	$ Value of Trades	% Industry
T – 12:00 p.m.								
T – 4:00 p.m.								
T – 7:30 p.m.								
T + 1 3:59 a.m.								
T + 1 – 12:00 p.m.								
T + 1 – 4:00 p.m.								
T + 1 – 11:59 p.m.								
> T + 1								
Total								

Transition

Clearing agency's operations report – former forms may apply for first quarter ending after in force date

13. (1) For the purposes of section 5.1 of National Instrument 24-101 *Institutional Trade Matching and Settlement*, a clearing agency is not required to deliver Form 24-101F2 *Clearing Quarterly Operations Report of Institutional Trade Reporting and Matching* as amended by this Instrument if

(a) it delivers Form 24-101F2 *Clearing Quarterly Operations Report of Institutional Trade Reporting and Matching* as it was in force on May 26, 2024, and

(b) the delivery is in respect of the calendar quarter that ends June 30, 2024.

(2) In Saskatchewan, subsection (1) does not apply if the Instrument comes into force in Saskatchewan on or after July 1, 2024.

Matching service utility's operations report – former forms may apply to first quarter ending after in force date

14. **(1)** For the purposes of subsection 6.4(1) of National Instrument 24-101 *Institutional Trade Matching and Settlement*, a matching service utility is not required to deliver Form 24-101F5 *Matching Service Utility Quarterly Operations Report of Institutional Trade Reporting and Matching* as amended by this Instrument if

(a) it delivers Form 24-101F5 *Matching Service Utility Quarterly Operations Report of Institutional Trade Reporting and Matching* as it was in force on May 26, 2024, and

(b) the delivery is in respect of the calendar quarter that ends June 30, 2024.

(2) In Saskatchewan, subsection (1) does not apply if the Instrument comes into force in Saskatchewan on or after July 1, 2024.

Effective date

15. (1) This Instrument comes into force on May 27, 2024.

(2) In Saskatchewan, despite subsection (1), if this Instrument is filed with the Registrar of Regulations after May 27, 2024, this Instrument comes into force on the day of which it is filed with the Registrar of Regulations.

ANNEX B

CHANGES TO
COMPANION POLICY 24-101CP TO NATIONAL INSTRUMENT 24-101
INSTITUTIONAL TRADE MATCHING AND SETTLEMENT

CHANGING DOCUMENT

1. ***Companion Policy 24-101CP to National Instrument 24-101 Institutional Trade Matching and Settlement is changed by this Document.***

2. ***Footnote 3 in subsection 1.2(2) is changed by replacing "***Investment Industry Association of Canada (IIROC) Member Rule 800.49" ***with "***Canadian Investment Regulatory Organization (CIRO) Rules, such as IDPC Rule 4753***".***

3. ***Footnote 5 in paragraph 1.2(3)(c) is changed by replacing "***IIROC Member Rule 200.1(h)" ***with "***IDPC Rule 3816 Trade Confirmations***".***

4. ***Section 1.3(4) is changed by replacing "***IIROC***" with "***IDPC***".***

5. ***Section 2.2 is changed by replacing "***12 p.m. (noon)***" with "***3:59 a.m.***".***

6. ***Paragraph 2.3(1)(c) is changed by replacing "***provide***" with "***prescribe***".***

7. ***Footnote 8 in subsection 2.4(2) is changed by replacing "***Member Rule No. 35 - Introducing Broker/Carrying Broker Arrangements" ***with "***IDPC Rule 2400 Acceptable Back Office Arrangements***".***

8. ***Sections 3.1 and 3.2 are deleted.***

9. ***Section 3.3 "***Other Information Reporting Requirements***" is renumbered as section 3.1 and changed to "***Information Reporting Requirements***".***

10. ***Section 3.4 is deleted.***

11. ***Section 3.5 is renumbered as section 3.2 and changed by deleting "***registered firm,***".***

12. ***Subsection 4.5(3) is changed by deleting "***during normal business hours***".***

13. ***Section 5.1 is changed by replacing "***T+2***" with "***T+1***" and, in footnote 11, replacing "***IIROC Member Rule 800.27 and TSX Rule 5-103(1)***" with "***IDPC Rule 4800***".***

ANNEX C

COMMENTERS

The following entities submitted written comments on the proposed amendments to NI 24-101 *Institutional Trade Matching and Settlement* that were published for comment on December 15, 2022:

Canadian Capital Markets Association

Investment Funds Institute of Canada

Investment Industry Association of Canada

Portfolio Management Association of Canada

ANNEX D

SUMMARY OF COMMENTS AND CSA RESPONSES

1. Theme/question	2. Summary of comments	3. General responses
General		
Support for T+1 amendments	Commenters expressed appreciation for the CSA's work towards the transition to T+1, one emphasizing a shortened settlement cycle is critical for Canada's capital markets (and all of its stakeholders, including investors, issuers, and registrants) and the broader economy.	We acknowledge and thank the commenters for their remarks.
National Instrument 24-101 *Institutional Trade Matching*		
Effective date for Proposed Revisions	Two commenters suggested the Proposed Amendments should come into effect on the Canadian transition date, or the earlier of the U.S. and Canadian transition dates to T+1 despite the challenge this will pose in terms of resources. Based on current project schedules, the industry in Canada is planning for a T+1 settlement cycle transition date of May 27, 2024, while the U.S. transition date is May 28, 2024.	We agree with the suggestions. The Proposed Amendments will be brought into force to align with the T+1 transition in Canada.
Institutional trade matching deadline	Three commenters raised concerns with the proposal to amend the institutional trade matching deadline from noon on T+1 to 9:00 p.m. Eastern Time on trade date. Two commenters raised concern with the proposal to achieve institutional trade matching by 9:00 p.m. Eastern Time on trade date. The CDS Clearing and Depository Services Inc. overnight net settlement processing cycle currently commences after 3:59 a.m. Eastern Time on T+1, meaning that trades can be matched up until this time and still achieve reduced collateral requirements. Where buy-side firms and custodians need to refine or adjust their practices and processes to meet a shortened settlement cycle, it would be prudent to provide the largest timeframe possible for these entities to affirm trades (i.e. up to 3:59 a.m. Eastern Time on T+1) and provide the opportunity for those entities in European, Asian and other time zones where markets may be open to make any corrections and issue securities loan recall notices. These two commenters recommended that the deadline in s. 3.1(1) of NI 24-101 be 3:59 a.m. on T+1 rather than 9:00 p.m. on T per the Proposed Amendments. Another commenter suggested that the CSA consider implementing a staged transition for the ITM deadline that initially would be set at midnight on T, with the intention of moving to a 9 p.m. ITM deadline at a later, as yet undetermined date in the absence of any	We agree with the comments that it would be sensible to provide the longest possible timeframe to accommodate settlement processing cycles. Consequently, we are amending the ITM deadline in subsections 3.1(1) and 3.3(1) of NI 24-101 from 9 p.m. on T to 3:59 a.m. on T+1. A staged transition is not thought to be desirable as it would create further constraints for the industry. We believe it is optimal to have a fixed deadline which provides market participants with certainty to undertake any applicable systems and process redesign improvements.

1. Theme/question	2. Summary of comments	3. General responses
	significant issues on the part of industry participants.	
Regulatory approval process	Two commenters explained there will be downstream impact of the approved T+1 Proposals. The commenters requested that the regulatory approval process across the CSA jurisdictions be advanced as expeditiously as possible in order to publish the approved T+1 amendments as soon as possible. This will provide market participants, their vendors, and clients with regulatory certainty sooner rather than later, facilitating a greater likelihood of success for the T+1 initiative.	We acknowledge the importance for the CSA to move swiftly with the amendments in order to provide clarity to market participants.
Repeal of T+2	Two commenters agreed with the proposal to repeal T+2 in the definitions section of NI 24-101. With the U.S. migration to T+1 and the Canadian industry committed to moving in sync with the U.S., references to a T+2 settlement cycle will no longer be relevant.	We agree with these comments. References to a T+2 settlement cycle will no longer be relevant.
Repeal of the Exception Reporting Requirement	Three commenters agreed with the repeal of the exception reporting requirement in NI 24-101.	We agree with the comments. The repeal of the Exception Reporting Requirement eliminates unnecessary regulatory burden.
Amendments to Form 24-101F2 and Form 24-101F5	One commenter agreed that Form 24-101F2 and Form 24-101F5 should be amended to reflect the shortening of the settlement cycle as the collection of data reflecting a T+2 settlement cycle will no longer be useful. The commenter recommended that the institutional trade matching (**ITM**) data reporting requirements by time for Form 24-101F2 and Form 24-101F5 be amended to align with industry best practice deadlines and reflective of an institutional trade matching deadline of 3:59 a.m. on T+1. The commenter also recommended that with respect to the first calendar quarter ending after the effective date of the T+1 Proposals, the version of Form 24-101F2 and Form 24-101F5 that were in force on the day before the effective date be used.	We agree with the recommended changes to both tables relating to the time of entry and matching in Forms 24-101F2 and 24-101F5. We will be amending them accordingly to facilitate monitoring of the matching requirements. We have considered the comment with respect to the delivery of Forms 24-101F2 and 24-101F5 for the first quarter ending after the effective date of the amendments and included specific transitional provisions in the instrument amending the NI to address this issue.
Alternatives to T+1	One commenter concurred that there are no reasonable alternatives to the proposed changes. Failing to align with the U.S. by not shortening the settlement cycle would result in undesirable systemic risk and could lead to confusion in the markets with respect to settlement that could put investors at risk.	We agree with the comment.
National Instrument 81-102 *Investment Funds*		
CSA Staff Notice 81-335 *Investment Fund Settlement Cycles*	One commenter responded to the publication of CSA Staff Notice 81-335 Investment Fund Settlement Cycles (**CSN 81-335**), which was published concurrently with the proposed amendments. CSN 81-335 acknowledges that	We have published for comment the amendment suggested by the commenter.

1. Theme/question	2. Summary of comments	3. General responses
	the proposed amendments to NI 24-101 will shorten the standard settlement cycle for equity and long-term debt market trades in Canada but provides that the CSA is not proposing amendments to National Instrument 81-102 Investment Funds (**NI 81-102**) to mandate a T+1 settlement cycle for primary distributions and redemptions of mutual fund securities. Nevertheless, CSN 81-335 also provides that, where practical, mutual funds should voluntarily move to a T+1 settlement cycle. While the commenter supports the CSA's decision not to mandate a T+1 settlement cycle for mutual fund securities, the commenter identified a technical problem with the voluntary approach that anticipates some funds choosing to move to T+1. As currently drafted, paragraph 9.4(4)(a) of NI 81-102 requires a mutual fund to wait until after T+3 to redeem out securities of the fund for non-payment by the investor. The commenter suggests a technical change so that forced redemption in all cases will occur the day after the settlement date, which the commenter assumes is the policy intent behind the requirement in paragraph 9.4(4)(a) of NI 81-102 in any event. The change will ensure a smooth functioning of the forced redemption mechanism for a mutual fund that voluntarily moves to a T+1 settlement cycle. In addition, one commenter stated they require additional time to review the Staff Notice and NI 81-102. While no initial potential adverse impacts on the industry or investors were identified, the commenter stated they would provide comments at a later date should they arise during work on the T+1 project.	

ANNEX E

BLACKLINE TO
NATIONAL INSTRUMENT 24-101 *INSTITUTIONAL TRADE MATCHING AND SETTLEMENT*

Contents

Part 1
Definitions and Interpretation

Definitions

1.1 In this Instrument,

"clearing agency" means~~,~~ a recognized clearing agency that operates as a "securities settlement system" as defined in section 1.1 of National Instrument 24-102 *Clearing Agency Requirements;*

"custodian" means a person or company that holds securities for the benefit of another under a custodial agreement or other custodial arrangement;

"DAP/RAP trade" means a trade in a security

(a) executed for a client trading account that permits settlement on a delivery against payment or receipt against payment basis through the facilities of a clearing agency, and

(b) for which settlement is completed on behalf of the client by a custodian other than the dealer that executed the trade;

"institutional investor" means a client of a dealer that has been granted DAP/RAP trading privileges by the dealer;

"marketplace" has the same meaning as in National Instrument 21-101 *Marketplace Operation;*

"matching service utility" means a person or company that provides centralized facilities for matching, but does not include a clearing agency;

"registered firm" means a person or company registered under securities legislation as a dealer or adviser;

"trade-matching agreement" means, for trades executed with or on behalf of an institutional investor, a written agreement entered into among trade-matching parties setting out the roles and responsibilities of the trade-matching parties in matching those trades and including, without limitation, a term by which the trade-matching parties agree to establish, maintain and enforce policies and procedures designed to achieve matching as soon as practical after a trade is executed;

"trade-matching party" means, for a trade executed with or on behalf of an institutional investor,

(a) a registered adviser acting for the institutional investor in processing the trade,

(b) if a registered adviser is not acting for the institutional investor in processing the trade, the institutional investor, unless the institutional investor is

(i) an individual, or

(ii) a person or company with total securities under administration or management not exceeding $10 million,

(c) a registered dealer executing or clearing the trade, or

(d) a custodian of the institutional investor settling the trade;

"trade-matching statement" means, for trades executed with or on behalf of an institutional investor, a signed written statement of a trade-matching party confirming that it has established, maintains and enforces policies and procedures designed to achieve matching as soon as practical after a trade is executed;

"T" means the day on which a trade is executed;

"T+1" means the next business day following T;

"T+2" ~~means the second business day following T~~[Repealed].

"T+3" [Repealed September 5, 2017]

Interpretation — trade matching and clearing agency

1.2 (1) In this Instrument, matching is the process by which

(a) the details and settlement instructions of an executed DAP/RAP trade are reported, verified, confirmed and affirmed or otherwise agreed to among the trade-matching parties, and

(b) unless the process is effected through the facilities of a clearing agency, the matched details and settlement instructions are reported to a clearing agency.

(2) For the purposes of this Instrument, in Québec, a clearing agency includes a clearing house and a settlement system within the meaning of the *Securities Act* (Québec).

Part 2
Application

2.1 This Instrument does not apply to

(a) a trade in a security of an issuer that has not been previously issued or for which a prospectus is required to be sent or delivered to the purchaser under securities legislation,

(b) a trade in a security to the issuer of the security,

(c) a trade made in connection with a take-over bid, issuer bid, amalgamation, merger, reorganization, arrangement or similar transaction,

(d) a trade made in accordance with the terms of conversion, exchange or exercise of a security previously issued by an issuer,

(e) a trade that is a securities lending, repurchase, reverse repurchase or similar financing transaction,

(f) a purchase governed by Part 9, or a redemption governed by Part 10, of National Instrument 81-102 *Investment Funds,*

(g) a trade to be settled outside Canada,

(h) a trade in an option, futures contract or similar derivative, or

(i) a trade in a negotiable promissory note, commercial paper or similar short-term debt obligation that, in the normal course, would settle in Canada on T.

Part 3
Trade Matching Requirements

Matching deadlines for registered dealer

3.1 (1) A registered dealer must not execute a DAP/RAP trade with or on behalf of an institutional investor unless the dealer has established, maintains and enforces policies and procedures designed to achieve matching as soon as practical after such a trade is executed and in any event no later than 3:59 a.m. ~~12 p.m. (noon)~~ Eastern Time on T+1.

(2) [Repealed]

Pre-DAP/RAP trade execution documentation requirement for dealers

3.2 A registered dealer must not open an account to execute a DAP/RAP trade for an institutional investor or accept an order to execute a DAP/RAP trade for the account of an institutional investor unless its policies and procedures are designed to encourage each trade-matching party to

(a) enter into a trade-matching agreement with the dealer, or

(b) provide a trade-matching statement to the dealer.

Matching deadlines for registered adviser

3.3 (1) A registered adviser must not give an order to a dealer to execute a DAP/RAP trade on behalf of an institutional investor unless the adviser has established, maintains and enforces policies and procedures designed to achieve matching as soon as practical after such a trade is executed and in any event no later than 3:59 a.m. ~~12 p.m. (noon)~~ Eastern Time on T+1.

(2) [Repealed]

Pre-DAP/RAP trade execution documentation requirement for advisers

3.4 A registered adviser must not open an account to execute a DAP/RAP trade for an institutional investor or give an order to a dealer to execute a DAP/RAP trade for the account of an institutional investor unless its policies and procedures are designed to encourage each trade-matching party to

(a) enter into a trade-matching agreement with the adviser, or

(b) provide a trade-matching statement to the adviser.

Part 4
Reporting by Registered Firms

Exception reporting requirement

4.1 ~~A registered firm must deliver Form 24-101F1 to the securities regulatory authority no later than 45 days after the end of a calendar quarter if~~

~~less than 90 per cent of the DAP/RAP trades executed by or for the registered firm during the quarter matched within the time required in Part 3, or~~

~~the DAP/RAP trades executed by or for the registered firm during the quarter that matched within the time required in Part 3 represent less than 90 per cent of the aggregate value of the securities purchased and sold in those trades.~~ [Repealed]

Moratorium

~~4.1.1 Moratorium:~~ ~~In Ontario, despite subsection 2(1) of Ontario Securities Commission Rule 11-501 *Electronic Delivery Of Documents To The Ontario Securities Commission*, section 4.1 does not apply to a registered firm beginning on July 1, 2020 and ending on July 1, 2023.[Lapsed in Ontario]~~

Part 5
Reporting Requirements for Clearing Agencies

5.1 A clearing agency must deliver Form 24-101F2 to the securities regulatory authority no later than 30 days after the end of a calendar quarter.

Part 6
Requirements for Matching Service Utilities

Initial information reporting

6.1 (1) A person or company must not carry on business as a matching service utility unless

(a) the person or company has delivered Form 24-101F3 to the securities regulatory authority, and

(b) at least 90 days have passed since the person or company delivered Form 24-101F3.

(2) During the 90 day period referred to in subsection (1), if there is a significant change to the information in the delivered Form 24-101F3, the person or company must inform the securities regulatory authority in writing immediately of that significant change by delivering an amendment to Form 24-101F3 in the manner set out in Form 24-101F3.

Anticipated change to operations

6.2 At least 45 days before implementing a significant change to any item set out in Form 24-101F3, a matching service utility must deliver an amendment to the information in the manner set out in Form 24-101F3.

Ceasing to carry on business as a matching service utility

6.3 (1) If a matching service utility intends to cease carrying on business as a matching service utility, it must deliver a report on Form 24-101F4 to the securities regulatory authority at least 30 days before ceasing to carry on that business.

(2) If a matching service utility involuntarily ceases to carry on business as a matching service utility, it must deliver a report on Form 24-101F4 as soon as practical after it ceases to carry on that business.

Ongoing information reporting and record keeping

6.4 (1) A matching service utility must deliver Form 24-101F5 to the securities regulatory authority no later than 30 days after the end of a calendar quarter.

(2) A matching service utility must keep such books, records and other documents as are reasonably necessary to properly record its business.

System requirements

6.5 For all of its core systems supporting trade matching, a matching service utility must

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

(i) make reasonable current and future capacity estimates,

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

(iii) implement reasonable procedures to review and keep current the testing methodology of those systems,

(iv) review the adequacy of cyber resilience and the vulnerability of those systems and data centre computer operations to internal and external threats, including breaches of security, physical hazards and natural disasters, and

(v) maintain adequate contingency and business continuity plans;

(b) annually cause to be performed an independent review and written report, in accordance with generally accepted auditing standards, of the stated internal control objectives of those systems; and

(c) promptly notify the securities regulatory authority of a material failure of those systems.

Part 7
Trade Settlement

Trade settlement by registered dealer

7.1 (1) A registered dealer must not execute a trade unless the dealer has established, maintains and enforces policies and procedures designed to facilitate settlement of the trade on a date that is no later than the standard settlement date for the type of security traded prescribed by an SRO or the marketplace on which the trade would be executed.

(2) Subsection (1) does not apply to a trade for which terms of settlement have been expressly agreed to by the counterparties to the trade at or before the trade was executed.

Part 8
Requirements of Self-Regulatory Organizations and Others

8.1 A clearing agency or matching service utility must have rules or other instruments or procedures that are consistent with the requirements of Parts 3 and 7.

8.2 A requirement of this Instrument does not apply to a member of an SRO if the member complies with a rule or other instrument of the SRO that deals with the same subject matter as the requirement and that has been approved, non-disapproved, or non-objected to by the securities regulatory authority and published by the SRO.

Part 9
Exemption

Exemption

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

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

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

Part 10
Effective Dates and Transition

Effective dates

10.1 [Lapsed]

Transition

10.2 [Lapsed]

[REPEALED]

Form 24-101F1

Registered Firm Exception Report of DAP/RAP Trade Reporting and Matching

~~**CALENDAR QUARTER PERIOD COVERED:**~~

~~From: _____ to: _____~~

~~**REGISTERED FIRM IDENTIFICATION AND CONTACT INFORMATION:**~~

~~1. Full name of registered firm (if sole proprietor, last, first and middle name):~~

~~2. Name(s) under which business is conducted, if different from item 1 :~~

~~3a. Address of registered firm's principal place of business:~~

~~3b. Indicate below the jurisdiction of your principal regulator within the meaning of NI 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations:*~~

~~□ Alberta~~

~~□ British Columbia~~

~~□ Manitoba~~

~~□ New Brunswick~~

~~□ Newfoundland & Labrador~~

~~□ Northwest Territories~~

~~□ Nova Scotia~~

~~□ Nunavut~~

~~□ Ontario~~

~~□ Prince Edward Island~~

~~□ Québec~~

~~□ Saskatchewan~~

~~□ Yukon~~

~~3c. Indicate below all jurisdictions in which you are registered:~~

~~□ Alberta~~

~~□ British Columbia~~

~~□ Manitoba~~

~~□ New Brunswick~~

~~□ Newfoundland & Labrador~~

~~□ Northwest Territories~~

~~□ Nova Scotia~~

~~□ Nunavut~~

~~□ Ontario~~

~~□ Prince Edward Island~~

□ Québec

□ Saskatchewan

□ Yukon

4. Mailing address, if different from business address:

5. Type of business: O Dealer O Adviser

6. Category of registration:

7. (a) Registered Firm NRD number:

(b) If the registered firm is a participant of a clearing agency, the registered firm's CUID number:

8. Contact employee name:

Telephone number:

E-mail address:

INSTRUCTIONS:

Deliver this form for both equity and debt DAP/RAP trades together with Exhibits A, B and C pursuant to section 4.1 of the Instrument, covering the calendar quarter indicated above, within 45 days of the end of the calendar quarter if

(a) Less than 90 percent of the equity and/or debt DAP/RAP trades executed by or for you during the quarter matched within the time required in Part 3 of the Instrument, or

(b) The equity and/or debt DAP/RAP trades executed by or for you during the quarter that matched within the time required in Part 3 of the Instrument represent less than 90 percent of the aggregate value of the securities purchased and sold in those trades.

Include DAP/RAP trades in an exchange traded fund (ETF) security in the equity DAP/RAP trades statistics. Exhibit A(1) applies only to trades in equity and ETF securities. Exhibit A(2) applies only to trades in debt and other fixed-income securities.

EXHIBITS:

Exhibit A – DAP/RAP trade statistics for the quarter

If applicable, complete Table 1 or 2, or both, below for each calendar quarter. Deadline means noon Eastern time on T+1.

(1) Equity DAP/RAP trades (includes ETF trades)

Entered into the clearing agency by deadline (to be completed by dealers only)				*Matched (to be completed by dealers and advisers)*							
# of trades	**%**	**$ value of trades**	**%**	**# of trades matched**	**%**	**$ value of trades matched**	**%**	**# of trades matched by deadline**	**%**	**$ value of trades matched by deadline**	**%**

(2) Debt DAP/RAP trades

Entered into the clearing agency by deadline (to be completed by dealers only)	*Matched (to be completed by dealers and advisers)*

# of trades	%	$ value of trades	%	# of trades matched	%	$ value of trades matched	%	# of trades matched by deadline	%	$ value of trades matched by deadline	%

Legend
"# of Trades" is the total number of transactions in the calendar quarter;
"$ Value of Trades" is the total value of the transactions (purchases and sales) in the calendar quarter.

Exhibit B – Reasons for not meeting exception reporting thresholds

Describe the circumstances or underlying causes that resulted in or contributed to the failure to achieve the percentage target for matched equity and/or debt DAP/RAP trades within the maximum time prescribed by Part 3 of the Instrument. Reasons given could be one or more matters within your control or due to another trade-matching party or service provider. If you have insufficient information to determine the percentages, the reason for this should be provided. See also Companion Policy 24-101 to the Instrument.

Exhibit C – Steps to address delays

Describe what specific steps you are taking to resolve delays in the equity and/or debt DAP/RAP trade reporting and matching process in the future. Indicate when each of these steps is expected to be implemented. The steps being taken could be internally focused, such as implementing a new system or procedure, or externally focused, such as meeting with a trade-matching party to determine what action should be taken by that party. If you have insufficient information to determine the percentages, the steps being taken to obtain this information should be provided. See also Companion Policy 24-101 to the Instrument.

CERTIFICATE OF REGISTERED FIRM

The undersigned certifies that the information given in this report on behalf of the registered firm is true and correct.

DATED at _____ this _____ day of _____ 20___

_____

(Name of registered firm - type or print)

_____

(Name of director, officer or partner – type or print)

_____

(Signature of director, officer or partner)

_____

(Official capacity – type or print)

Form 24-101F2 Clearing Agency Quarterly Operations Report of Institutional Trade Reporting and Matching

CALENDAR QUARTER PERIOD COVERED:

From: _____ to: _____

IDENTIFICATION AND CONTACT INFORMATION:

1. Full name of clearing agency:

2. Name(s) under which business is conducted, if different from item 1:

3. Address of clearing agency's principal place of business:

4. Mailing address, if different from business address:

5. Contact employee name:

   Telephone number:

   E-mail address:

INSTRUCTIONS:

Deliver this form together with all exhibits pursuant to section 5.1 of the Instrument, covering the calendar quarter indicated above, within 30 days of the end of the calendar quarter.

Include client trades in an exchange-traded fund (ETF) security in the equity trades statistics.

Exhibits must be provided in an electronic file, in the following file format: " "CSV"" (Comma Separated Variable) (e.g., the format produced by Microsoft Excel).

EXHIBITS:

1. DATA REPORTING

Exhibit A – Aggregate matched trade statistics

For client trades, provide the information to complete Tables 1 and 2 below for each month in the quarter. These two tables can be integrated into one report. Provide separate aggregate information for trades that have been reported or entered into your facilities as matched trades by a matching service utility.

Month/Year: _____ (MM~~M~~/YYYY)

Table 1 --- Equity trades:

	Entered into clearing agency by dealers				Matched in clearing agency by custodians			
	# of Trades	% Industry	$ Value of Trades	% Industry	# of Trades	% Industry	$ Value of Trades	% Industry
T – 12:00 p.m.								
T – 4:00 p.m.								
T – 7:30 p.m.								
T + 1 – ~~noon~~ 3:59 a.m.								
T+1 – 12:00 p.m.								
T+1 – 4:00 pm								

~~T+2~~ T+1 – 11:59 p.m.								
>T+1~~2~~								
Total								

Table 2 — Debt trades:

	Entered into clearing agency by dealers				Matched in clearing agency by custodians			
	# of Trades	% Industry	$ Value of Trades	% Industry	# of Trades	% Industry	$ Value of Trades	% Industry
T – 12:00 p.m.								
T – 4:00 p.m.								
T – 7:30 p.m.								
T + 1 – ~~noon~~ 3:59 a.m.								
T+1 – 12:00 p.m.								
T+1 – 4:00 pm								
~~T+2~~ T+1 – 11:59 p.m.								
>T+1~~2~~								
Total								

Legend
"# of Trades" is the total number of transactions in the month;
"$ Value of Trades" is the total value of the transactions (purchases and sales) in the month.

Exhibit B – Individual matched trade statistics

Using the same format as Exhibit A above, provide the relevant information for each participant of the clearing agency in respect of client trades during the quarter that have been entered by the participant and matched within the timelines indicated in Exhibit A.

CERTIFICATE OF CLEARING AGENCY

The undersigned certifies that the information given in this report on behalf of the clearing agency is true and correct.

DATED at _____ this ____ day of _____ 20 ___

_____

(Name of clearing agency - type or print)

_____

(Name of director, officer or partner - type or print)

_____

(Signature of director, officer or partner)

_____

(Official capacity - type or print)

Form 24-101F3 Matching Service Utility Notice of Operations

DATE OF COMMENCEMENT INFORMATION:

Effective date of commencement of operations: _____ (DD/MM~~M~~/YYYY)

TYPE OF INFORMATION: O INITIAL SUBMISSION O AMENDMENT

MATCHING SERVICE UTILITY IDENTIFICATION AND CONTACT INFORMATION:

1. Full name of matching service utility:

2. Name(s) under which business is conducted, if different from item 1:

3. Address of matching service utility's principal place of business:

4. Mailing address, if different from business address:

5. Contact employee name:

   Telephone number:

   E-mail address:

6. Legal counsel:

   Firm name:

   Telephone number:

   E-mail address:

GENERAL INFORMATION:

1. Website address:

2. Date of financial year-end:_____ (DD/MM~~M~~/YYYY)

3. Indicate the form of your legal status (e.g., corporation, limited or general partnership), the date of formation, and the jurisdiction under which you were formed:

   Legal status: O CORPORATION O PARTNERSHIP

   O OTHER (SPECIFY):

   (a) Date of formation:_____ (DD/MM~~M~~/YYYY)

   (b) Jurisdiction and manner of formation:

4. Specify the general types of securities for which information is being or will be received and processed by you for transmission of matched trades to a clearing agency (e.g. exchange-traded domestic equity and debt securities, exchange-traded foreign equity and debt securities, equity and debt securities traded over-the-counter).

INSTRUCTIONS:

Deliver this form together with all exhibits pursuant to section 6.1 of the Instrument.

For each exhibit, include your name, the date of delivery of the exhibit and the date as of which the information is accurate (if different from the date of the delivery). If any exhibit required is not applicable, a full statement describing why the exhibit is not applicable must be furnished in lieu of the exhibit. To the extent information requested for an exhibit is identical to the information requested in another form that you have filed or delivered under National Instrument 21-101 *Marketplace Operation,* simply attach a copy of that other form and indicate in this form where such information can be found in that other form.

If you are delivering an amendment to Form 24-101F3 pursuant to section 6.1(2) or 6.2 of the Instrument, and the amended information relates to an exhibit that was delivered with such form, provide a description of the change and complete and deliver an updated exhibit.

EXHIBITS:

1. CORPORATE GOVERNANCE

Exhibit A – Constating documents

Provide a copy of your constating documents, including corporate by-laws and other similar documents, as amended from time to time.

Exhibit B – Ownership

List any person or company that owns 10 per cent or more of your voting securities or that, either directly or indirectly, through agreement or otherwise, may control your management. Provide the full name and address of each person or company and attach a copy of the agreement or, if there is no written agreement, briefly describe the agreement or basis through which the person or company exercises or may exercise control or direction.

Exhibit C – Officials

Provide a list of the partners, officers, directors or persons performing similar functions who presently hold or have held their offices or positions during the current and previous calendar year, indicating the following for each:

1. Name.
2. Title.
3. Dates of commencement and expiry of present term of office or position and length of time the office or position held.
4. Type of business in which each is primarily engaged and current employer.
5. Type of business in which each was primarily engaged in the preceding five years, if different from that set out in item 4.
6. Whether the person is considered to be an independent director.

Exhibit D – Organizational structure

Provide a narrative or graphic description of your organizational structure.

Exhibit E – Affiliated entities

For each person or company affiliated to you, provide the following information:

1. Name and address of affiliated entity.
2. Form of organization (e.g., association, corporation, partnership).
3. Name of jurisdiction and statute under which organized.
4. Date of incorporation in present form.
5. Brief description of nature and extent of affiliation or contractual or other agreement with you.
6. Brief description of business services or functions.
7. If a person or company has ceased to be affiliated with you during the previous year or ceased to have a contractual or other agreement relating to your operations during the previous year, provide a brief statement of the reasons for termination of the relationship.

2. FINANCIAL VIABILITY

Exhibit F – Audited financial statements

Provide your audited financial statements for the latest financial year and a report prepared by an independent auditor.

3. FEES

Exhibit G – Fee list, fee structure

Provide a complete list of all fees and other charges imposed, or to be imposed, by you for use of your services as a matching service utility, including the cost of establishing a connection to your systems.

4. ACCESS

Exhibit H – Users

Provide a list of all users or subscribers for which you provide or propose to provide the services of a matching service utility. Identify the type(s) of business of each user or subscriber (e.g., custodian, dealer, adviser or other party).

If applicable, for each instance during the past year in which any user or subscriber of your services has been prohibited or limited in respect of access to such services, indicate the name of each such user or subscriber and the reason for the prohibition or limitation.

Exhibit I – User contract

Provide a copy of each form of agreement governing the terms by which users or subscribers may subscribe to your services of a matching service utility.

5. SYSTEMS AND OPERATIONS

Exhibit J – System description

Describe the manner of operation of your systems for performing your services of a matching service utility (including, without limitation, systems that collect and process trade execution details and settlement instructions for matching of trades). This description should include the following:

1. The hours of operation of the systems, including communication with a clearing agency.

2. Locations of operations and systems (e.g., countries and cities where computers are operated, primary and backup).

3. A brief description in narrative form of each service or function performed by you.

6. SYSTEMS COMPLIANCE

Exhibit K – Security

Provide a brief description of the processes and procedures implemented by you to provide for the security of any system used to perform your services of a matching service utility.

Exhibit L – Capacity planning and measurement

1. Provide a brief description of capacity planning/performance measurement techniques and system and stress testing methodologies.

2. Provide a brief description of testing methodologies with users or subscribers. For example, when are user/subscriber tests employed? How extensive are these tests?

Exhibit M – Business continuity

Provide a brief description of your contingency and business continuity plans in the event of a catastrophe.

Exhibit N – Material systems failures

Provide a brief description of policies and procedures in place for reporting to regulators material systems failures. Material systems failures include serious incidents that result in the interruption of the matching of trades for more than thirty minutes ~~during normal business hours~~.

Exhibit O – Independent systems audit

1. Briefly describe your plans to provide an annual independent audit of your systems.

2. If applicable, provide a copy of the last external systems operations audit report.

7. INTEROPERABILITY

Exhibit P – Interoperability agreements

List all other matching service utilities for which you have entered into an *interoperability* agreement. Provide a copy of all such agreements.

8. OUTSOURCING

Exhibit Q – Outsourcing firms

For each person or company (outsourcing firm) with whom or which you have an outsourcing agreement or arrangement relating to your services of a matching service utility, provide the following information:

1. Name and address of the outsourcing firm.

2. Brief description of business services or functions of the outsourcing firm.

3. Brief description of the outsourcing firm's contingency and business continuity plans in the event of a catastrophe.

CERTIFICATE OF MATCHING SERVICE UTILITY

The undersigned certifies that the information given in this report on behalf of the matching service utility is true and correct.

DATED at _____ this _____ day of _____ 20 ___

_____

(Name of matching service utility - type or print)

_____

(Name of director, officer or partner - type or print)

_____

(Signature of director, officer or partner)

_____

(Official capacity - type or print)

Form 24-101F4 Matching Service Utility Notice of Cessation of Operations

DATE OF CESSATION INFORMATION:

Type of information: O VOLUNTARY CESSATION

O INVOLUNTARY CESSATION

Effective date of operations cessation: _____ (DD/MM~~M~~/YYYY)

MATCHING SERVICE UTILITY IDENTIFICATION AND CONTACT INFORMATION:

1. Full name of matching service utility:

2. Name(s) under which business is conducted, if different from item 1:

3. Address of matching service utility's principal place of business:

4. Mailing address, if different from business address:

5. Legal counsel:

   Firm name:

   Telephone number:

   E-mail address:

INSTRUCTIONS:

Deliver this form together with all exhibits pursuant to section 6.3 of the Instrument.

For each exhibit, include your name, the date of delivery of the exhibit and the date as of which the information is accurate (if different from the date of the delivery). If any exhibit required is not applicable, a full statement describing why the exhibit is not applicable must be furnished in lieu of the exhibit.

EXHIBITS:

Exhibit A

Provide the reasons for your cessation of business.

Exhibit B

Provide a list of all the users or subscribers for which you provided services during the last 30 days prior to you ceasing business. Identify the type(s) of business of each user or subscriber (e.g., custodian, dealer, adviser, or other party).

Exhibit C

List all other matching service utilities for which an *interoperability* agreement was in force immediately prior to cessation of business.

CERTIFICATE OF MATCHING SERVICE UTILITY

The undersigned certifies that the information given in this report on behalf of the matching service utility is true and correct.

DATED at _____ this _____ day of _____ 20 ____

_____

(Name of matching service utility - type or print)

_____

(Name of director, officer or partner - type or print)

_____

(Signature of director, officer or partner)

_____

(Official capacity - type or print)

Form 24-101F5 Matching Service Utility Quarterly Operations Report of Institutional Trade Reporting and Matching

CALENDAR QUARTER PERIOD COVERED:

From: _____ to: _____

MATCHING SERVICE UTILITY IDENTIFICATION AND CONTACT INFORMATION:

1. Full name of matching service utility:

2. Name(s) under which business is conducted, if different from item 1:

3. Address of matching service utility's principal place of business:

4. Mailing address, if different from business address:

5. Contact employee name:

   Telephone number:

   E-mail address:

INSTRUCTIONS:

Deliver this form together with all exhibits pursuant to section 6.4 of the Instrument, covering the calendar quarter indicated above, within 30 days of the end of the calendar quarter.

Include DAP/RAP trades in an exchange-traded fund (ETF) security in the equity DAP/RAP trades statistics.

Exhibits must be reported in an electronic file, in the following format: "CSV" (Comma Separated Variable) (e.g., the format produced by Microsoft Excel).

If any information specified is not available, a full statement describing why the information is not available must be separately furnished.

EXHIBITS

1. SYSTEMS REPORTING

Exhibit A – External systems audit

If an external audit report on your core systems was prepared during the quarter, provide a copy of the report.

Exhibit B – Material systems failures reporting

Provide a brief summary of all material systems failures that occurred during the quarter and for which you were required to notify the securities regulatory authority under section 6.5(c) of the Instrument.

2. DATA REPORTING

Exhibit C – Aggregate matched trade statistics

Provide the information to complete Tables 1 and 2 below for each month in the quarter. These two tables can be integrated into one report.

Month/Year: _____ (MM~~M~~/YYYY)

Table 1 — Equity trades:

	Entered into matching service utility by dealer-users/subscribers				Matched in matching service utility by other users/subscribers			
	# of Trades	% Industry	$ Value of Trades	% Industry	# of Trades	% Industry	$ Value of Trades	% Industry
T – 12:00 p.m.								
T – 4:00 p.m.								
T – 7:30 p.m.								
T + 1 – ~~noon~~ 3:59 a.m.								
T+1 – 12:00 p.m.								
T+1 – 4:00 pm								
~~T+2~~ T+1 – 11:59 p.m.								
>T+1~~2~~								
Total								

Table 2 — Debt trades:

	Entered into matching service utility by dealer-users/subscribers				Matched in matching service utility by other users/subscribers			
	# of Trades	% Industry	$ Value of Trades	% Industry	# of Trades	% Industry	$ Value of Trades	% Industry
T – 12:00 p.m.								
T – 4:00 p.m.								
T – 7:30 p.m.								
T + 1 – ~~noon~~ 3:59 a.m.								
T+1 – 12:00 p.m.								
T+1 – 4:00 pm								
~~T+2~~ T+1 – 11:59 p.m.								
>T+1~~2~~								
Total								

Legend
"# of Trades" is the total number of transactions in the month;
"$ Value of Trades" is the total value of the transactions (purchases and sales) in the month.

Exhibit D – Individual matched trade statistics

Using the same format as Exhibit C above, provide the relevant information for each user or subscriber in respect of trades during the quarter that have been entered by the user or subscriber and matched within the timelines indicated in Exhibit C.

CERTIFICATE OF MATCHING SERVICE UTILITY

The undersigned certifies that the information given in this report on behalf of the matching service utility is true and correct.

DATED at _____ this ____ day of _____ 20 ___

_____

(Name of matching service utility- type or print)

_____

(Name of director, officer or partner - type or print)

_____

(Signature of director, officer or partner)

_____

(Official capacity - type or print)

ANNEX F

BLACKLINE TO
COMPANION POLICY 24-101CP *INSTITUTIONAL TRADE MATCHING AND SETTLEMENT*

Contents

PART 1
INTRODUCTION, PURPOSE AND DEFINITIONS[1]

Purpose of Instrument

1.1 National Instrument 24-101—*Institutional Trade Matching and Settlement* (Instrument) provides a framework in provincial securities regulation for more efficient and timely trade settlement processing, particularly institutional trades. The increasing volumes and dollar values of securities traded in Canada and globally by institutional investors mean existing back-office systems and procedures of market participants are challenged to meet post-execution processing demands. New requirements are needed to address the increasing risks. The Instrument is part of a broader initiative in the Canadian securities markets to implement straight-through processing (STP).[2]

General explanation of matching, clearing and settlement

1.2 (1) *Parties to institutional trade* — A typical trade with or on behalf of an institutional investor might involve at least three parties:

- a registered adviser or other *buy-side* manager acting for an institutional investor in the trade—and often acting on behalf of more than one institutional investor in the trade (i.e., multiple underlying institutional client accounts)—who decides what securities to buy or sell and how the assets should be allocated among the client accounts;
- a registered dealer (including an Alternative Trading System registered as a dealer) responsible for executing or clearing the trade; and
- any financial institution or registered dealer (including under a *prime brokerage* arrangement) appointed to hold the institutional investor's assets and settle trades.

(2) *Matching* — A first step in settling a securities trade is to ensure that the buyer and the seller agree on the details of the transaction, a process referred to as trade confirmation and affirmation or trade *matching*[3] A registered dealer who executes trades with or on behalf of others is required to report and confirm trade details, not only with the counterparty to the trade, but also with the client for whom it acted or the client with whom it traded (in which case, the client would be the counterparty). Similarly, a registered adviser or other buy-side manager is required to report trade details and provide settlement instructions to its custodian. The parties must agree on trade details — sometimes referred to as *trade data elements* — as soon as possible so that errors and discrepancies in the trades can be discovered early in the clearing and settlement process.

(3) *Matching process* — Verifying the trade data elements is necessary to *match* a trade executed on behalf of or with an institutional investor. Matching occurs when the relevant parties to the trade have, after verifying the trade data elements, reconciled or agreed to the details of the trade. Matching also requires that any custodian holding the institutional investor's assets be in a position to affirm the trade so that the trade can be ready for the clearing and settlement process through the facilities of the clearing agency. To illustrate, trade matching usually includes these following activities:

(a) The registered dealer notifies the buy-side manager that the trade was executed.

(b) The buy-side manager advises the dealer and any custodian(s) how the securities traded are to be allocated among the underlying institutional client accounts managed by the buy-side manager.[4] For so-called *block*

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1 In this Companion Policy, the terms "CSA", "we", "our" or "us" are used interchangeably and generally mean the same thing as *Canadian securities regulatory authorities* defined in National Instrument 14-101 — *Definitions.*

2 For a discussion of Canadian STP initiatives, see Canadian Securities Administrators' (CSA) Discussion Paper 24-401 on *Straight-through Processing* and Request for Comments, April 16, 2004 (2004) 27 OSCB 3971 to 4031 (Discussion Paper 24-401); and CSA Notice 24-301—*Responses to Comments Received on Discussion Paper 24-401 on Straight-through Processing, Proposed National Instrument 24-101 Post-trade Matching and Settlement, and Proposed Companion Policy 24-101CP to National Instrument 24-101 Post-trade Matching and Settlement,* February 11, 2005 (2005) 28 OSCB 1509 to 1526.

3 The processes and systems for matching of "non-institutional trades" in Canada have evolved over time and become automated, such as retail trades on an exchange, which are matched or *locked-in* automatically at the exchange, or direct non-exchange trades between two participants of a clearing agency, which are generally matched through the facilities of the clearing agency. Dealer to dealer trades are subject to ~~Investment Industry Regulatory Organization of Canada (IIROC) Member Rule 800.49~~ Canadian Investment Regulatory Organization (CIRO) Rules, such as IDPC Rule 4753, which provides that trades in non-exchange traded securities (including government debt securities) among dealers must be entered or accepted or rejected through the facilities of an "Acceptable Trade Matching Utility" by no later than 6 pm on the day of the trade.

4 We remind registered advisers of their obligations to ensure fairness in allocating investment opportunities among their clients. An adviser must establish, maintain and apply policies and procedures that provide reasonable assurance that the firm and each individual acting on its behalf fairly allocates investment opportunities among its clients. If the adviser allocates investment opportunities among its clients, the firm's fairness policies should, at a minimum, indicate the method used to allocate the following: (i) price and commission among client orders when trades are bunched or blocked; (ii) block trades and initial public offerings (IPOs) among client accounts, and (iii) block trades and IPOs among client orders that are partially filled, such as on a pro-rata basis. The fairness policies should also address any other situation where investment opportunities must be allocated.
A summary of the fairness policies must be delivered to each client at the time the adviser opens an account for the client, and in a timely manner if there is a significant change to the summary last delivered to the client.

settlement trades, the dealer sometimes receives allocation information from the buy-side manager based only on the number of custodians holding institutional investors' assets instead of on the actual underlying institutional client accounts managed by the buy-side manager.

(c) The dealer reports and confirms the trade details to the buy-side manager and clearing agency. The trade details required to be confirmed for matching, clearing and settlement purposes are generally similar to the information required in the customer trade confirmation delivered pursuant to securities legislation or self-regulatory organization (SRO) rules.[5]

(d) The custodian or custodians of the assets of the institutional investor verify the trade details and settlement instructions against available securities or funds held for the institutional investor. After trade details are agreed, the buy-side manager instructs the custodian(s) to release funds and/or securities to the dealer through the facilities of the clearing agency.

(4) *Clearing and settlement* — The *clearing* of a trade begins after the execution of the trade. After matching is completed, clearing will involve the calculation of the mutual obligations of participants for the exchange of securities and money—a process which generally occurs within the facilities of a clearing agency. The *settlement* of a trade is the moment when the securities are transferred finally and irrevocably from one participant to another in exchange for a corresponding transfer of money. In the context of settlement of a trade through the facilities of a clearing agency, often acting as central counterparty, settlement will be the discharge of obligations in respect of funds or securities, computed on a net basis, between and among the clearing agency and its participants. Through the operation of novation and set-off in law or by contract, the clearing agency becomes a counterparty to each trade so that the mutual obligation to settle the trade is between the clearing agency and each participant.

Section 1.1 - Definitions and scope

1.3 (1) *Clearing agency* — While the terms "clearing agency" and "recognized clearing agency" are generally defined in securities legislation,[6] we have defined *clearing agency* for the purposes of the Instrument to narrow its scope to a recognized clearing agency that operates as a securities settlement system. The term *securities settlement system* is defined in National Instrument 24-102 *Clearing Agency Requirements* as a system that enables securities to be transferred and settled by book entry according to a set of predetermined multilateral rules. Today, the definition of *clearing agency* in the Instrument applies to CDS Clearing and Depository Services Inc. **(CDS).** For the purposes of the Instrument, a clearing agency includes, in Québec, a clearing house and settlement system within the meaning of the *Securities Act* (Québec). See subsection 1.2(2).

(2) *Custodian* — While investment assets are sometimes held directly by investors, most are held on behalf of the investor by or through securities accounts maintained with a financial institution or dealer. The definition of *custodian* includes both a financial institution (non-dealer custodian) and a dealer acting as custodian (dealer custodian). Most institutional investors, such as pension and mutual funds, hold their assets through custodians that are prudentially-regulated financial institutions. However, others (like hedge funds) often maintain their investment assets with dealers under so-called *prime-brokerage* arrangements. A financial institution or dealer in Canada need not necessarily have a direct contractual relationship with an institutional investor to be considered a custodian of portfolio assets of the institutional investor for the purposes of the Instrument if it is acting as sub-custodian to a global custodian or international central securities depository.

(3) *Institutional investor* — A client of a dealer that has been granted DAP/RAP trading privileges is an institutional investor. This will likely be the case whenever a client's investment assets are held by or through securities accounts maintained with a custodian instead of the client's dealer that executes its trades. While the expression "institutional trade" is not defined in the Instrument, we use the expression in this Companion Policy to mean broadly any DAP/RAP trade.

(4) *DAP/RAP trade* — The concepts *delivery against payment* and *receipt against payment* are generally understood by the industry. They are also defined terms in the Notes and Instructions (Schedule 4) to ~~IIROC~~ IDPC Form 1, Part II. All DAP/RAP trades, whether settled by a non-dealer custodian or a dealer custodian, are subject to the requirements of Part 3 of the Instrument. The definition of DAP/RAP trade excludes a trade for which settlement is made on behalf of a client by a custodian that is also the dealer that executed the trade.

(5) *Trade-matching party* — An institutional investor, whether Canadian or foreign-based, may be a trade-matching party. As such, it, or its adviser that is acting for it in processing a trade, should enter into a trade-matching agreement or provide a trade-matching statement under Part 3 of the Instrument. However, an institutional investor that is an individual or a person or company with total securities under administration or management not exceeding $10 million, is not a trade-matching party. A custodian that settles a trade on behalf of an institutional investor is also a trade-matching party and should enter into a trade-matching agreement

See sections 14.3 and 14.10 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (NI 31-103) and section 14.10 of the Companion Policy to NI 31-103.

5 See, for example, section 14.12 of NI 31-103 and ~~IIROC Member Rule 200.1(h)~~ IDPC Rule 3816 Trade Confirmations.

6 See, for example, s. 1(1) of the *Securities Act* (Ontario).

or provide a trade-matching statement. However, a foreign global custodian or international central securities depository that holds Canadian portfolio assets through a local Canadian sub-custodian would not normally be considered a trade-matching party if it is not a clearing agency participant or otherwise directly involved in settling the trade in Canada.

(6) *Application of Instrument* — Part 2 of the Instrument enumerates certain types of trades that are not subject to the Instrument.

PART 2
TRADE MATCHING REQUIREMENTS

Trade data elements

2.1 Trade data elements that must be verified and agreed to are those identified by the SROs or the best practices and standards for institutional trade processing established and generally adopted by the industry. See section 2.4 of this Companion Policy. To illustrate, trade data elements that should be transmitted, compared and agreed to may include the following:

(a) *Security identification:* standard numeric identifier, currency, issuer, type/class/series, market ID; and

(b) *Order and trade information:* dealer ID, account ID, account type, buy/sell indicator, order status, order type, unit price/face amount, number of securities/quantity, message date/time, trade transaction type, commission, accrued interest (fixed income), broker settlement location, block reference, net amount, settlement type, allocation sender reference, custodian, payment indicator, IM portfolio/account ID, quantity allocated, and settlement conditions.

Trade matching deadlines for registered firms

2.2 The obligation of a registered dealer or registered adviser to establish, maintain and enforce policies and procedures, pursuant to sections 3.1 and 3.3 of the Instrument, will require the dealer or adviser to take reasonable steps to achieve matching as soon as practical after the DAP/RAP trade is executed and in any event no later than ~~12 p.m. (noon)~~ 3:59 a.m. Eastern Time on T+1. The policies and procedures requirement of Part 3 of the Instrument is consistent with the overarching obligation of a registered firm to manage the risks associated with its business in accordance with prudent business practices.[7]

Choice of trade-matching agreement or trade-matching statement

2.3 (1) *Establishing, maintaining and enforcing policies and procedures —*

(a) Under sections 3.2 and 3.4, a registered dealer's or registered adviser's policies and procedures must be designed to encourage trade-matching parties to (i) enter into a trade-matching agreement with the dealer or adviser or (ii) provide or make available a trade-matching statement to the dealer or adviser. The purpose of the trade-matching agreement or trade-matching statement is to ensure that all trade-matching parties have established, maintain, and enforce appropriate policies and procedures designed to achieve matching of a DAP/RAP trade as soon as practical after the trade is executed. If the dealer or adviser is unable to obtain a trade-matching agreement or statement from a trade-matching party, it should document its efforts in accordance with its policies and procedures.

(b) The parties described in paragraphs (a), (b), (c), and (d) of the definition "trade-matching party" in section 1.1 of the Instrument need not necessarily all be involved in a trade for the requirements of sections 3.2 and 3.4 of the Instrument to apply. There is no need for an adviser to be involved in the matching process of an institutional investor's trades for the requirement to apply. In this case, the trade-matching parties that should have appropriate policies and procedures in place would be the institutional investor, the dealer and the custodian.

(c) The Instrument does not ~~provide~~ prescribe the form of a trade-matching agreement or trade-matching statement other than it be in writing. Subsections (2) and (3) below provide some guidance on these documents. A trade-matching agreement or trade-matching statement should be signed by a senior executive officer of the entity to ensure its policies and procedures are given sufficient attention and priority within the entity's senior management. A senior executive officer would include any individual who is (a) the chair of the entity, if that individual performs the functions of the office on a full time basis, (b) a vice-chair of the entity, if that individual performs the functions of the office on a full time basis, (c) the president, chief executive officer or chief operating officer of the entity, and (d) a senior vice-president of the entity in charge of the entity's operations and back-office functions.

[7] See s. 11.1 of NI 31-103, which requires registered firms to establish, maintain and apply policies and procedures that establish a system of controls and supervision sufficient to manage the risks associated with their business in accordance with prudent business practices.

(2) *Trade-matching agreement —*

(a) A registered dealer or registered adviser need only enter into one trade-matching agreement with the other trade-matching parties for new or existing DAP/RAP trading accounts of an institutional investor for all future trades in relation to such account. The trade-matching agreement may be a single multi-party agreement among the trade-matching parties, or a network of bilateral agreements. A single trade-matching agreement is also sufficient for the general and all sub-accounts of the registered adviser or buy-side manager. If the dealer or adviser uses a trade-matching agreement, the form of such agreement may be incorporated into the institutional account opening documentation and may be modified from time to time with the consent of the parties.

(b) The agreement must specify the roles and responsibilities of each of the trade-matching parties and should describe the minimum standards and best practices to be incorporated into the policies and procedures that each party has in place. This should include the timelines for accomplishing the various steps and tasks of each trade-matching party for timely matching. For example, the agreement may include, as applicable, provisions dealing with:

For the dealer executing and/or clearing the trade:

- how and when the notice of trade execution (NOE) is to be given to the institutional investor or its adviser, including the format and content of the NOE (e.g., electronic);
- how and when trade details are to be entered into the dealer's internal systems and the clearing agency's systems;
- how and when the dealer is to correct or adjust trade details entered into its internal systems or the clearing agency's systems as may be required to agree to trade details with the institutional investor or its adviser;
- general duties of the dealer to cooperate with other trade-matching parties in the investigation, adjustment, expedition and communication of trade details to ensure trades can be matched within prescribed timelines.

For the institutional investor or its adviser:

- how and when to review the NOE's trade details, including identifying any differences from its own records;
- how and when to notify the dealer of trade differences, if any, and resolve such differences;
- how and when to determine and communicate settlement details and account allocations to the dealer and/or custodian(s);
- general duties of the institutional investor or its adviser to cooperate with other trade-matching parties in the investigation, adjustment, expedition and communication of trade details to ensure trades can be matched within prescribed timelines.

For the custodian settling the trade at the clearing agency:

- how and when to receive trade details and settlement instructions from institutional investors or their advisers;
- how and when to review and monitor trade details submitted to the clearing agency on an ongoing basis for items entered and awaiting affirmation or challenge;
- how and when to report to institutional investors or their advisers on an ongoing basis changes to the status of a trade and the matching of a trade;
- general duties of the custodian to cooperate with other trade-matching parties in the investigation, adjustment, expedition and communication of trade details to ensure trades can be matched within prescribed timelines.

(3) *Trade-matching statement* — A single trade-matching statement is sufficient for the general and all sub-accounts of the registered adviser or buy-side manager. A registered dealer or registered adviser may accept a trade-matching statement signed by a senior executive officer of a trade-matching party without further investigation and may continue to rely upon the statement for all future trades in an account, unless the dealer or adviser has knowledge that any statements or facts set out in the statement are incorrect. Mass mailings or emails of a trade-matching statement, or the posting of a single uniform trade-matching statement on a ~~Website~~website, would be acceptable ways of providing the statement to other trade-matching parties. A registered firm may rely on a trade-matching party's representations that the trade-matching statement was provided to the other trade-matching parties without further investigation.

(4) *Monitoring and enforcement of undertakings in trade-matching documentation* — Registered dealers and advisers should use reasonable efforts to monitor compliance with the terms or undertakings set out in the trade-matching agreements or trade-matching statements in accordance with their policies and procedures.

Registered dealers and advisers should also take active steps to address problems if the policies and procedures of other trade-matching parties appear to be inadequate and are causing delays in the matching process. Such steps might include imposing monetary incentives (e.g. penalty fees) or requesting a third party review or assessment of the party's policies and procedures. This approach could enhance cooperation among the trade-matching parties leading to the identification of the root causes of failures to match trades on time.

Determination of appropriate policies and procedures

2.4 (1) *Best practices* — We are of the view that, when establishing appropriate policies and procedures, a party should consider the industry's generally adopted best practices and standards for institutional trade processing. It should also include those policies and procedures into its regulatory compliance and risk management programs.

(2) *Different policies and procedures* — We recognize that appropriate policies and procedures may not be the same for all registered dealers, registered advisers and other market participants because of the varying nature, scale and complexity of a market participant's business and risks in the trading process. For example, policies and procedures designed to achieve matching may differ among a registered dealer that acts as an "introducing broker" and one that acts as a "carrying broker".[8] In addition, if a dealer is not a clearing agency participant, the dealer's policies and procedures to expeditiously achieve matching should be integrated with the clearing arrangements that it has with any other dealer acting as carrying or clearing broker for the dealer. Establishing appropriate policies and procedures may require registered dealers, registered advisers and other market participants to upgrade their systems and enhance their interoperability with others.[9]

Use of matching service utility

2.5 The Instrument does not require the trade-matching parties to use the facilities or services of a matching service utility to accomplish matching of trades within the prescribed timelines. However, if such facilities or services are made available in Canada, the use of such facilities or services may help a trade-matching party's compliance with the Instrument's requirements.

PART 3
INFORMATION REPORTING REQUIREMENTS

~~**Exception reporting for registered firms**~~

~~**3.1**~~

~~(a) Part 4 of the Instrument requires a registered firm to complete and deliver to the securities regulatory authority Form 24-101F1 and related exhibits. Form 24-101F1 need only be delivered if less than 90 percent of the DAP/RAP trades (by volume and value) executed by or for the registered firm in any given calendar quarter have matched within the time required by the Instrument. Tracking of a registered firm's trade matching statistics may be outsourced to a third party service provider, including a clearing agency or custodian. However, despite the outsourcing arrangement, the registered firm retains full legal and regulatory liability and accountability to the Canadian securities regulatory authorities for its exception reporting requirements. If a registered firm has insufficient information to determine whether it has achieved the percentage target of matched DAP/RAP trades in any given calendar quarter, it must explain in Form 24-101F1 the reasons for this and the steps it is taking to obtain this information in the future.~~

~~(b) Form 24-101F1 requires registered firms to provide aggregate quantitative information on their equity and debt DAP/RAP trades.~~

~~DAP/RAP trades in exchange-traded funds are reportable in the equities category of DAP/RAP trades. Form 24-101F1 should only be submitted for DAP/RAP trades for the type of security (equity or debt) that did not meet the 90 percent threshold by the relevant timeline. If a registered firm does not meet the threshold for both equity and debt DAP/RAP trades, then it should submit the Form for both equity and debt DAP/RAP trades (i.e., by completing both tables in Exhibit A of Form 24-101F1). If the firm does not meet the threshold only for one type of security (i.e., for equity but not debt, or for debt but not equity), it should only submit the Form for the one type of security, by completing only one of the tables in Exhibit A of Form 24-101F1. A registered firm must also provide qualitative information on the~~

[8] See ~~IIROC Member Rule 35 *Introducing Broker / Carrying Broker Arrangements*.~~ IDPC Rule 2400 Acceptable Back Office Arrangements.
[9] See Discussion Paper 24-401, at p. 3984, for a discussion of *interoperability.*

~~circumstances or underlying causes that resulted in or contributed to the failure to achieve the percentage target for matched equity and/or debt DAP/RAP trades within the maximum time prescribed by Part 3 of the Instrument and the specific steps they are taking to resolve delays in the trade reporting and matching process in the future. Registered firms should provide information that is relevant to their circumstances. For example, dealers should provide information demonstrating problems with NOEs or reporting of trade details to the clearing agency. Reasons given for the failure could be one or more matters within the registered firm's control or due to another trade-matching party or service provider.~~

(c) ~~The steps being taken by a registered firm to resolve delays in the matching process could be internally focused, such as implementing a new system or procedure, or externally focused, such as meeting with a trade-matching party to determine what action should be taken by that party. Dealers should confirm what steps they have taken to inform and encourage their clients to comply with the requirements or undertakings of the trade-matching agreement and/or trade-matching statement. They should confirm what problems, if any, they have encountered with their clients, other trade matching parties or service providers. They should identify the trade matching party or service provider that appears to be consistently not meeting matching deadlines or to have no reasonable policies and procedures in place. Advisers should provide similar information, including information demonstrating problems with communicating allocations or with service providers or custodians.~~

Regulatory reviews of registered firm exception reports

~~3.2~~

(a) ~~We will review the completed Forms 24-101F1 on an ongoing basis to monitor and assess compliance by registered firms with the Instrument's matching requirements. We will identify problem areas in matching, including identifying trade matching parties that have no or weak policies and procedures in place to ensure matching of trades is accomplished within the time prescribed by Part 3 of the Instrument. Monitoring and assessment of registered firm matching activities may be undertaken by the SROs in addition to, or in lieu of, reviews undertaken by us.~~

(b) ~~The Canadian securities regulatory authorities may consider the consistent inability to meet the matching percentage target as evidence that either the policies and procedures of one or more of the trade matching parties have not been properly designed or, if properly designed, have been inadequately complied with. Consistently poor qualitative reporting may also be considered as evidence of poorly designed or implemented policies and procedures. See also section 2.3(4) of this Companion Policy for a further discussion of our approach to compliance and enforcement of the trade-matching requirements of the Instrument.~~

~~Other i~~ Information reporting requirements

3.~~3~~1 Clearing agencies and matching service utilities are required to include in Forms 24-101F2 and 24-101F5 certain trade-matching information in respect of their participants users or subscribers. The purpose of this information is to facilitate monitoring and enforcement by the Canadian securities regulatory authorities or SROs of the Instrument's matching requirements.

Forms delivered in electronic form

~~3.4~~ ~~Registered firms are encouraged to complete their Form 24-101F1 on-line on the CSA's website at the following URL addresses:~~

~~In English:~~ http://www.securitiesadministrators.ca/industry_resources.aspx?id=52

~~In French:~~ http://www.autorites-valeurs-mobilieres.ca/ressources_professionnelles.aspx?id=52

Confidentiality of information

3.2~~5~~ The forms delivered to the securities regulatory authority by a ~~registered firm,~~ clearing agency and matching service utility under the Instrument will be treated as confidential by us, subject to the applicable provisions of the freedom of information and protection of privacy legislation adopted by each province and territory. We are of the view that the forms contain intimate financial, commercial and technical information and that the interests of the providers of the information in non-disclosure outweigh the desirability of making such information publicly available. However, we may share the information with SROs and may publicly release aggregate industry-wide matching statistics on equity and debt DAP/RAP trading in the Canadian markets.

PART 4
REQUIREMENTS FOR MATCHING SERVICE UTILITIES

Matching service utility

4.1 (1) Part 6 of the Instrument sets out reporting, systems capacity, and other requirements of a matching service utility. For the purposes of the Instrument, the term *matching service utility* expressly excludes a clearing agency. A matching service utility would be any entity that provides the services of a post-execution centralized matching facility for trade-matching parties. It may use technology to match in real-time trade data elements throughout a trade's processing lifecycle. A matching service utility would not include a registered dealer who offers "local" matching services to its institutional investor-clients. In Québec, a person or company that seeks to provide centralized facilities for matching must, in addition to the requirements of the Instrument, apply for recognition as a matching service utility or for an exemption from the requirement to be recognized as a matching service utility pursuant to the *Securities Act* (Québec) or *Derivatives Act* (Québec). In certain other jurisdictions, in addition to the requirements of the Instrument, such person or company may be required to apply either for recognition as a clearing agency or for an exemption from the requirement to be recognized as a clearing agency.[10]

(2) A matching service utility would be viewed by us as an important infrastructure system involved in the clearing and settlement of securities transactions. We believe that, while a matching service utility operating in Canada would largely enhance operational efficiency in the capital markets, it would raise certain regulatory concerns. Comparing and matching trade data are complex processes that are inextricably linked to the clearance and settlement process. A matching service utility concentrates processing risk in the entity that performs matching instead of dispersing that risk more to the dealers and their institutional investor-clients. Accordingly, we believe that the breakdown of a matching service utility's ability to accurately verify and match trade information from multiple market participants involving large numbers of securities transactions and sums of money could have adverse consequences for the efficiency of the Canadian securities clearing and settlement system. The requirements of the Instrument applicable to a matching service utility are intended to address these risks.

Initial information reporting requirements for a matching service utility

4.2 Subsection 6.1(1) of the Instrument requires any person or company that carries on or intends to carry on business as a matching service utility to deliver Form 24-101F3 to the securities regulatory authority. We will review Form 24-101F3 to determine whether the person or company that delivered the form is an appropriate person or company to act as a matching service utility for the Canadian capital markets. We will consider a number of factors when reviewing the form, including:

(a) the performance capability, standards and procedures for the transmission, processing and distribution of details of trades executed on behalf of institutional investors;

(b) whether market participants generally may obtain access to the facilities and services of the matching service utility on fair and reasonable terms;

(c) personnel qualifications;

(d) whether the matching service utility has sufficient financial resources for the proper performance of its functions;

(e) the existence of, and interoperability arrangements with, another entity performing a similar function for the same type of security; and

(f) the systems report referred to in section 6.5(b) of the Instrument.

Change to significant information

4.3 Under section 6.2 of the Instrument, a matching service utility is required to deliver to the securities regulatory authority an amendment to the information provided in Form 24-101F3 at least 45 days before implementing a significant change involving a matter set out in Form 24-101F3. In our view, a significant change includes a change to the information contained in the General Information items 1-10 and Exhibits A, B, E, G, I, J, O, P and Q of Form 24-101F3.

Ongoing information reporting and other requirements applicable to a matching service utility

4.4 (1) Ongoing quarterly information reporting requirements will allow us to monitor a matching service utility's operational performance and management of risk, the progress of interoperability in the market, and any negative impact on access to the

[10] See, for example, the scope of the definition of "clearing agency" in s. 1(1) of the *Securities Act* (Ontario), which includes providing centralized facilities "for comparing data respecting the terms of settlement of a trade or transaction".

markets. A matching service utility will also provide trade matching data and other information to us so that we can monitor industry compliance.

(2) Completed forms delivered by a matching service utility will provide useful information on whether it is:

(a) developing fair and reasonable linkages between its systems and the systems of any other matching service utility in Canada that, at a minimum, allow parties to executed trades that are processed through the systems of both matching service utilities to communicate through appropriate, effective interfaces;

(b) negotiating with other matching service utilities in Canada fair and reasonable charges and terms of payment for the use of interface services with respect to the sharing of trade and account information; and

(c) not unreasonably charging more for use of its facilities and services when one or more counterparties to trades are customers of other matching service utilities than the matching service utility would normally charge its customers for use of its facilities and services.

Capacity, integrity and security system requirements

4.5 (1) The activities in section 6.5(a) of the Instrument must be carried out at least once a year. We would expect these activities to be carried out even more frequently if there is a significant change in trading volumes that necessitates that these functions be carried out more frequently in order to ensure that the matching service utility can appropriately service its clients.

(2) The independent review contemplated by section 6.5(b) of the Instrument should be performed by competent and independent audit personnel, in accordance with generally accepted auditing standards. Depending on the circumstances, we would consider accepting a review performed and written report delivered pursuant to similar requirements of a foreign regulator to satisfy the requirements of this section. A matching service utility that wants to advocate for that result must submit a request for discretionary relief.

(3) The notification of a material systems failure under section 6.5(c) of the Instrument should be provided promptly from the time the incident was identified as being material and should include the date, cause and duration of the interruption and its general impact on users or subscribers. We consider promptly to mean within one hour from the time the incident was identified as being material. Material systems failures include serious incidents that result in the interruption of the matching of trades for more than thirty minutes ~~during normal business hours~~.

PART 5
TRADE SETTLEMENT

Trade settlement by dealer

5.1 Section 7.1 of the Instrument is intended to support and strengthen the general settlement cycle rules of the SROs and marketplaces. Current SRO and marketplace rules mandate a standard T+1~~2~~ settlement cycle period for most transactions in equity and long-term debt securities.[11] If a dealer is not a participant of a clearing agency, the dealer's policies and procedures to facilitate the settlement of a trade should be combined with the clearing arrangements that it has with any other dealer acting as carrying or clearing broker for the dealer.

PART 6
REQUIREMENTS OF SELF-REGULATORY ORGANIZATIONS AND OTHERS

Standardized documentation

6.1 Without limiting the generality of section 8.2 of the Instrument, an SRO may require its members to use, or recommend that they use, a standardized form of trade-matching agreement or trade-matching statement prepared or approved by the SRO, and may negotiate on behalf of its members with other trade-matching parties and industry associations to agree on the standardized form of trade-matching agreement or trade-matching statement to be used by all relevant sectors in the industry (dealers, buy-side managers and custodians).

[11] See, for example, ~~IIROC Member Rule 800.27 and TSX Rule 5-103(1)~~ IDPC Rule 4800.

ANNEX G

LOCAL MATTERS

In Ontario, the Amendments to National Instrument 24-101 are subject to approval by the Ontario Minister of Finance. The Minister may reject or approve the Amendments or return them for further consideration. If the Minister approves the Amendments or does not take any further action, the Amendments will come into force on May 27, 2024.

B.1.2 Notice of Ministerial Approval of the Repeal of National Instrument 81-104 Alternative Mutual Funds

NOTICE OF MINISTERIAL APPROVAL OF
THE REPEAL OF
NATIONAL INSTRUMENT 81-104 ALTERNATIVE MUTUAL FUNDS

Ministerial Approval

On July 18, 2023, the Ontario Securities Commission approved the repeal of National Instrument 81-104 *Alternative Mutual Funds* (**the Repeal**).

The Repeal was published in the Bulletin on August 31, 2023 at (2023), 46 OSCB 7037.

On December 11, 2023, the Minister of Finance approved the Repeal.

The text of the Repeal is published in Chapter B.5 of this Bulletin.

Effective Date

The Repeal has an effective date of January 29, 2024.

B.2
Orders

B.2.1 Ivrnet Inc.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – The issuer ceased 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).

Citation: *Re Ivrnet Inc.*, 2023 ABASC 160

December 7, 2023

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
IVRNET 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 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 in British Columbia and Saskatchewan; 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 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

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.

"Timothy Robson"
Manager, Legal
Corporate Finance
Alberta Securities Commission

OSC File #: 2023/0590

B.2.2 Small Pharma Inc.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – The issuer ceased 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).

December 8, 2023

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
SMALL PHARMA 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 British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories, and Nunavut.

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.

"Erin O'Donovan"
Manager, Corporate Finance
Ontario Securities Commission

OSC File #: 2023**/**0528

B.2.3 1403285 B.C. Ltd.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – The issuer ceased 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).

December 7, 2023

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

AND

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

AND

IN THE MATTER OF
1403285 B.C. LTD.
(the Filer)

ORDER

Background

¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (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 the Process for Cease to be a Reporting Issuer Applications (for a dual application):

(a) the British Columbia 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 Alberta, 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

¶ 2 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

¶ 3 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

¶ 4 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.

"John Hinze"
Director, Corporate Finance
British Columbia Securities Commission

OSC File #: 2023/0572

B.2.4 Terra Firma Capital Corporation – s. 1(6) of the OBCA

Headnote

Applicant deemed to have ceased to be offering its securities to the public under the Business Corporations Act (Ontario).

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., ss. 1(6).

IN THE MATTER OF
THE *BUSINESS CORPORATIONS ACT*
(ONTARIO), R.S.O. 1990, c. B.16,
AS AMENDED
(the OBCA)

AND

IN THE MATTER OF
TERRA FIRMA CAPITAL CORPORATION
(the Applicant)

ORDER
(Subsection 1(6) of the OBCA)

UPON the application of the Applicant to the Ontario Securities Commission (the **Commission**) for an order pursuant to subsection 1(6) of the OBCA to be deemed to have ceased to be offering its securities to the public;

AND UPON the Applicant representing to the Commission that:

1. The Applicant is an "offering corporation" as defined in subsection 1(1) of the OBCA.

2. The head office of the Applicant is located at 200 Bay Street, North Tower, Suite 1200, P.O. Box 96, Toronto, Ontario, M5J 2J2.

3. The Applicant has no intention to seek public financing by way of an offering of securities.

4. On November 20, 2023, the Applicant was granted an order (the **Reporting Issuer Order**) pursuant to subclause 1(10)(a)(ii) of the *Securities Act* (Ontario) that it is not a reporting issuer in Ontario and is not a reporting issuer or the equivalent in any jurisdiction of Canada in accordance with the simplified procedure set out in National Policy 11-206 – *Process for Cease to be a Reporting Issuer Applications*.

5. The representations set out in the Reporting Issuer Order continue to be true.

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

IT IS HEREBY ORDERED by the Commission pursuant to subsection 1(6) of the OBCA that the Applicant be deemed to have ceased to be offering its securities to the public for the purpose of the OBCA.

DATED at Toronto this 8th day of December 2023.

"Erin O'Donovan"
Manager, Corporate Finance
Ontario Securities Commission

OSC File #: 2023/0568

B.2.5 Refinitiv Transaction Services Limited – s. 147

Headnote

Section 147 of the Securities Act (Ontario), section 15.1 of NI 21-101, section 12.1 of NI 23-101 and section 10 of NI 23-103 – Application for an order that a multilateral trading facility authorized by the United Kingdom's Financial Conduct Authority to be exempt from the requirement to be recognized as an exchange in Ontario and from the requirements of NI 21-101, NI 23-101 and NI 23-103 in their entirety – requested order granted.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 21, 147.
National Instrument 21-101 Marketplace Operation, s. 15.1.
National Instrument 23-101 Trading Rules, s. 12.1.
National Instrument 23-103 Electronic Trading and Direct Electronic Access to Marketplaces, s. 10.

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

AND

REFINITIV TRANSACTION SERVICES LIMITED

ORDER
(Section 147 of the Act)

WHEREAS Refinitiv Transaction Services Limited (**RTSL** or the **Applicant**) has filed an application dated September 6, 2023 (the **Application**) with the Ontario Securities Commission (the **Commission**) requesting an order for the following relief (collectively, the **Requested Relief**):

a) exempting the Applicant from the requirement to be recognized as an exchange under subsection 21(1) of the Act pursuant to section 147 of the Act; and

b) exempting the Applicant from the requirements in National Instrument 21-101 *Marketplace Operation* (**NI 21-101**) pursuant to section 15.1 of NI 21-101, the requirements of National Instrument 23-101 *Trading Rules* (**NI 23-101**) pursuant to section 12.1 of NI 23-101 and the requirements of NI 23-103 *Electronic Trading and Direct Access to Marketplaces* (**NI 23-103**) pursuant to section 10 of NI 23-103;

AND WHEREAS the Applicant has represented to the Commission that:

1 RTSL currently operates a multilateral trading facility (the **Facility**). The following types of investment are offered for trading on the Facility: foreign exchange (**FX**) forwards (swaps), FX forwards (outrights), FX swaps, FX non-deliverable forwards (**NDFs**) and FX options. These financial instruments are admitted in various currency pairs.

2 RTSL received authorization on December 1, 2001 from the Financial Services Authority, the United Kingdom's (**UK**) financial services regulator at that time (now superseded by the Financial Conduct Authority (**FCA**)), to act as the operator of the Facility. A formal approval to operate a multilateral trading facility as defined under the European Union's Markets in Financial Instruments Directive 2004/39 was obtained in November 2007.

3 On January 3, 2018, the Markets in Financial Instruments Directive (Directive 2014/65/EU of the European Parliament and of the Council) (**MiFID II**) entered into force as implemented in the UK by transposition into national law together with the Markets in Financial Instruments Regulation (Regulation (EU) No 600/2014 of the European Parliament and of the Council) (**MiFIR**) which is directly applicable in the UK, containing the amended regulatory framework for the operator of a multilateral trading facility.

4 Without the Requested Relief, participants in Ontario will be precluded from trading with UK participants on the Facility, a UK-regulated trading venue.

5 The Facility comprises one trading segment known as FXall RFQ which is governed by the MTF Rule Book (the **Rules**). A client who enters into a Participant Agreement in respect of the Facility (a **Participant**) must comply with both the Rules applicable to the Facility as a whole.

6 The Applicant is subject to regulatory supervision by the FCA, pursuant to an authorization to operate a multilateral trading facility granted November 1, 2007.

7 Accordingly, the Applicant is required to comply with the FCA's regulatory framework, which includes, among other things, rules on (i) the conduct of business (including rules regarding client categorization, communication with clients and other investor protections and client agreements), (ii) market conduct (including rules applicable to firms operating a multilateral trading facility), and (iii) systems and controls (including rules on outsourcing, governance, record-keeping and conflicts of interest). The FCA requires the Applicant to comply at all times with a set of threshold conditions for authorization, including requirements that the Applicant is "fit and proper" to be authorized and that it has appropriate resources for the activities it carries on. The Applicant is subject to prudential regulation, including minimum regulatory capital requirements, and is capitalized in excess of regulatory requirements. The Applicant is required to maintain a permanent and effective compliance function. The Applicant's Compliance Department is responsible for implementing and maintaining adequate policies and procedures designed to ensure that the Applicant (and all associated staff) comply with their obligations under the FCA rules. These policies and procedures are set forth in the RTSL Compliance Manual and associated internal policies and procedures.

8 The Facility is obliged to have requirements governing the conduct of Participants, to monitor compliance with those requirements and report to the FCA (a) significant breaches of the Rules, (b) disorderly trading conditions, and (c) conduct that may involve market abuse. The Applicant may also notify the FCA when a Participant's access is terminated, temporarily suspended or subject to condition(s). As required, the Applicant has implemented a trade surveillance program. As part of the program, the Applicant's Compliance Department conducts real-time market monitoring of trading activity on the Facility to identify disorderly trading and market abuse or anomalies. The trade surveillance program is designed to maintain a fair and orderly market for Participants.

9 Participants may only connect to the Facility using a connection method permitted by RTSL. These connection methods are described more fully in the rules relevant to each specific trading segment. FXall RFQ currently permits connections through an application programming interface (**API**) for FX Forwards. Participants may allow remote-manned use of LSEG APIs if the Participant ensures that the API applications in use at the remote site are at all times monitored and managed from that remote monitoring site. The Facility offers publicly available pricing plans based on trading segment, rate engine or pricing tool selected. The rate stated is purely for the Facility transaction component and does not include any pricing for the rates engine or pricing tools used.

10 Participants are responsible for ensuring the prompt exchange and processing of transaction confirmations directly with their counterparties in accordance with market practice. Failure to settle transactions will constitute a breach of the Rules. Participants are also responsible for ensuring that transactions are not required to be cleared pursuant to applicable law. If Participants are required or choose to clear a transaction, they are responsible for making the necessary arrangements.

11 The Applicant requires that all Participants meet the criteria of an Eligible Counterparty, either "per se" or "elective" as defined in Article 30(2) of European Union Directive 2014/65 and as incorporated into UK regulations. Each prospective participant must (i) comply and ensure that its authorized traders comply, and, in each case, continue to comply, with the Rules and applicable law (ii) have a sufficient level of trading ability, skill, competence and experience to conduct activities on the Facility; (iii) must be of adequate financial soundness; (iv) have adequate organizational arrangements commensurate with meeting their own regulatory obligations (v) have in place adequate systems and controls to ensure their on-going compliance with the Rules and management of their trading activities, and (vi) must satisfy any other criteria that RTSL may reasonably require from time to time.

12 RTSL will offer direct access to trading on the Facility to participants that are located in Ontario (**Ontario Participants**) and are appropriately registered as applicable under Ontario securities laws or are exempt from or not subject to those requirements, and qualify as an "eligible counterparty" (either "per se" or "elective"), as defined in Article 30(2) of European Union Directive 2014/65 and as incorporated into UK regulations. Ontario Participants will be required to immediately notify the Applicant if they cease to meet the criteria of an Eligible Counterparty. Participants must also supply any information requested by the Facility or Applicant to enable monitoring of responsibilities with respect to eligibility and operational criteria.

13 The Facility also requires information to be provided regarding the operational functions of the participants, including the qualifications required of staff in key positions and pre- and post-trade controls.

14 Ontario Participants may include financial institutions, asset managers, dealers, government entities, pension funds and other well-capitalized entities that meet the criteria described above.

15 Because the Facility sets requirements for the conduct of its participants and surveils the trading activity of its Participants, it is considered by the Commission to be an exchange.

16 Since the Applicant seeks to provide Ontario Participants with direct access to trading on the Facility, the Facility is considered by the Commission to be "carrying on business as an exchange" in Ontario and is required to be recognized as such or exempted from recognition pursuant to section 21 of the Act.

17 The Facility has no physical presence in Ontario and does not otherwise carry on business in Ontario except as described herein;

AND WHEREAS the products traded on the Facility are not commodity futures contracts as defined in the *Commodity Futures Act* (Ontario) and the Facility is not considered to be carrying on business as a commodity futures exchange in Ontario;

AND WHEREAS the Applicant has acknowledged to the Commission that the scope of the Requested Relief and the terms and conditions imposed by the Commission set out in Schedule "A" to this order may change as a result of the Commission's monitoring of developments in international and domestic capital markets or the Applicant or the Facility's activities, or as a result of any changes to the laws in Ontario affecting trading in derivatives or securities;

AND WHEREAS based on the Application, together with the representations made by and acknowledgments of the Applicant to the Commission, the Commission has determined that the granting of the Requested Relief would not be prejudicial to the public interest;

IT IS HEREBY ORDERED by the Commission that, (i) pursuant to section 147 of the Act, the Applicant is exempt from recognition as an exchange under subsection 21(1) of the Act, and by the regulator that (ii) pursuant to sections 15.1(1) of NI 21-101, 12.1 of NI 23-101 and 10 of NI 23-103, the Applicant is exempt from the requirements of NI 21-101, NI 23-101, and NI 23-103,

PROVIDED THAT the Applicant complies with the terms and conditions contained in Schedule "A".

DATED December 12, 2023.

"Michelle Alexander"
Manager, Market Regulation

Schedule A: Terms and Conditions

Meeting Criteria for Exemption

1. The Applicant will continue to meet the criteria for exemption included in Appendix 1 to this Schedule.

Regulation and Oversight of the Applicant

2. The Applicant will maintain its authorization to operate as a multilateral trading facility (**MTF**) with the UK Financial Conduct Authority (**FCA**) and will continue to be subject to the regulatory oversight of the FCA.

3. The Applicant will continue to comply with the ongoing requirements applicable to it as the operator of an MTF authorized by the FCA.

4. The Applicant will promptly notify the Commission if its authorization to operate as an MTF has been revoked, suspended, or amended by the FCA, or the basis on which its registration as an MTF has been granted has significantly changed.

5. The Applicant must do everything within its control, which includes cooperating with the Commission as needed, to carry out its activities as an exchange exempted from recognition under subsection 21(1) of the Act in compliance with the Ontario securities law.

Access

6. The Applicant will not provide direct access to a participant in Ontario (an **Ontario User**) unless the Ontario User is appropriately registered as applicable under the Ontario securities laws or is exempt from or not subject to those requirements and qualifies as an "eligible counterparty" (either "per se" or "elective"), as defined by Article 30(2) of the European Union Directive 2014/65 and as incorporated into UK regulations.

7. For each Ontario User provided direct access to its Facility, the Applicant will require, as part of its application documentation or continued access to the Facility, the Ontario User to represent that it is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements.

8. The Applicant may reasonably rely on a written representation from the Ontario User that specifies either that it is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements, provided the Applicant notifies such Ontario User that this representation is deemed to be repeated each time it enters an order, request for quote or response to a request for quote or otherwise uses the Applicant's Facility.

9. The Applicant will require Ontario Users to notify the Applicant if their registration as applicable under Ontario securities laws has been revoked, suspended, or amended by the Commission or if they are no longer exempt from or become subject to those requirements and, following notice from the Ontario User and subject to applicable laws, the Applicant will promptly restrict the Ontario User's access to the Facility if the Ontario User is no longer appropriately registered or exempt from those requirements.

Trading by Ontario Users

10. The Applicant will not provide access to an Ontario User to trading in products other than swaps, as defined in section 1a(47) of the United States Commodity Exchange Act as amended, without prior approval of the Commission.

Submission to Jurisdiction and Agent for Service

11. With respect to a proceeding brought by the Commission arising out of, related to, concerning or in any other manner connected with the Commission's regulation and oversight of the activities of the Applicant in Ontario, the Applicant will submit to the non-exclusive jurisdiction of (i) the courts and administrative tribunals of Ontario and (ii) an administrative proceeding in Ontario.

12. The Applicant will submit to the Commission a valid and binding appointment of an agent for service in Ontario upon whom the Commission may serve a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding arising out of, related to, concerning or in any other manner connected with the Commission's regulation and oversight of the Applicant's activities in Ontario.

Prompt Reporting

13. The Applicant will notify staff of the Commission promptly of:

    (a) any authorization to carry on business granted by the FCA is revoked or suspended or made subject to terms or conditions on the Applicant's operations;

(b) the Applicant institutes a petition for a judgment of bankruptcy or insolvency or similar relief, or to wind up or liquidate the Applicant or has a proceeding for any such petition instituted against it;

(c) a receiver is appointed for the Applicant or the Applicant makes any voluntary arrangement with creditors;

(d) the Applicant marketplace is not in compliance with this Order or with any applicable requirements, laws or regulations of the FCA where it is required to report such non-compliance to the FCA;

(e) any known investigations of, or disciplinary action against, the Applicant by the FCA or any other regulatory authority to which it is subject; and

(f) the Applicant makes any material change to the eligibility criteria for Ontario Users.

Semi-Annual Reporting

14. The Applicant will maintain the following updated information and submit such information in a manner and form acceptable to the Commission on a semi-annual basis (by July 31 for the first half of the calendar year and by January 31 of the following year for the second half), and at any time promptly upon the request of staff of the Commission:

(a) a current list of all Ontario Users and whether the Ontario User is registered under the securities laws of Ontario or is exempt from or not subject to registration, and, to the extent known by the Applicant, other persons or companies located in Ontario trading on the Applicant's Facility as customers of participants (**Other Ontario Participants**);

(b) the legal entity identifier assigned to each Ontario User, and, to the extent known by the Applicant, to Other Ontario Participants in accordance with the standards set by the Global Legal Entity Identifier System;

(c) a list of all Ontario Users whom the Applicant has referred to the FCA, or, to the best of the Applicant's knowledge, whom have been disciplined by the FCA with respect to such Ontario Users' activities on the Applicant's Facility and the aggregate number of all participants referred to the FCA since the previous report by the Applicant;

(d) a list of all active investigations since the previous report by the Applicant relating to Ontario Users and the aggregate number of active investigations since the previous report relating to all participants undertaken by the Applicant;

(e) a list of all applicants in Ontario for status as a participant who were denied such status or access to the Applicant since the previous report, together with the reasons for each such denial; and

(f) for each product,

(i) the total trading volume and value on the Facility originating from Ontario Users, and, to the extent known by the Applicant, from Other Ontario Participants, presented on a per Ontario User or per Other Ontario Participant basis; and

(ii) the proportion of worldwide trading volume and value on the Facility conducted by Ontario Users, and, to the extent known by the Applicant, by Other Ontario Participants, presented in the aggregate for such Ontario Users and Other Ontario Participants;

provided in the required format.

Information Sharing

15. The Applicant will provide such information as may be requested from time to time by, and otherwise cooperate with, the Commission or its staff, subject to any applicable privacy or other laws (including solicitor-client privilege) governing the sharing of information and the protection of personal information.

Appendix 1:
CRITERIA FOR EXEMPTION OF
A FOREIGN EXCHANGE TRADING OTC DERIVATIVES FROM RECOGNITION AS AN EXCHANGE

PART 1 REGULATION OF THE EXCHANGE

Regulation of the MTF

The exchange is regulated in an appropriate manner in another jurisdiction by a foreign regulator (**Foreign Regulator**).

Authority of the Foreign Regulator

The Foreign Regulator has the appropriate authority and procedures for oversight of the exchange. This includes regular, periodic oversight reviews of the exchange by the Foreign Regulator.

PART 2 GOVERNANCE

Governance

The governance structure and governance arrangements of the exchange ensure:

a) effective oversight of the exchange,

b) that business and regulatory decisions are in keeping with its public interest mandate,

c) fair, meaningful and diverse representation on the board of directors (Board) and any committees of the Board, including:

   a. appropriate representation of independent directors, and

   b. a proper balance among the interests of the different persons or companies using the services and facilities of the exchange,

d) the exchange has policies and procedures to appropriately identify and manage conflicts of interest for all officers, directors and employees, and

e) there are appropriate qualifications, remuneration, limitation of liability and indemnity provisions for directors, officers and employees of the exchange.

Fitness

The exchange has policies and procedures under which it will take reasonable steps, and has taken such reasonable steps, to ensure that each director and officer is a fit and proper person and past conduct of each officer or director affords reasonable grounds for belief that the officer or director will perform his or her duties with integrity.

PART 3 REGULATION OF PRODUCTS

Review and Approval of Products

The products traded on the exchange and any changes thereto are reviewed by the Foreign Regulator and are either approved by the Foreign Regulator or are subject to requirements established by the Foreign Regulator that must be met before implementation of a product or changes to a product.

Product Specifications

The terms and conditions of trading the products are in conformity with the usual commercial customs and practices for the trading of such products.

Risks Associated with Trading Products

The exchange maintains adequate provisions to measure, manage and mitigate the risks associated with trading products on the exchange including, but not limited to, margin requirements, intra-day margin calls, daily trading limits, price limits, position limits, and internal controls.

PART 4 ACCESS

Fair Access

a) The exchange has established appropriate written standards for access to its services including requirements to ensure

   a. participants are appropriately registered as applicable under the securities laws or commodity futures laws of Ontario, or exempted from these requirements,

   b. the competence, integrity and authority of systems users, and

   c. systems users are adequately supervised.

b) The access standards and the process for obtaining, limiting and denying access are fair, transparent and applied reasonably.

c) The exchange does not unreasonably prohibit, condition or limit access by a person or company to services offered by it.

d) The exchange does not

   a. permit unreasonable discrimination among participants, or

   b. impose any burden on competition that is not reasonably necessary and appropriate.

e) The exchange keeps records of each grant and each denial or limitation of access, including reasons for granting, denying or limiting access.

PART 5 REGULATION OF PARTICIPANTS ON THE EXCHANGE

Regulation

The exchange has the authority, resources, capabilities, systems and processes to allow it to perform its regulation functions, whether directly or indirectly through a regulation services provider, including setting requirements governing the conduct of its participants, monitoring their conduct, and appropriately disciplining them for violations of exchange requirements.

PART 6 RULEMAKING

Purpose of Rules

a) The exchange has rules, policies and other similar instruments (Rules) that are designed to appropriately govern the operations and activities of participants and do not permit unreasonable discrimination among participants or impose any burden on competition that is not reasonably necessary or appropriate.

b) The Rules are not contrary to the public interest and are designed to

   a. ensure compliance with applicable legislation,

   b. prevent fraudulent and manipulative acts and practices,

   c. promote just and equitable principles of trade,

   d. foster co-operation and co-ordination with persons or companies engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in the products traded on the exchange,

   e. provide a framework for disciplinary and enforcement actions, and

   f. ensure a fair and orderly market.

PART 7 DUE PROCESS

Due Process

For any decision made by the exchange that affects a participant, or an applicant to be a participant, including a decision in relation to access, exemptions, or discipline, the exchange ensures that:

a) parties are given an opportunity to be heard or make representations, and

b) it keeps a record of, gives reasons for, and provides for appeals or reviews of its decisions.

PART 8 CLEARING AND SETTLEMENT

Clearing Arrangements

The exchange has or requires its participants to have appropriate arrangements for the clearing and settlement of transactions for which clearing is mandatory through a clearing house.

Risk Management of Clearing House

The exchange does not offer products which are intended to be cleared.

PART 9 SYSTEMS AND TECHNOLOGY

Systems and Technology

Each of the exchange's critical systems has appropriate internal controls to ensure completeness, accuracy, integrity and security of information, and, in addition, has sufficient capacity and business continuity plans to enable the exchange to properly carry on its business. Critical systems are those that support the following functions:

a) order entry,

b) order routing,

c) execution,

d) trade reporting,

e) trade comparison,

f) data feeds,

g) market surveillance,

h) trade clearing, and

i) financial reporting.

System Capability/Scalability

Without limiting the generality of section 9.1, for each of its systems supporting order entry, order routing, execution, data feeds, trade reporting and trade comparison, the exchange:

(a) makes reasonable current and future capacity estimates;

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

(c) reviews the vulnerability of those systems and data centre computer operations to internal and external threats, including physical hazards and natural disasters;

(d) ensures that safeguards that protect a system against unauthorized access, internal failures, human errors, attacks and natural catastrophes that might cause improper disclosures, modification, destruction or denial of service are subject to an independent and ongoing audit which should include the physical environment, system capacity, operating system testing, documentation, internal controls and contingency plans;

(e) ensures that the configuration of the system has been reviewed to identify potential points of failure, lack of back-up and redundant capabilities;

(f) maintains reasonable procedures to review and keep current the development and testing methodology of those systems; and

(g) maintains reasonable back-up, contingency and business continuity plans, disaster recovery plans and internal controls.

Information Technology Risk Management Procedures

The exchange has appropriate risk management procedures in place including those that handle trading errors, trading halts and circuit breakers.

PART 10 FINANCIAL VIABILITY

Financial Viability

The exchange has sufficient financial resources for the proper performance of its functions and to meet its responsibilities.

PART 11 TRADING PRACTICES

Trading Practices

Trading practices are fair, properly supervised and not contrary to the public interest.

Orders

Rules pertaining to order size and limits are fair and equitable to all market participants and the system for accepting and distinguishing between and executing different types of orders is fair, equitable and transparent.

Transparency

The exchange has adequate arrangements to record and publish accurate and timely information as required by applicable law or the Foreign Regulator. This information is also provided to all participants on an equitable basis.

PART 12 COMPLIANCE, SURVEILLANCE AND ENFORCEMENT

Jurisdiction

The exchange or the Foreign Regulator has the jurisdiction to perform member and market regulation, including the ability to set rules, conduct compliance reviews and perform surveillance and enforcement.

Member and Market Regulation

The exchange or the Foreign Regulator maintains appropriate systems, resources and procedures for evaluating compliance with exchange and legislative requirements and for disciplining participants.

Availability of Information to Regulators

The exchange has mechanisms in place to ensure that the information necessary to conduct adequate surveillance of the system for supervisory or enforcement purposes is available to the relevant regulatory authorities, including the Commission, on a timely basis.

PART 13 RECORD KEEPING

Record Keeping

The exchange has and maintains adequate systems in place for the keeping of books and records, including, but not limited to, those concerning the operations of the exchange, audit trail information on all trades, and compliance with, and/or violations of exchange requirements.

PART 14 OUTSOURCING

Outsourcing

Where the exchange has outsourced any of its key services or systems to a service provider, it has appropriate and formal arrangements and processes in place that permit it to meet its obligations and that are in accordance with industry best practices.

PART 15 FEES

Fees

All fees imposed by the exchange are reasonable and equitably allocated and do not have the effect of creating an unreasonable condition or limit on access by participants to the services offered by the exchange.

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

PART 16 INFORMATION SHARING AND OVERSIGHT ARRANGEMENTS

Information Sharing and Regulatory Cooperation

The exchange has mechanisms in place to enable it to share information and otherwise co-operate with the Commission, self-regulatory organizations, other exchanges, clearing agencies, investor protection funds, and other appropriate regulatory bodies.

Oversight Arrangements

Satisfactory information sharing and oversight agreements exist between the Commission and the Foreign Regulator.

PART 17 IOSCO PRINCIPLES

IOSCO Principles

To the extent it is consistent with the laws of the foreign jurisdiction, the exchange adheres to the standards of the International Organization of Securities Commissions (**IOSCO**) including those set out in the “Principles for the Regulation and Supervision of Commodity Derivative Markets” (**2011**).

B.3
Reasons and Decisions

B.3.1 Evolve Funds Group Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted under subsection 62(5) of the Securities Act to permit the extension of a prospectus lapse date by 114 days to facilitate the consolidation of the funds' prospectus with the prospectus of different funds under common management – no conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 62(5).

November 30, 2023

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
EVOLVE FUNDS GROUP INC.
(the Filer)

AND

EVOLVE S&P/TSX 60 ENHANCED YIELD FUND

AND

EVOLVE S&P 500® ENHANCED YIELD FUND
(the Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Funds for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that the time limit for the renewal of the long form prospectus of the Funds (dated January 3, 2023) (the **Prospectus**) be extended to the time limit that would apply if the lapse date of the Prospectus was April 26, 2024 (the **Exemption Sought**).

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

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

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

Interpretation

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

Representations

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

1. The Filer is a corporation incorporated under the laws of Canada. The Filer's head office is located in Toronto, Ontario.

2. The Filer is registered as (i) a portfolio manager in Ontario, (ii) a commodity trading manager in Ontario and (iii) an investment fund manager in Ontario, Québec and Newfoundland and Labrador.

3. The Filer is the investment fund manager of the Funds.

4. Each of the Funds is an exchange-traded mutual fund (**ETF**) established under the laws of Ontario, is subject to NI 81-102, and is a reporting issuer as defined in the securities legislation of each of the Canadian Jurisdictions.

5. Neither the Filer nor any of the Funds are in default of securities legislation in any of the Canadian Jurisdictions.

6. The Funds currently distribute securities in the Jurisdictions under the Prospectus. Securities of each of the Funds trade on the Toronto Stock Exchange.

7. Pursuant to subsection 62(1) of the *Securities Act* (Ontario) (the **Act**), the lapse date of the Prospectus is January 3, 2024 (the **Lapse Date**).

Accordingly, under subsection 62(2) of the Act, the distribution of securities of the Funds would have to cease on the Lapse Date unless each of the Funds: (i) files a pro forma prospectus at least 30 days prior to the Lapse Date; (ii) files the final prospectus no later than 10 days after the Lapse Date; and (iii) obtains a receipt for the final prospectus within 20 days of the Lapse Date.

8. The Filer is the investment fund manager of eight other ETFs (the **April Funds**) that currently distribute their securities to the public under a prospectus that has a lapse date of April 26, 2024 (the **April Prospectus**).

9. The Filer wishes to combine the Prospectus with the April Prospectus in order to reduce renewal and related costs of the Funds and the April Funds.

10. Offering the Funds and the April Funds under one prospectus would facilitate the distribution of the Funds and the April Funds in the Jurisdictions under the same prospectus and enable the Filer to streamline disclosure across the Filer's fund platform. As the Funds and the April Funds are all managed by the Filer, offering them under one prospectus (as opposed to two) will allow investors to more easily compare their features.

11. It would be unreasonable to incur the costs and expenses associated with preparing two separate renewal prospectuses given how close in proximity the lapse dates of the Funds and the April Funds are to one another.

12. There have been no material changes in the affairs of the Funds since the date of the Prospectus. Accordingly, the Prospectus and current ETF facts document(s) and fund facts document(s) of the Funds represent current information regarding each of the Funds.

13. Given the disclosure obligations of the Funds, should a material change in the affairs of any of the Funds occur, the Prospectus and current ETF facts and fund facts document(s) of the Fund(s) will be amended as required under the Legislation.

14. New investors in the Funds will receive the most recently filed ETF facts document(s) and fund facts document(s) of the Fund(s). The Prospectus will still be available upon request.

15. The Exemption Sought will not affect the accuracy of the information contained in the Prospectus and will therefore not be prejudicial to the public interest.

Decision

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

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

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

Application File #: 2023/0576
SEDAR+ File #: 6050748

B.3.2 Harris Bolduc & Associates Inc. and Platinium Capital Inc.

Headnote

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 firm registered in any jurisdiction of Canada. The individual will have sufficient time to adequately serve both firms. Conflicts of interest could arise but the firms will address material conflicts of interest in the best interest of clients. The firms have policies and procedures in place to address material conflicts of interest that may arise as a result of the dual registration in the best interest of clients. The firms 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 and 15.1.
Derivatives Act (Québec) and Derivatives Regulation (Québec), respectively under ss. 86 and 11.1.

December 4, 2023

COURTESY TRANSLATION

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
HARRIS BOLDUC & ASSOCIATES INC.
("HBA")

AND

PLATINIUM CAPITAL INC.
("Platinium")
(the "Filers")

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the "**Decision Maker**") has received from the Filers an application for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") for an exemption from the limitation set out in section 4.1(1)(b) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**"), pursuant to section 15.1 of NI 31-103, to permit Daniel Fréreault (the "**Representative**") to be registered as an advising representative and to be a director and shareholder of HBA while acting as an advising representative, derivatives advising representative, chief compliance officer and ultimate designated person, as well as being a director, shareholder and officer of Platinium (the "**Exemption Sought**").

The Principal Regulator has also received from the Filers a request under the derivatives legislation of Québec for an exemption from the prohibition set out in section 4.1(1)(b) of NI 31-103, which applies pursuant to section 11.1 of the *Derivatives Regulation* (Québec), CQLR, c. I-14.01, in accordance with section 86 of the *Derivatives Act* (Québec), CQLR, c. I-14.01, to allow the Representative to be registered as a derivatives advising representative of HBA while being an advising representative, derivatives advising representative, chief compliance officer, ultimate designated person, officer, partner and director of another registered firm (the "**Exemption Sought for Derivatives**").

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

(a) the *Autorité des marchés financiers* is the principal regulator of the Filers for this application;

(b) the Filers have provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("**MI 11-102**") is intended to be relied upon in British Columbia and New Brunswick;

(c) the decision regarding the Exemption Sought is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario; and

(d) the decision regarding the Exemption Sought for Derivatives is the decision of the principal regulator.

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 representations of fact represented by the Filers:

1. HBA is a corporation incorporated under the *Canada Business Corporations Act*, with its head office located in La Prairie, Québec. It is registered as a portfolio manager in the provinces of British Columbia, New Brunswick, Ontario and Québec and as a derivatives portfolio manager in Québec.

2. Platinium is a corporation incorporated under the *Business Corporations Act* (Québec), with its head office located in Laval, Québec. Platinium is a wholly-owned subsidiary of HBA and is registered in the province of Québec as a portfolio manager and derivatives portfolio manager.

3. Both Filers offer discretionary portfolio management services, and their target clientele is mainly private clients with substantial financial resources.

4. Following the acquisition of Platinium by HBA at the end of 2022, the Filers intended to complete the surrender of Platinium's registration on or about June 30, 2023. However, for various business reasons, it was deemed desirable by management of the Filers that Platinium's registration and the Representative would be retained in the current form for a sufficient period of time to allow the transfer of Platinium's clients to HBA to be completed in an orderly manner and to finalize their considerations regarding Platinium's use, valuation or surrender of registration thereafter. After further discussions, the Filers have agreed that Platinium would surrender its registration and launch its dissolution by the end of 2023. Most clients of Platinium have transferred over to HBA and the opening of their accounts with that Filer was processed by one of its duly registered representatives. As a result, the Filers request that the Exemption Sought and the Exemption Sought for Derivatives be granted on a temporary basis for that period of time in order to enable the Filers to complete the current client transfer and to launch the surrender of Platinium's registration.

5. Platinium clients who transition from Platinium to HBA will continue to initially receive the same portfolio management services and be charged by HBA the same fees as when they were clients of Platinium. HBA undertakes that within a 12-month period from the Exemption Sought and Exemption Sought for Derivatives being granted, HBA will have harmonized its fee schedules in compliance with requirement to address material conflicts of interest in the best interest of clients.

6. Each of Platinium's client has been or will be advised by the Filers acting jointly of the comparative benefits and advantages of each Filer and specifically will be provided with disclosure in compliance with subsections 13.4(5) and 13.4(6) of NI 31-103 related to the material conflict of interest arising from the financial interest for the Representative to encourage clients to become clients of HBA prior to making such decision.

7. The Representative is currently registered in Québec only with Platinium as an advising representative and derivatives advising representative. He is also the ultimate designated person and chief compliance officer of Platinium. The Representative seeks to be registered as an advising representative of HBA in Québec, Ontario, New Brunswick and British Columbia and as a derivatives advising representative.

8. Other than with respect to the subject matter of this decision, neither Filer is in default of any requirement of securities or derivatives legislation in any of the jurisdictions of Canada.

9. Other than with respect to the subject matter of this decision, the Representative is not in default of any requirement of securities or derivatives legislation in any of the jurisdictions of Canada.

10. Other than as represented above under 5, the Exemption Sought and the Exemption Sought for Derivatives do not give rise to any conflicts of interest in the conduct of the business of the two Filers or in their relationships with their respective clients. The Filers and the Representative have and will continue to comply with their conflicts obligations as required pursuant to NI 31-103.

11. Each Filer's policies and procedures manual contains detailed provisions for dealing with conflicts of interest internally and with third parties, including their respective clienteles. The Filers each have adequate policies and procedures in place to address material conflicts of interest that may arise as a result of the dual registration of the Representative in the best interest of clients.

12. The Filers require the Representative to be dually registered with both Platinium and HBA for a prescribed period of time in order to facilitate the orderly transition of clients from Platinium to HBA. The Representative's dual registration will permit the continued services to clients until Platinium surrenders its registration. The Exemption Sought and the Exemption Sought for Derivatives are time-limited.

13. If the Exemption Sought and the Exemption Sought for Derivatives are granted, the Representative will register as an advising representative and a derivatives advising representative of HBA, while maintaining his registration as an advising representative and derivatives advising representative of Platinium for an interim period.

14. The Filers expect that the dual registration of the Representative will create some additional work for the Representative but are confident that the Representative will have sufficient time to adequately serve both Filers and his clients.

15. The Representative will be subject to supervision by, and the applicable compliance requirements of, both Filers.

16. Each of the Filers' respective ultimate designated person and chief compliance officer will ensure that the Representative has sufficient time and resources to adequately serve each Filer and its clients.

17. The relationship between the Filers and the fact that the Representative is dually registered with both of them will be fully disclosed in writing to clients and prospective clients of each of them that deal with the Representative.

18. In the absence of the Exemption Sought and the Exemption Sought for Derivatives, the Filers would be prohibited from permitting the Representative to be registered as an advising representative and derivatives advising representative of each Filer, even though the Filers have controls and compliance procedures in place to deal with such advising activities.

19. The Representative will act in the best interest of all clients of each Filer and will deal fairly, honestly and in good faith with clients.

Decision

Exemption Sought

Each of the Decision Makers in respect of the Exemption Sought is satisfied that the decision meets the test set out in the Legislation.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted, subject to the conditions below:

i. The Representative is subject to supervision by, and the applicable compliance requirements of, both Filers;

ii. The chief compliance officer and ultimate designated person of each Filer ensures that the Representative has sufficient time and resources to adequately service each Filer and its respective clients;

iii. The Filers each have adequate policies and procedures in place to address material conflicts of interest that may arise as a result of the dual registration of the Representative in the best interest of clients;

iv. The relationship between the Filers and the fact that the Representative is dually registered with both of them is fully disclosed in writing to clients and prospective clients of each of them that deal with the Representative;

v. HBA confirming to the principal regulator in writing within 12 months of the Exemption Sought being granted that the undertaking set out in representation 5 above has been complied with; and

vi. The Exemption Sought expires on the earlier of the date on which Platinium's registration is revoked or 12 months from the date of this decision.

Exemption Sought for Derivatives

The principal regulator in respect of the Exemption Sought for Derivatives is satisfied that the decision meets the test set out in the derivatives legislation of Québec.

The decision of the principal regulator is that the Exemption Sought for Derivatives is granted, subject to the same conditions as the Exemption Sought.

French version signed by:

"Éric Jacob"
Superintendent, Client Services and Distribution Oversight
Autorité des marchés financiers

OSC File #: 2023/0357

B.3.3 Coast Capital Savings Federal Credit Union

Headnote

Multilateral Instrument 11-102 Passport System and National Policy NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.

Securities Act, s. 76 – Prospectus Requirements – Resale Relief – A federally regulated, members-owned financial cooperative is seeking first trade relief to allow certain of its securities to be traded amongst its members – the Filer is a federal credit union regulated by OSFI; the securities are designed to meet certain OSFI capital adequacy requirements and are not redeemable by the Filer; there is no market for the securities; the trades are limited to members of the Filer; the Filer will provide an annual disclosure document to members holding these securities and any members interested in acquiring these securities.

Securities Act, s. 169 – Confidentiality – An applicant wants to keep an application and order confidential for a limited amount of time after the order is granted – The record provides intimate financial, personal or other information. The disclosure of the information before a specific transaction would be detrimental to the person affected; the information will be made available after a specific date.

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Federally regulated, members-owned financial cooperative seeking first trade relief to allow certain of its securities to be traded amongst its members – Filer is a federal credit union regulated by OSFI; the securities are designed to meet certain OSFI capital adequacy requirements and are not redeemable by the Filer; there is no market for the securities; the trades are limited to members of the Filer; the Filer will provide an annual disclosure document to members holding these securities and any members interested in acquiring these securities. Relief granted on terms and conditions set out in decision document. Decision and application also held in confidence by decision makers until the earlier of the Filer notifying the principal regulator that it has commenced its offering, and (ii) one year.

Applicable Legislative Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 76, 169.
Securities Act, R.S.O. 1990, c. S.5, as am. ss. 53, 74(1).

Citation: 2023 BCSECCOM 551

August 10, 2021

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

AND

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

AND

IN THE MATTER OF
COAST CAPITAL SAVINGS FEDERAL CREDIT UNION
(the Filer)

DECISION

Background

¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the prospectus requirement does not apply to the first trade of a Class D Equity Share (defined below) distributed by the Filer to its Members (defined below) in reliance upon the offering memorandum exemption in section 2.9 of National Instrument 45-106 *Prospectus Exemptions* (offering memorandum exemption) (the Exemption Sought).

The Decision Makers have also received a request from the Filer for a decision that the application and this decision be kept confidential and not be made public until the earliest of (i) the date on which the Filer notifies the principal regulator

that it has commenced its offering, and (ii) the date that is one year after the date of this decision (the Confidentiality Relief).

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

(a) the British Columbia Securities Commission is the principal regulator for this application;

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, the Northwest Territories, Yukon and Nunavut (Passport Jurisdictions); and

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

Interpretation

¶ 2 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

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

1. until November 1, 2018, the Filer was a credit union incorporated under the *Credit Union Incorporation Act* (British Columbia);

2. on November 1, 2018, the Filer continued as a federal credit union under the *Bank Act* in order to have the ability to conduct its operations throughout Canada;

3. the Filer's head office continues to be located in Surrey, British Columbia;

4. the Filer is not in default under applicable securities legislation in any jurisdiction of Canada;

5. the Filer is a member-owned financial cooperative with a business focused on day-to-day banking, investments and personal and business lending;

6. there is a membership requirement for customers of the Filer; each member (Member) is issued Class A Equity Shares (Membership Shares) at the start of the customer relationship; there are voting rights attached to Membership Shares;

7. prior to its continuance to the federal jurisdiction, the Filer issued its Membership Shares and other securities pursuant to BC Instrument 45-531 *Exemptions for shares or deposits of a credit union* (BCI 45-531); since its continuance to the federal jurisdiction on November 1, 2018, the Filer has issued Membership Shares in reliance on the prospectus exemption provided under a decision made by the principal regulator dated July 11, 2018;

8. the Legislation contains local exemptions from the prospectus requirement that are only available to credit unions organized and regulated under the legislation of that jurisdiction; some other jurisdictions of Canada have similar local exemptions from the prospectus requirement in their securities legislation; securities distributed under the local exemptions in the Legislation and the similar local exemptions in some other jurisdictions of Canada are not subject to resale restrictions under National Instrument 45-102 *Resale of Securities* (NI 45-102);

9. since the Filer has become a federal credit union, the exemptions available under BCI 45-531 are no longer available to the Filer;

10. the Filer is proposing to issue Class D Equity Shares to Members located in some or all of the Jurisdictions and Passport Jurisdictions in reliance upon the offering memorandum exemption;

11. if the Filer had been able to continue to issue its Class D Equity Shares under BCI 45-531, the Class D Equity Shares would not be subject to any resale restrictions under NI 45-102;

12. the Class D Equity Shares are designed to qualify as Common Equity Tier 1 capital under Office of the Superintendent of Financial Institutions (OSFI) Capital Adequacy Requirements; in accordance with the rules of the credit union and to qualify as Tier 1 Capital under the *Bank Act*, the Class D Equity Shares cannot be redeemed by the Filer or repaid outside of liquidation (setting aside discretionary repurchases or other means

of effectively reducing capital in a discretionary manner that is allowable under relevant law and subject to the prior approval of the Superintendent of Financial Institutions);

13. the Class D Equity Shares will not be listed on an exchange or quotation system upon completion of the offering and the Filer does not intend to list such shares on an exchange or quotation system unless and until it becomes a reporting issuer;

14. in satisfaction of the requirements of the offering memorandum exemption and requirements under the *Prospectus (Federal Credit Unions) Regulations* made under the *Bank Act*, the Filer will prepare and deliver an offering memorandum before distributing Class D Equity Shares to Members;

15. in the absence of the Exemption Sought, the first trade of the Class D Equity Shares distributed under the offering memorandum exemption would be deemed to be a distribution pursuant to section 2.5 of NI 45-102 unless the conditions in subsection 2.5(2) are satisfied;

16. a disclosure document containing prospectus level disclosure (including audited annual financial statements with respect to the Filer) that is updated on an annual basis will be available to holders of Class D Equity Shares and to any Members who may be interested in acquiring previously issued Class D Equity Shares (the Annual Disclosure Document); and

17. the Filer has not yet publicly announced its intention to offer the Class D Equity Shares; premature disclosure of this intention may have an adverse effect on the Filer.

Decision

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

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

(a) the Filer remains a federal credit union under the *Bank Act* that is regulated as a federal credit union by the Office of the Superintendent of Financial Institutions;

(b) any certificate or other evidence of the Class D Equity Shares will contain a legend stating all applicable resale and transfer restrictions;

(c) the Filer continues to make the Annual Disclosure Document available to holders of Class D Equity Shares and to any Members who may be interested in acquiring previously issued Class D Equity Shares; and

(d) the first trade of any Class D Equity Shares to a person other than a Member is deemed to be a distribution, subject to section 2.5 of NI 45-102.

The further decision of the Decision Makers is that the Confidentiality Relief is granted.

“Gordon Johnson”
Vice Chair
British Columbia Securities Commission

OSC File #: 2021/0040

B.3.4 J.P. Morgan Securities Plc

Headnote

U.K. regulated firm exempted from dealer registration under paragraph 25(1) of the Act for provision of prime brokerage services – relief limited to trades in Canadian securities for institutional permitted clients – relief is subject to sunset clause.

Applicable Legislative Provisions

Statutes Cited

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

Instruments Cited

Multilateral Instrument 11-102 Passport System, s. 4.7(1).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 1.1, 8.5, 8.18, 8.21, Form 31-103F1 Calculation of Excess Working Capital.
National Instrument 81-102 Investment Funds, Part 6.
Ontario Securities Commission Rule 13-502 Fees.

December 7, 2023

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
J.P. MORGAN SECURITIES PLC
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer (the **Application**) for a decision under the securities legislation of the Jurisdiction (the **Legislation**) exempting the Filer from the dealer registration requirement under subsection 25(1) of the *Securities Act* (Ontario) (the **Act**) in respect of Prime Services (as defined below) relating to Canadian securities (as defined below) that are provided in Canada to Institutional Permitted Clients (as defined below) (the **Exemption Sought**).

The principal regulator granted similar relief to the Filer in a decision dated May 15, 2018, subject to a five-year sunset clause (the **Previous Decision**). The Previous Decision expired on May 15, 2023 (the **Termination Date**).

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

(a) the Ontario Securities Commission (**OSC**) is the principal regulator for this Application, and

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces of Canada in which the Filer relies on the exemption found in section 8.18 [*International dealer*] of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) other than the province of Alberta (the **Passport Jurisdictions** and together with the Jurisdiction, 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.

For the purposes of this decision, the following terms have the following meanings:

"**Canadian security**" means a security that is not a foreign security;

"**foreign security**" has the meaning ascribed to that term in subsection 8.18(1) of NI 31-103;

"**Institutional Permitted Client**" shall mean a "permitted client" as defined in section 1.1 of NI 31-103, except for: (a) an individual, (b) a person or company acting on behalf of a managed account of an individual, (c) a person or company referred to in paragraph (p) of that definition unless that person or company qualifies as a permitted client under another paragraph of that definition, or (d) a person or company referred to in paragraph (q) of that definition unless that person or company has net assets of at least $100 million as shown on its most recently prepared financial statements or qualifies as a permitted client under another paragraph of that definition.

"**Prime Services**" means any of the following: (a) settlement, clearing and custody of trades, client cash and securities positions; (b) financing of long inventory; (c) lending and delivering securities on behalf of a client pursuant to a margin agreement to facilitate client short sales; (d) securities borrowing and/or lending pursuant to a securities lending agreement; (e) asset servicing, and (f) reporting of positions, margin and other balances and activity. For greater clarity, Prime Services do not include execution of trades in securities;

"**Prime Services Clients**" means an Institutional Permitted Client to whom the Filer provides Prime Services in the Jurisdictions in respect of Canadian securities in addition to foreign securities.

Representations

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

1. The Filer is a public limited company registered in England and Wales having its registered office at 25 Bank Street, Canary Wharf, London, E14 5JP, United Kingdom (**U.K.**). The Filer is a wholly-owned subsidiary of JPMorgan Chase Bank, N.A., a U.S. national banking association, and an indirect wholly-owned subsidiary of JP Morgan Chase & Co., a Delaware corporation**.**

2. The Filer is authorized by the Prudential Regulation Authority in the U.K. (**PRA**) under the U.K. Financial Services and Markets Act 2000 (as amended, including those amendments introduced by the Financial Services Act 2012) to carry on a range of regulated activities within the U.K. and is subject to "dual regulation" by the Financial Conduct Authority in the U.K. (**FCA**) and the PRA. The Filer is currently licensed in the U.K. to deal with eligible counterparties, professional clients and retail clients with respect to its permitted activities. The Filer is currently authorized to carry on certain regulated activities in the U.K. in relation to certain specified investments, including the following: (a) dealing in investments as principal; (b) arranging (bringing about) deals in investments and making arrangements with a view to transactions in investments; and (c) safeguarding and administering investments. As is the case with all firms authorized in the U.K., the Filer's current U.K. regulatory status remains subject to variation and the possible imposition of regulatory limitations or requirements and is described as at the date of the Application.

3. The Filer is an Exempt Foreign Broker under U.S. Commodity Futures Trading Commission (**CFTC**) rules (17 CFR 30) and is able to conduct brokerage activities for U.S. customers on non-U.S. exchanges without having to register with the CFTC as a futures commission merchant. As a result, the Filer is a member of the National Futures Association in the U.S. (**NFA**) and is approved by the NFA as an exempt foreign firm under CFTC Regulation 30.10 under the U.S. Commodity Exchange Act.

4. The Filer is a member of major international securities and commodity futures exchanges and clearing houses, including but not limited to the London Stock Exchange, the London Metal Exchange, ICE Futures Europe, LCH Ltd. and ICE Clear Europe.

5. The "Prime Services" provided by the Filer to its Prime Services Clients principally consist of the following: (a) settlement, clearing and custody of trades; (b) financing of long inventory; (c) securities borrowing and/or lending pursuant to a securities lending agreement or delivering securities on behalf of a client pursuant to a margin agreement, in each case, to facilitate client short sales; and (d) reporting of positions, margin and other balances and activity. For greater clarity, Prime Services do not include execution of trades in securities.

6. The Filer offers Prime Services to Institutional Permitted Clients in respect of Canadian securities and foreign securities.

7. The Filer provides Prime Services in accordance with the Previous Decision.

8. The Filer has applied for the Exemption Sought in order to continue to provide the Prime Services in Canada in respect of Canadian securities to Institutional Permitted Clients after the Termination Date.

9. In the case of a Prime Services Client that is an investment fund subject to Part 6 of National Instrument 81-102 *Investment Funds* (**NI 81-102**), the custodianship requirements in Part 6 of NI 81-102 would apply and the Filer would provide Prime Services to an investment fund in compliance with the securities laws applicable to the investment fund, including Part 6 of NI 81-102 and, in the case of a Prime Services Client that is a registrant, the custody requirements set out in NI 31-103 would apply.

10. Prime Services Clients seek Prime Services from the Filer in order to separate the execution of a trade from the clearing, settlement, custody and financing of a trade. This allows the Prime Services Client to use many executing brokers, without maintaining an active, ongoing custody account with each executing broker. It also allows the Prime Services Client to consolidate settlement, clearing, custody and financing of securities in an account with the Filer.

11. The Filer's Prime Services Clients directly select their executing brokers. The Filer does not require its Prime Services Clients to use specific executing brokers through which Prime Services Clients must execute trades. Prime Services Clients send trade orders to the executing broker who carries out the trade. The executing broker will be an appropriately registered dealer or a person or company relying on an exemption from the dealer registration requirement that permits such executing broker to execute the trade for Prime Services Clients.

12. The Filer provides the Prime Services after the execution of the trade, but any commitment to provide financing or to lend or borrow securities in relation to a trade may be made prior to the execution of the trade. The executing broker will communicate the trade details to a Prime Services Client and the Filer or the Filer's clearing agent, as applicable. A Prime Services Client will also communicate the trade details to the Filer. For trades executed on a Canadian marketplace, the Filer will typically need to clear and settle the trades through a participant of the Canadian depository, clearing and settlement hub, CDS Clearing and Depository Services Inc.

13. The Filer exchanges money or securities and holds the money or securities in an account for each Prime Services Client. If the Filer is clearing and settling the trade through a clearing agent, the Filer's clearing agent exchanges money or securities and holds the money or securities in an omnibus account for the Filer, who in turn maintains a record of the position held for the Prime Services Client on its books and records.

14. On or following settlement, the Filer provides the other Prime Services as set out in paragraph 5.

15. The Filer enters into written agreements with each of its Prime Services Clients for the provision of Prime Services.

16. The Filer currently relies on the "international dealer exemption" under section 8.18 [*International dealer*] of NI 31-103 in the ten Canadian provinces to provide Prime Services in respect of foreign securities.

17. The Filer is not registered under the securities legislation of any of the jurisdictions of Canada, among other things is in the business of trading in securities, and, in the absence of the Exemption Sought, cannot provide the full range of Prime Services in the Jurisdictions in respect of Canadian securities without registration, except as permitted under section 8.5 [*Trades through or to a registered dealer*], under the exemptions found in paragraphs (a), (b) and (f) of subsection 8.18(2) [*International dealer*], or under section 8.21 [*Specified debt*] of NI 31-103.

18. The Filer is subject to regulatory capital requirements under the Capital Requirements Directive, which implements Basel III (**U.K. Capital Requirements**).

19. The U.K. Capital Requirements require that the Filer account for any guarantee of a debt of a third party through the credit risk element of its capital calculations. Broadly, the exposure value of a guarantee of a debt of a third party will be its accounting value remaining after certain adjustments are made as set out in the U.K. Capital Requirements. Where a guarantee is an off-balance sheet item, the U.K. Capital Requirements also specify how the exposure value of that guarantee is to be calculated.

20. The U.K. Capital Requirements are designed to provide protections that are substantially similar to the protections provided by the capital formula requirements and specifically risk adjusted capital to which dealer members of the Canadian Investment Regulatory Organization (**CIRO**) are subject. If the Filer's net capital declines below the minimum amount required, the Filer is required to notify the PRA under Rule 2.4 of the PRA's "General Notification Requirements" Rulebook chapter. The Filer's capital ratios exceed the minimum standards imposed by the U.K. Capital Requirements.

21. The Filer is required to prepare and submit capital adequacy, leverage and large exposures data to the PRA on a quarterly basis in compliance with the Common Reporting (**COREP**) framework. The COREP framework provides a more comprehensive description of the business activities of the Filer, and more accurately reflects those activities including

client lending activity, than would be provided by Form 31-103F1 *Calculation of Excess Working Capital* (**Form 31-103F1**). The COREP reports cover the capital requirements and own funds reporting of a credit institution including, amongst other elements, capital adequacy, leverage, liquidity coverage, large exposures, stable funding and asset encumbrance. In contrast, the Form 31-103F1 is a calculation of excess working capital, which is a computation based primarily on the current assets and current liabilities on the books and records of the dealer. The Filer is up-to-date in its submissions of COREP reporting.

22. When carrying out the financing activities set out in the definition of Prime Services in paragraph 5, above, the Filer is subject to regulations of both the PRA and the FCA. These regulations are designed to provide protections that are substantially similar to the protections provided by the requirements regarding the lending of money, extension of credit and provision of margin to clients to which dealer members of CIRO are subject.

23. The Filer holds customer assets in accordance with the FCA's Client Assets Sourcebook (**CASS Rules**). CASS Rules require the Filer to segregate and keep segregated all custody assets of its clients from its proprietary assets. The requirement to maintain segregated securities is designed to ensure that the Filer has sufficient assets to cover all net equity claims of its customers and provide protections that are substantially similar to the protections provided by the requirements applicable to dealer members of CIRO. The Filer is in material compliance with the possession and control requirements of the CASS Rules.

24. The deposit insurance organization in the U.K. is the Financial Services Compensation Scheme, and the existing compensation limit on deposits is £85,000 per person per firm and on investments is £50,000 per person per firm, in both cases available to eligible claimants.

25. The Filer is not in default of any requirements of securities legislation in any jurisdiction in Canada, except with respect to the fact that the Previous Decision has lapsed and was not renewed on a timely basis. The Filer has at all times since the Previous Decision lapsed acted in full compliance with the terms and conditions set out in such relief, except for the five-year sunset clause.

26. The Filer submits that the Exemption Sought would not be prejudicial to the public interest because:

    (a) The Filer is a regulated firm under the securities legislation of the U.K., and is subject to the requirements referred to in paragraphs 18 to 24;

    (b) the availability of and access to Prime Services in respect of Canadian securities is important to Canadian institutional investors who are active participants in the international marketplace;

    (c) the Filer will provide Prime Services in the Jurisdictions in respect of Canadian securities only to Institutional Permitted Clients; and

    (d) the OSC has entered into a memorandum of understanding with the FCA regarding mutual assistance in the supervision and oversight of regulated entities that operate on a cross-border basis in the U.K. and Canada.

27. The Filer is a "market participant" as that term is defined under subsection 1(1) of the Act. As a market participant, among other requirements, the Filer is required to comply with the record keeping and provision of information provisions under section 19 of the Act, which include the requirement to keep such books, records and other documents as are necessary for the proper recording of business transactions and financial affairs, and the transactions executed on behalf of others, and to deliver such records to the OSC if required.

28. The Filer will not rely on subsection 4.7(1) of MI 11-102 to passport this decision into Alberta.

Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted so long as the Filer:

(a) has its head office or principal place of business in the U.K.;

(b) is authorised by the PRA and regulated by the PRA and the FCA in the U.K. and permitted to deal with eligible counterparties, professional and retail clients with respect to its permitted activities;

(c) engages in the business of clearing securities and exchange-traded derivatives in the U.K.;

(d) is subject to requirements over regulatory capital, lending of money, extension of credit and provision of margin, financial reporting to the PRA and/or the FCA, and segregation and custody of assets which provide protections that are

substantially similar to the protections provided by the rules to which investment dealers that are dealer members of CIRO are subject (the Investment Dealer and Partially Consolidated Rules);

(e) limits its provision of Prime Services in the Jurisdictions in respect of Canadian securities to Institutional Permitted Clients;

(f) does not execute trades in Canadian securities with or for Prime Services Clients, except as permitted under applicable Canadian securities laws;

(g) does not require its Prime Services Clients to use specific executing brokers through which Prime Services Clients must execute trades;

(h) submits audited financial statements to the OSC on an annual basis, within 90 days of the Filer's financial year end;

(i) complies with the filing and fee payment requirements that would be applicable to the Filer if it were a registrant under OSC Rule 13-502 *Fees*, including, for clarity, participation fees based on its specified Ontario revenues attributable to capital markets activities conducted in reliance on the "international dealer exemption" under section 8.18 [International Dealer] of NI 31-103, if applicable, and capital markets activities conducted in reliance on the exemption in this Decision;

(j) files in an electronic and searchable format with the OSC such reports as to any or all of its trading activities in Canada as the OSC may, upon notice, require from time to time; and

(k) pays the increased compliance and case assessment costs of the principal regulator due to the Filer's location outside Ontario, including, as required, the reasonable cost of hiring a third party to perform a compliance review on behalf of the principal regulator.

This decision shall expire five years after the date hereof.

This decision may be amended by the OSC from time to time upon prior written notice to the Filer.

"Felicia Tedesco"
Deputy Director, Compliance and Registrant Regulation
Ontario Securities Commission

OSC File #: 2023/0462

B.3.5 PenderFund Capital Management Ltd. et al.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 81-102 Investment Funds.

Applicable Legislative Provisions

National Instrument 81-102 Investment Fund, ss. 6.1(1) and 19.1.

November 30, 2023

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

AND

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

AND

IN THE MATTER OF
PENDERFUND CAPITAL MANAGEMENT LTD.
(the Filer)

AND

IN THE MATTER OF
PENDER BOND UNIVERSE FUND,
PENDER CORPORATE BOND FUND,
PENDER SMALL CAP OPPORTUNITIES FUND,
PENDER SMALL/MID CAP DIVIDEND FUND,
PENDER STRATEGIC GROWTH AND INCOME FUND,
PENDER VALUE FUND,
PENDER ALTERNATIVE ABSOLUTE RETURN FUND,
PENDER ALTERNATIVE ARBITRAGE FUND,
PENDER ALTERNATIVE ARBITRAGE PLUS FUND,
PENDER ALTERNATIVE MULTI-STRATEGY INCOME FUND
AND
PENDER ALTERNATIVE SPECIAL SITUATIONS FUND
(the Existing Funds)

DECISION

Background

¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (each, a Decision Maker) has received an application from the Filer on behalf of the Existing Funds and similarly structured investment funds managed by the Filer (the Future Funds and, collectively with the Existing Funds, the Funds) for a decision under the securities legislation of the Jurisdiction (the Legislation) that exempts:

(i) a Fund from the requirement in subsection 6.1(1) of National Instrument 81-102 *Investment Funds* (NI 81-102), which provides that, except as provided in sections 6.8, 6.8.1 and 6.9 of NI 81-102, all portfolio assets of an investment fund must be held under the custodianship of one custodian that satisfies the requirement of section 6.2 of NI 81-102, to permit a Fund to deposit portfolio assets with a borrowing agent that is not the Fund's custodian or sub-custodian in connection with a short sale of securities, if the aggregate market value of the portfolio assets held by the borrowing agent after such deposit, excluding the aggregate market value of the proceeds from outstanding short sales of securities held by the borrowing agent, does not: (a) in the case of a

Conventional Fund (as defined below) exceed 10% of NAV of the Conventional Fund at the time of deposit; and (b) in the case of an Alternative Fund, exceed 25% of the NAV of the Alternative Fund at the time of deposit (the Short Sale Collateral Relief); and

(ii) a Fund from the requirement in subsection 6.1(1) of NI 81-102 solely to permit the Fund to appoint more than one custodian, each of which is qualified to be a custodian under section 6.2 of NI 81-102 and each of which is subject to all of the other requirements in Part 6 of NI 81-102 other than the prohibition against the Fund appointing more than one custodian in subsection 6.1(1) of NI 81-102 (the Custodian Relief, and together with the Short Sale Collateral Relief, the Exemption Sought).

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

(a) the British Columbia Securities Commission is the principal regulator for the application;

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

¶ 2 Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined. In addition to the defined terms used in this decision, capitalized terms used herein have the following meanings:

Alternative Fund means a Fund that is an alternative mutual fund under NI 81-102;

Cash Borrowing Limits means the limits specified in (a) section 2.6(2)(c) of NI 81-102, which restricts an alternative mutual fund or non-redeemable investment fund from borrowing cash if the value of cash borrowed, when aggregated with the value of all outstanding borrowing by the fund, exceeds 50% of the fund's NAV; and (b) section 2.6.2 of NI 81-102, which restricts an alternative mutual fund or non-redeemable investment fund from borrowing cash if, immediately after entering into a cash borrowing or short selling transaction, the aggregate value of cash borrowed combined with the aggregate market value of all securities sold short by the fund (the "Combined Aggregate Value") would exceed 50% of the fund's NAV and which requires an alternative mutual fund or non-redeemable investment fund, if the Combined Aggregate Value exceeds 50% of the fund's NAV, as quickly as commercially reasonably, to take all steps necessary to reduce the Combined Aggregate Value to 50% or less of the fund's NAV;

*Conventional Fun*d means a Fund that is not an alternative mutual fund under NI 81-102;

NAV means net asset value;

Prime Broker means any entity that acts as a lender or borrowing agent, as the case may be, to one or more investment funds, whether the investment fund is an Alternative Fund or a Conventional Fund;

Prospectus means a simplified prospectus of a Fund prepared in accordance with Form 81-101F1 *Contents of Simplified Prospectus* as amended from time to time or a prospectus of a Fund prepared in accordance with Form 41-101F2 *Information Required in an Investment Fund Prospectus*, as amended from time to time;

Securities Lending Agreements means agreements which effect securities lending, repurchase or reverse repurchase transactions between a Fund, as lender of the securities, third-party borrowers and the fund's securities lending agent;

Short Sale Limits means the limits specified in (a) section 2.6.1(1)(c)(v), which restricts an alternative mutual fund or non-redeemable investment fund from selling a security short, if at the time, the aggregate market value of all securities sold short by the fund exceeds 50% of the fund's NAV; and (b) section 2.6.2 of NI 81-102, which restricts an alternative mutual fund or non-redeemable investment fund from selling securities short if, immediately after entering into a cash borrowing or short selling transaction, the Combined Aggregate Value would exceed 50% of the fund's NAV and which requires an alternative mutual fund or non-redeemable investment fund, if the Combined Aggregate Value exceeds 50% of the fund's NAV, as quickly as commercially reasonably, to take all steps necessary to reduce the Combined Aggregate Value to 50% or less of the fund's NAV; and

Short Sale Collateral Limits means the limits specified in subparagraph 6.8.1(1)(a) (for Conventional Funds) and subparagraph 6.8.1(1)(b) (for Alternative Funds) of NI 81-102 on the deposit of portfolio assets by a Fund with a borrowing agent (that is not the custodian or a sub-custodian of the Fund) as security in connection with a short sale of securities.

Representations

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

The Filer

1. the Filer is a corporation incorporated under the *Business Corporations Act* (British Columbia) on November 18, 2002, under the name 658761 BC Ltd.; the Filer changed its name to PenderFund Capital Management Ltd. In April 2003; the head office of the Filer is in Vancouver, British Columbia;

2. the Filer is the investment fund manager of each of the Existing Funds and will be the investment fund manager of the Future Funds;

3. the Filer is the portfolio manager of the Existing Funds and will be the portfolio manager of the Future Funds;

4. the Filer is registered as an investment fund manager in British Columbia, Newfoundland and Labrador, Ontario and Québec; the Filer is also registered as a portfolio manager in British Columbia and Ontario, and as an exempt market dealer in Alberta, British Columbia, Manitoba, Ontario and Québec;

5. the Filer is not in default of applicable securities legislation in any of the Applicable Jurisdictions;

6. the Filer has previously applied for and been granted relief with respect to the Short Sale Limits and Cash Borrowing Limits in respect of the Alternative Funds on June 30, 2022 (the Previously Granted Relief);

The Funds

7. each of the Funds is, or will be, organized as a trust established under the laws of the Province of British Columbia or one or more of the Applicable Jurisdictions;

8. each of the Funds is, or will be, an open-end public Alternative Fund or Conventional Fund governed by NI 81-102;

9. the securities of each Fund are, or will be, qualified for distribution in one or more of the Applicable Jurisdictions under a Prospectus prepared and filed in accordance with the securities legislation of such Applicable Jurisdictions;

10. the Existing Funds are not in default of securities legislation of any Applicable Jurisdictions;

Reasons for the Exemption Sought

Short Sale Collateral Relief

11. as part of its investment strategies, each Fund that engages in short sales of securities is permitted to grant a security interest in favour of and to deposit pledged portfolio assets with its Prime Broker; if a Fund engages as its Prime Broker an entity that is not its custodian or sub-custodian, then a Conventional Fund may only deliver to its Prime Broker portfolio assets having a market value, in the aggregate, of not more than 10% of the NAV of the Conventional Fund at the time of deposit and an Alternative Fund may only deliver to its Prime Broker portfolio assets having a market value, in the aggregate, of not more than 25% of the NAV of the Alternative Fund at the time of deposit;

12. a Prime Broker may not wish to act as the borrowing agent for a Conventional Fund that wants to short sell securities having an aggregate market value of up to 10% of the Conventional Fund's NAV if the Prime Broker is only permitted to hold, as security for such transactions, portfolio assets having and aggregate market value that is not in excess of 10% of the NAV of the Conventional Fund; this issue is even greater in the context of an Alternative Fund as a counterparty may not act as the Prime Broker for an Alternative Fund that wants to sell securities short that have an aggregate market value of up to 50% of the Alternative Fund's NAV (or more under the Previously Granted Relief) if the Prime Broker is only permitted to hold, as security for such transactions, portfolio assets having an aggregate market value that is not in excess of 25% of the NAV of the Alternative Fund;

13. as a result of the Short Sale Collateral Limits, the Funds are required to engage numerous Prime Brokers in order to fully utilize the ability of the Funds to engage in short selling of securities; managing and overseeing relationships with multiple Prime Brokers introduces unnecessary operational and administrative complexities and additional potential costs to a Fund;

14. Prime Brokers that are qualified to act as a custodian or sub-custodian under NI 81-102 are not widely appointed as custodians or sub-custodians under NI 81-102 as it can be both operationally challenging and costly to appoint them to act in such capacity;

15. given the typical collateral requirements that Prime Brokers impose on their customers who engage in the short sale of securities, if the Short Sale Collateral Limits apply, the Funds would need to retain multiple Prime Brokers in order to sell short securities to the extent permitted under Section 2.6.1 of NI 81-102 and under the Previously Granted Relief; this would result in inefficiencies for the Funds and would increase their costs of operations;

16. the Filer does not believe that there should be any policy reason to differentiate between its Alternative Funds and its Conventional Funds to the extent that these Funds also engage in the short selling of securities;

Custodian Relief

17. the custodian of the assets of the Conventional Funds and Pender Alternative Multi-Strategy Income Fund is CIBC Mellon Trust Company, and the custodian of the assets of the other Alternative Funds is the Bank of Nova Scotia; each of the custodians is independent of the Filer;

18. the Filer would like the flexibility for each Fund to engage an additional custodian that is qualified to act as a custodian under subsection 6.2(3) of NI 81-102, which may include engaging a Prime Broker that satisfies such requirements (each, an Additional Custodian); the ability to appoint a Prime Broker to act as an Additional Custodian will increase operational efficiency and reduce execution risk and costs for a Fund as it will avoid the need to transfer the Fund's portfolio assets from a third-party custodian to the Prime Broker to effect transactions conducted by the Fund through the Prime Broker; the Filer and any Additional Custodian would be subject to all requirements applicable to custodians under Part 6 of NI 81-102, excluding the prohibition against the appointment of more than one custodian;

19. Prime Brokers are not widely appointed as sub-custodians under NI 81-102 as it can be operationally challenging for both the current custodian and the Filer to appoint them to act in such capacity;

20. an Additional Custodian may also be appointed as a securities lending agent of the Funds, and in such circumstances, would provide the Funds with the opportunity to enter into a greater number of Securities Lending Agreements than would be the case with a single custodian and would therefore have the potential to increase revenues to the Funds from securities lending activities;

21. if the Custodian Relief is granted, an Additional Custodian's responsibility for the custody of a Fund's assets will apply only to the assets held by the Additional Custodian on behalf of the Fund (the Relevant Assets); the custodial arrangements between a Fund and an Additional Custodian will comply with the requirements of Part 6 of NI 81-102 other than subsection 6.1(1);

22. the Filer submits that the appointment of an Additional Custodian would provide additional flexibility to the Funds regarding the short sale of securities under section 6.8.1 as the Funds would be able to deposit the Relevant Assets of the applicable Fund as security for short sales with a Prime Broker that is an Additional Custodian without being subject to the Short Sale Collateral Limits;

23. the custodian of a Fund may act as custodian and securities lending agent for other third-party investment funds that have similar investment objectives, strategies, and investment portfolios to the Funds (the Other Funds);

24. as securities lending agent for the Funds and the Other Funds, the custodian will typically pool all portfolio securities of the Funds and the Other Funds that are made available for Securities Lending Agreements; consequently, only a relatively small portion of the total number of such securities lent by the custodian may be owned by the Funds, and accordingly, only a portion of the securities lending revenues generated from such transactions would be payable to the Funds;

25. any Additional Custodian will meet the requirements of NI 81-102 to act as a custodian for an investment fund and will have experience acting as custodian of the assets of public investment funds governed by NI 81-102; as a custodian of the Relevant Assets, an Additional Custodian will comply with the standard of care applicable to qualified custodians under section 6.6 of NI 81-102, will hold the Relevant Assets in the name of the applicable Fund in accordance with section 6.5 of NI 81-102, and will include the provisions prescribed in section 6.4 of NI 81-102 in its custody agreement with the Filer and the Funds; each Additional Custodian will complete the review and provide compliance reports to the Filer as contemplated in section 6.7 of NI 81-102;

26. the ability to terminate an Additional Custodian as custodian of the Relevant Assets of a Fund at any time without cause on written notice will ensure that the Filer maintains ultimate control over all of the portfolio assets of the

Funds and can restore all assets to the custody of the custodian at any time if the Filer considers it to be in the best interests of the Funds and their respective unitholders to do so;

27. the appointment of an Additional Custodian should have no impact on the safety of the portfolio assets of the Funds while enhancing the Funds' ability to engage in the short selling of securities under section 6.8.1 of NI 81-102 and to enter into additional Securities Lending Agreements; and

28. disclosure regarding the particulars of the appointment of any Additional Custodian of the Funds with respect to the Relevant Assets will be included in the next Prospectus filed with respect to the applicable Funds after such appointment is made.

Decision

¶ 4 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 Maker under the Legislation is that the Exemption Sought is granted provided that

In respect of the Short Sale Collateral Relief:

1. each Fund otherwise complies with subsections 6.8.1(2) and (3) of NI 81-102;

In respect of the Custodian Relief:

2. a Fund may appoint one or more Additional Custodians if:

   (a) a single entity reconciles all the portfolio assets of the Fund and provides the Fund with valuation and unitholder recordkeeping services and completes daily reconciliations among the custodians before striking a daily NAV;

   (b) the Filer maintains such operational systems and processes, as between two or more custodians and the single entity referred to in part (a) above, in order to keep a proper reconciliation of all the portfolio assets that will move among the custodians, as appropriate; and

   (c) each Additional Custodian acts as a custodian and securities lending agent only for the portion of portfolio assets of the Fund transferred to it.

"John Hinze"
Director, Corporate Finance

Application File #: 2023/0265

B.3.6 RBC Global Asset Management Inc. and The Top Funds

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from the control restriction in section 2.2(1) of NI 81-102 to permit top funds subject to NI 81-102 to invest and hold more than 10% of the outstanding equity securities of related underlying private funds providing exposure to private alternative investment strategies – Underlying private funds are not investment funds and not reporting issuers – Relief is subject to conditions.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.2(1) and 19.1.

December 11, 2023

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
RBC GLOBAL ASSET MANAGEMENT INC.
(the Filer)

AND

THE TOP FUNDS
(as defined below)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the funds listed in Schedule "A" hereto (the **Existing Top Funds**) and any additional mutual funds of which the Filer, or an affiliate of the Filer, may be the trustee and/or manager in the future (the **Future Top Funds** and together with the Existing Top Funds, the **Top Funds**), for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) exempting the Top Funds from subsection 2.2(1) (the **Control Restriction**) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) in order to permit each of the Top Funds to purchase a security of an RBC Private Fund (as defined below) if immediately after the purchase, the Top Fund would hold securities representing more than 10% of (a) the votes attaching to the outstanding voting securities of the RBC Private Fund or (b) the outstanding equity securities of the RBC Private Fund (the **Requested Relief**).

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

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

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

Representations

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

The Filer

1. The Filer is a corporation formed by amalgamation under the federal laws of Canada and its head office is located in Toronto, Ontario.

2. The Filer is an indirect, wholly-owned subsidiary of Royal Bank of Canada.

3. The Filer is registered as an adviser in the category of portfolio manager and as a dealer in the category of exempt market dealer under the securities legislation of each Jurisdiction, is registered as an investment fund manager in each of British Columbia, Ontario, Québec and Newfoundland and Labrador and is also registered in Ontario as a commodity trading manager.

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

The Top Funds

5. Each Top Fund is, or will be, an open-ended mutual fund established as a trust under the laws of the Province of Ontario.

6. Each Top Fund distributes, or will distribute, its securities under a simplified prospectus (each, a "**Prospectus**") prepared in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (**NI 81-101**).

7. Each Top Fund is, or will be, a reporting issuer in each of the Jurisdictions. Each Existing Top Fund is not in default of any of the requirements of securities legislation in any of the Jurisdictions.

8. Each Top Fund is, or will be, permitted by NI 81-102 to invest up to 10% of its net assets in illiquid assets, which includes the RBC Private Funds (as defined below). A Top Fund's investment in securities of the RBC Private Funds is, or will be, consistent with its investment objectives. The Prospectus of each Top Fund discloses, or will disclose, in its investment strategies that the Top Fund may invest up to 10% of its net assets directly or indirectly in illiquid assets, measured at the time of investment, including in RBC Private Funds.

9. Each Top Fund is, or will be, subject to National Instrument 81-107 *Independent Review Committee for Investment Funds* (**NI 81-107**) and the Filer has established, or will establish, an independent review committee (**IRC**) to review conflict of interest matters pertaining to the Top Funds as required by NI 81-107.

The RBC Private Funds

10. RBC GAM is the asset management division of Royal Bank of Canada (**RBC**). RBC GAM provides a comprehensive range of investment management services and solutions to individual, high-net-worth and institutional investors through mutual funds, exchange-traded funds, hedge funds and pooled funds, separate accounts and specialty investment strategies.

11. RBC GAM currently manages two open-ended private funds, namely, RBC Canadian Core Real Estate Fund and RBC Global Infrastructure Fund LP (collectively, the **Existing RBC Private Funds**), each of which offer securities on a private placement basis pursuant to an exemption from the prospectus requirement under applicable Canadian securities laws.

12. The Filer, or an affiliate of the Filer, may act as manager to one or more private funds in the future (each, a **Future RBC Private Fund**, together with the Existing RBC Private Funds, the **RBC Private Funds**). Each Future RBC Private Fund will offer its securities on a private placement basis pursuant to an exemption from the prospectus requirement under applicable Canadian securities laws.

13. Each RBC Private Fund provides, or will provide, exposure to private equity, private real estate, private infrastructure, private credit investments or other private alternative investment strategies.

14. The RBC Private Funds are not, or will not be, subject to NI 81-102, and have not, and will not, prepare a prospectus in accordance with NI 81-101 or National Instrument 41-101 *General Prospectus Requirements*.

15. The RBC Private Funds are not, and will not be, reporting issuers in any of the Jurisdictions or listed on any recognized stock exchange.

16. No RBC Private Fund is, or will be, an "investment fund" pursuant to the securities legislation of the Jurisdictions.

17. The RBC Private Funds are, or will be, sold only to investors who qualify to invest in the RBC Private Funds pursuant to an exemption from the prospectus requirement under applicable Canadian securities laws.

18. The Existing RBC Private Funds are not in default of the securities legislation of any of the Jurisdictions.

19. The RBC Private Funds are, or will be, primarily held by accredited investors who are not affiliated with the Filer.

20. There is no, and it is not expected that there will be, an established, publicly available secondary market for securities of the RBC Private Funds and the redemption rights applicable to investors in the RBC Private Funds are, or will be, more limited than those applicable to mutual funds subject to NI 81-102. Accordingly, investors in the RBC Private Funds may not be able to readily dispose of their securities in an RBC Private Fund and any securities that a Top Fund holds in an RBC Private Fund is, or will be, considered an "illiquid asset" under NI 81-102.

21. On an annual basis the financial statements of each RBC Private Fund, are, or will be, audited by the RBC Private Fund's external auditors, being an internationally recognized independent accounting and audit firm (typically PricewaterhouseCoopers LLP (Canada), Ernst & Young LLP or Deloitte LLP), as part of their annual independent audit. The applicable audit firm also audits the controls and processes in place to ensure the RBC Private Fund's portfolio investments are accurately valued in accordance with the RBC Private Fund's valuation policy.

Reasons for Requested Relief

22. Absent the Requested Relief, a Top Fund would be prohibited by subsection 2.2(1)(a) of NI 81-102 from investing in an RBC Private Fund beyond the confines of the Control Restriction. Due to the expected size disparity between the Top Funds and the RBC Private Funds, with the Top Funds expected be significantly larger than the RBC Private Funds, it is likely that a relatively small investment, on a percentage of net asset value basis, by a relatively larger Top Fund in an RBC Private Fund could result in such Top Fund holding securities representing more than 10 percent (10%) of (a) the votes attaching to the outstanding voting securities of the RBC Private Fund or (b) the outstanding equity securities of the RBC Private Fund, contrary to the Control Restriction.

23. A Top Fund will not invest in any RBC Private Fund for the purpose of exercising control over, or management of, the RBC Private Fund. The securities of each RBC Private Fund that would be held by the Top Funds do not, and will not, provide a Top Fund with any right to (a) appoint directors or observers to any board of the applicable RBC Private Fund or its manager, (b) restrict management of any RBC Private Fund or be involved in the decision-making with respect to the investments made by the applicable RBC Private Fund or (c) restrict the transfer of securities of the applicable RBC Private Fund by other investors in the RBC Private Fund. Any voting rights associated with the securities of the RBC Private Funds that would be held by the Top Funds do not, and will not, provide a Top Fund with any right to approve, or otherwise participate in the decision-making process associated with the investments made by the RBC Private Funds.

24. The Top Funds will not have any look-through rights with respect to the individual portfolio investments held by any of the RBC Private Funds. Further, the Top Funds will not have any rights to, or responsibility for, administering any of the portfolio investments held by any of the RBC Private Funds.

25. Each RBC Private Fund is expected to have, following the completion of its initial investment period, certain diversification requirements which may include limiting the indirect exposure of the Top Funds to any single underlying portfolio company, asset class, sector or geography, as the case may be.

26. The Filer believes that a meaningful allocation to private markets investments will provide the Top Funds' investors with unique diversification opportunities and represents an appropriate investment tool for the Top Funds that has not been widely available in the past. Private equity, private real estate, private infrastructure, private credit investments and other private alternative investment strategies have historically performed well in down markets; the Filer believes that permitting a Top Fund to increase its allocation to such strategies, offers the potential to improve a Top Fund's risk adjusted returns.

27. The Filer believes that an optimal way to access such investment strategies is through investments in the RBC Private Funds. Investing in the RBC Private Funds will provide the Top Funds with access to investments in these strategies that the Top Funds would not otherwise have exposure to through portfolios diversified across different strategies, industry sectors and geographies constructed by the Filer's experienced investment professionals.

28. Investments in the RBC Private Funds are considered illiquid investments under NI 81-102 and are therefore included as part of the calculation for the purposes of the illiquid asset restriction in section 2.4 of NI 81-102 for the Top Funds. Furthermore, the Filer has its own liquidity policy and manages, or will manage, the Top Funds' liquidity prudently under these policies.

29. Investments by a Top Fund in the RBC Private Funds do not, or will not, qualify for the exemption from the Control Restriction in paragraph 2.2(1.1)(a) of NI 81-102 as the RBC Private Funds are not, or will not be, "investment funds" subject to NI 81-102.

30. The Filer believes that granting the Requested Relief is in the best interests of the Top Funds as it would provide the Top Funds with more flexibility to increase their allocation to the private markets.

Decision

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

The decision of the principal regulator under the Legislation is that the Requested Relief is granted provided that:

(a) no Top Fund is actively participating or will actively participate in the business or operations of any RBC Private Fund;

(b) each Top Fund is, or will be, treated as an arm's-length investor in each RBC Private Fund in which it invests, on the same terms as all other third-party investors;

(c) a Top Fund does not, or will not, hold more than 20% of the outstanding equity or voting securities of any RBC Private Fund;

(d) investments in the RBC Private Funds are considered illiquid investments under NI 81-102 and therefore are not permitted to exceed, in aggregate, 10% of the net asset value of the Top Fund;

(e) in respect of an investment by a Top Fund in an RBC Private Fund, no sales or redemption fees are, or will be, paid as part of the investment in the RBC Private Fund;

(f) in respect of an investment by a Top Fund in an RBC Private Fund, no management fees or incentive fees are, or will be, payable by the Top Fund that, to a reasonable person, would duplicate a fee payable by an RBC Private Fund for the same service;

(g) where applicable, a Top Fund's investment in an RBC Private Fund is, or will be, disclosed to investors in the Top Fund's financial statements and/or fund facts documents;

(h) the manager of each of the Top Funds complies with section 5.1 of NI 81-107 and the manager and the IRC of the Top Funds will comply with section 5.4 of NI 81-107 for any possible standing instructions concerning an investment by a Top Fund in an RBC Private Fund; and

(i) the Prospectus of each Top Fund discloses, or will disclose, in the next renewal or amendment, as applicable, the fact that the Top Fund may invest in the RBC Private Funds.

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

Application File #: 2023/0557
SEDAR+ File #: 6046357

SCHEDULE A

LIST OF EXISTING TOP FUNDS

RBC Select Very Conservative Portfolio

RBC Select Conservative Portfolio

RBC Select Balanced Portfolio

RBC Select Growth Portfolio

RBC Select Aggressive Growth Portfolio

RBC Select Choices Conservative Portfolio

RBC Select Choices Balanced Portfolio

RBC Select Choices Growth Portfolio

RBC Select Choices Aggressive Growth Portfolio

B.3.7 Cboe Canada Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from subsection 7.1(1) of National Instrument 21-101 Marketplace Operation to permit Cboe Canada Inc. to implement the Cboe Canada Opt-In Feature – relief on the same terms and conditions as the exemptive relief granted to TriAct Canada Marketplace LP on October 13, 2022 – decision granted.

Applicable Legislative Provisions

National Instrument 21-101 Marketplace Operation, ss. 7.1 and 15.1.
National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions, ss. 3.4 and 3.6.

December 12, 2023

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA,
BRITISH COLUMBIA,
MANITOBA,
NEW BRUNSWICK,
NEWFOUNDLAND AND LABRADOR,
NORTHWEST TERRITORIES,
NOVA SCOTIA,
NUNAVUT,
ONTARIO,
PRINCE EDWARD ISLAND,
QUÉBEC,
SASKATCHEWAN,
YUKON
(collectively the Jurisdictions)

AND

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

AND

IN THE MATTER OF
CBOE CANADA INC.
(Cboe Canada or the Exchange)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from Neo Exchange Inc. (**Neo Exchange**), on its own behalf and on behalf of Aequitas Innovations Inc (**Aequitas**) (jointly, the **Filer**) for a decision under the securities legislation of the respective Jurisdictions (the **Legislation**) for an exemption pursuant to section 15.1 of National Instrument 21-101 *Marketplace Operation* (**NI 21-101**) from the pre-trade transparency requirements of subsection 7.1(1) of NI 21-101, consistent with, and on the same terms and conditions, as the exemptive relief granted to TriAct Canada Marketplace LP (operating as **MATCHNow**) by virtue of an order issued on October 13, 2022 (the **2022 Decision**) (the **Exemptive Relief Sought**).

The primary purpose of the Exemptive Relief Sought is to permit the continued operation, as of January 1, 2024, of the MATCHNow feature described below, by maintaining the necessary exemptive relief for that feature, in connection with the amalgamation of MATCHNow into a new legal entity, as described in further detail below.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a coordinated review):

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

(b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, National Policy 11-203 *Process for Exemptive Relief in Multiple Jurisdictions* (**NP 11-203**), NI 21-101, or the *Securities Act* (Ontario) have the same meaning if used in this decision, unless otherwise defined. Additional capitalized terms are to be interpreted as defined in this decision.

Representations

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

1. The Filer is a marketplace that is an exchange recognized by the OSC and exempt from recognition in the other 12 Jurisdictions, and it facilitates the trading of exchange-traded securities.

2. The Filer's principal place of business and head office are located in Toronto, Ontario.

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

4. As of the effective date of the proposed amalgamation (the **Proposed Amalgamation**) of Aequitas, Neo Exchange, and TriAct Canada Marketplace LP (operating as **MATCHNow**), the entity that will be the surviving regulated marketplace will be a recognized exchange known as Cboe Canada, and MATCHNow, which will cease to exist as a standalone marketplace and legal entity, will instead be integrated into Cboe Canada as an order book of Cboe Canada.

5. It is intended for Cboe Canada to continue offering its members and their eligible DEA clients (or **Sponsored Users**) the ability to send conditional orders to MATCHNow (**Conditionals**), and to allow those Conditionals to interact with both firm passive dark orders (known as **Liquidity Providing orders**) and firm active dark orders (known as **IOC orders**) (referred to collectively herein as **Firm Orders**) in what will become the MATCHNow order book, to the extent that the Firm Orders have been opted-in for such interaction through the activation of an optional feature (the **Cboe Canada Opt-In Feature**), which will be identical in every practical respect to what is currently known as the Varied Opt-In Feature (as described in the 2022 Decision).

6. A member of the Exchange will need to affirmatively activate the Cboe Canada Opt-In Feature for it to apply to a Firm Order; otherwise, the system will default the Firm Order to being opted out for the feature, in which case the Firm Order will not interact with Conditionals.

7. When Conditionals were originally launched by MATCHNow, a MATCHNow subscriber would receive a firm-up invitation when the system detected a potential match between or among two or more Conditionals; however, pursuant to an exemption order, dated June 7, 2021, issued by the OSC in respect of MATCHNow (the **2021 Decision**), the Conditionals functionality was expanded to allow a MATCHNow subscriber to opt in to have an eligible Liquidity Providing order automatically generate a firm-up invitation for a Conditional where the system detected a potential match between that opted-in Liquidity Providing order and the Conditional.

8. Pursuant to the 2022 Decision, the opt-in feature that existed at the time was further expanded to allow a MATCHNow subscriber to opt in to have an eligible IOC order (in addition to an eligible Liquidity Providing order) automatically generate a firm-up invitation for a Conditional where the system detected a potential match between the IOC order (or the Liquidity Providing order) and the Conditional.

9. In those circumstances, the firm-up invitation generated by any opted-in Firm Order could be interpreted as a display of that Firm Order, and the same will hold true for Firm Orders that are opted-in for interaction with Conditionals through the Cboe Canada Opt-In Feature, as of the effective date of the Proposed Amalgamation.

10. Subsection 7.1(1) of NI 21-101 provides that, when a marketplace displays orders of exchange-traded securities to a person or company, the marketplace must provide accurate and timely information regarding the displayed orders to an information processor or to an information vendor if an information processor is not available.

11. The Filer has requested an exemption from subsection 7.1(1) of NI 21-101 to be able to offer the Cboe Canada Opt-In Feature to its members across Canada as of the effective date of the Proposed Amalgamation (January 1, 2024).

12. The Cboe Canada Opt-In Feature will be subject to the following conditions (which are effectively identical to the conditions that support the exemptive relief granted in the 2022 Decision):

    1) The Cboe Canada Opt-In Feature will facilitate large-sized trades, as only Firm Orders that are at least 51 standard trading units and $30,000 in notional value or at least $100,000 in notional value will be able to opt in to interact with Conditionals.

    2) The Cboe Canada Opt-In Feature, to be activated, will require an Exchange member to take the affirmative action of electing to have its Firm Orders interact with Conditionals (on an order-by-basis, or as a "default" for all Firm Order flow associated with a particular Trader ID).

3) When an opted-in Firm Order offers contra-side liquidity for a Conditional, the invitation to firm up sent to the Exchange member or Sponsored User that placed the Conditional will only provide symbol and side (i.e., buy or sell), while size and price will only be inferable without precision (i.e., the Exchange member or Sponsored User will be able to infer that the contra side is at least 51 standard trading units and $30,000 in notional value or at least $100,000 in notional value, and that the contra side's price is at or better than the mid-point of between the best bid and best offer for at least one standard trading unit displayed on all protected marketplaces in Canada, as contemplated in Universal Market Integrity Rule 1.2(8)(a) of the Canadian Investment Regulatory Organization)).

4) When an opted-in Firm Order offers contra-side liquidity for a Conditional, the invitation to firm up sent to the Exchange member or Sponsored User will not allow the Exchange member or Sponsored User to determine whether the contra-side liquidity is immediately actionable (i.e., the Exchange member or Sponsored User will be blind as to whether the contra-side order is a Firm Order or another Conditional).

5) The final step required to achieve an execution—namely, the firm-up by the Exchange member or Sponsored User that placed the Conditional—is not guaranteed and, therefore, execution is not a mere formality.

13. The Exchange's compliance mechanism applicable to Conditionals, which will be identical to the compliance mechanism that currently applies to MATCHNow subscribers and their Sponsored Users, will suspend Conditionals trading, on a per-security basis, for the remainder of the trading day for an Exchange member or Sponsored User whose firm-up rate falls below 70% for the day, provided at least 10 firm-up invitations have been received by the Exchange member or Sponsored User. The Exchange's compliance mechanism will treat all firm-up invitations uniformly, including those automatically generated by Firm Orders for which the Cboe Canada Opt-In Feature is activated. This provides an additional measure of protection in favour of the policy objective underlying subsection 7.1(1) of NI 21-101—namely, fair access to pre-trade information—by allowing the Exchange to monitor and combat abusive order-cancellation behaviour, which could indicate an Exchange member's or Sponsored User's attempt to gain an unfair informational advantage. Changes to the compliance mechanism will be subject to notice to, and approval by, the OSC through filing an amendment to the relevant information provided in the Exchange's Form 21-101F1.

14. While the transparency requirements are fundamental to the marketplace framework in NI 21-101, there is a benefit for Canadian capital markets from the facilitation of large block-size trades.

15. The Cboe Canada Opt-In Feature is expected to maintain or increase the adoption of Conditionals by the Exchange's members and their Sponsored Users and thereby provide a stable or greater amount of price-improved matching opportunities for large-sized orders, without any significant erosion of price discovery. Nevertheless, the Filer acknowledges that the impact of the Cboe Canada Opt-In Feature on the Canadian capital markets will be monitored over time, and any unanticipated negative impact will be addressed.

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 Exemptive Relief Sought is granted provided that:

1. The Cboe Canada Opt-In Feature will only apply to Firm Orders for which an Exchange member has affirmatively consented to using the feature.

2. A Firm Order will only be eligible for the Cboe Canada Opt-In Feature where it meets the applicable minimum size threshold (51 standard trading units and $30,000 or $100,000).

3. An invitation to firm up resulting from the Cboe Canada Opt-In Feature will convey only symbol and side as known order elements; information about price or quantity will not be conveyed and will only be inferable without precision.

4. An invitation to firm up resulting from the Cboe Canada Opt-In Feature will not enable the recipient to determine whether the contra-side liquidity is immediately actionable.

5. The Exchange will analyze the impact of the Cboe Canada Opt-In Feature and will share the results with the OSC and any other Exempting Regulator that requests those results. The manner and format of the analysis will be agreed to with OSC staff from time to time, as appropriate.

DATED December 12, 2023, to take effect January 1, 2024.

"Michelle Alexander"
Manager, Market Regulation
Ontario Securities Commission

B.4
Cease Trading Orders

B.4.1 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
Vertical Peak Holdings Inc.	December 5, 2023	
Austin Resources Ltd.	December 5, 2023	
Solvbl Solutions Inc.	December 5, 2023	
Humble & Fume Inc.	December 5, 2023	
Plantable Health Inc.	December 5, 2023	
PsyBio Therapeutics Corp.	December 5, 2023	
Victory Opportunities 1 Corp.	December 5, 2023	December 7, 2023

Company Name	Date of Order	Date of Revocation
Real Luck Group Ltd.	December 5, 2023	
Wolverine Energy and Infrastructure Inc.	December 5, 2023	
Environmental Waste International Inc.	December 5, 2023	December 6, 2023
Critical Infrastructure Technologies Ltd.	November 03, 2023	December 11, 2023

B.4.2 Temporary, Permanent & Rescinding Management Cease Trading Orders

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

B.4.3 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
Agrios Global Holdings Ltd.	September 17, 2020	
Sproutly Canada, Inc.	June 30, 2022	
iMining Technologies Inc.	September 30, 2022	
Alkaline Fuel Cell Power Corp.	April 4, 2023	
mCloud Technologies Corp.	April 5, 2023	
FenixOro Gold Corp.	July 5, 2023	
HAVN Life Sciences Inc.	August 30, 2023	
Falcon Gold Corp.	November 1, 2023	

B.5
Rules and Policies

B.5.1 Repeal of National Instrument 81-104 Alternative Mutual Funds

REPEAL OF
NATIONAL INSTRUMENT 81-104 *ALTERNATIVE MUTUAL FUNDS*

1. National Instrument 81-104 Alternative Mutual Funds is repealed by this Instrument.

2. (a) This Instrument comes into force on January 29, 2024.

(b) In Saskatchewan, despite subsection 2(a), if this Instrument is filed with the Registrar of Regulations after January 29, 2024, this Instrument comes into force on the day on which it is filed with the Registrar of Regulations.

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B.7
Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as in Thomson Reuters Canada's internet service SecuritiesSource (see www.westlawnextcanada.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).

B.9
IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:
NEI Long Short Equity Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Dec 6, 2023
NP 11-202 Preliminary Receipt dated Dec 6, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06060432

Issuer Name:
Dynamic Global Dividend Class
Dynamic Global Dividend Fund
Dynamic Global Equity Fund
Dynamic Global Equity Income Fund
Dynamic Global Equity Private Pool Class
Dynamic Global Fixed Income Fund
Dynamic Global Infrastructure Class
Dynamic Global Infrastructure Fund
Dynamic Global Real Estate Fund (formerly Dynamic Focus+ Real Estate Fund)
Dynamic Global Strategic Yield Fund
Dynamic Global Yield Private Pool
Dynamic Global Yield Private Pool Class
Dynamic High Yield Bond Fund
Dynamic International Discovery Fund
Dynamic International Dividend Private Pool
Dynamic International Equity Fund
Dynamic Investment Grade Floating Rate Fund
Dynamic Money Market Class
Dynamic Money Market Fund
Dynamic North American Dividend Private Pool
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Dec 6, 2023
NP 11-202 Final Receipt dated Dec 7, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06038402

Issuer Name:
Dynamic Power American Growth Class
Dynamic Power American Growth Fund
Dynamic Power Balanced Fund
Dynamic Power Canadian Growth Fund
Dynamic Power Global Balanced Class
Dynamic Power Global Growth Class
Dynamic Power Global Growth Fund
Dynamic Power Small Cap Fund
Dynamic Precious Metals Fund
Dynamic Preferred Yield Class
Dynamic Premium Bond Private Pool
Dynamic Premium Bond Private Pool Class
Dynamic Premium Yield Class
Dynamic Premium Yield Fund
Dynamic Retirement Income Fund
Dynamic Short Term Bond Fund
Dynamic Small Business Fund
Dynamic Strategic Energy Class
Dynamic Strategic Gold Class
Dynamic Strategic Resource Class
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Dec 6, 2023
NP 11-202 Final Receipt dated Dec 7, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06038421

Issuer Name:
Dynamic Active Core Bond Private Pool
Dynamic Active Credit Strategies Private Pool
Dynamic Advantage Bond Class
Dynamic Advantage Bond Fund
Dynamic Alternative Managed Risk Private Pool Class
Dynamic Alternative Yield Class
Dynamic Alternative Yield Fund
Dynamic American Class
Dynamic American Fund
Dynamic Asia Pacific Equity Fund
Dynamic Asset Allocation Private Pool
Dynamic Blue Chip Balanced Fund
Dynamic Blue Chip Equity Fund
Dynamic Canadian Bond Fund
Dynamic Canadian Dividend Fund
Dynamic Canadian Equity Private Pool Class
Dynamic Canadian Value Class
Dynamic Conservative Yield Private Pool
Dynamic Conservative Yield Private Pool Class
Dynamic Corporate Bond Strategies Class
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Dec 6, 2023
NP 11-202 Final Receipt dated Dec 7, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06038397

Issuer Name:
BMG BullionFund
BMG Gold BullionFund
BMG Silver BullionFund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Dec 6, 2023
NP 11-202 Final Receipt dated Dec 7, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06041719

Issuer Name:
2028 Investment Grade Bond Trust
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated Dec 7, 2023
NP 11-202 Final Receipt dated Dec 11, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06041851

Issuer Name:
DynamicEdge Defensive Portfolio
DynamicEdge Equity Class Portfolio
DynamicEdge Equity Portfolio
DynamicEdge Growth Class Portfolio
DynamicEdge Growth Portfolio
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 Dec 6, 2023
NP 11-202 Final Receipt dated Dec 7, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06038427

Issuer Name:
Dynamic Strategic Yield Class
Dynamic Strategic Yield Fund
Dynamic Sustainable Credit Fund
Dynamic Sustainable Equity Fund
Dynamic Tactical Bond Private Pool
Dynamic Total Return Bond Class
Dynamic Total Return Bond Fund
Dynamic U.S. Balanced Class
Dynamic U.S. Equity Income Fund
Dynamic U.S. Equity Private Pool Class
Dynamic U.S. Strategic Yield Fund (formerly Dynamic U.S. Monthly Income Fund)
Dynamic Value Balanced Class
Dynamic Value Balanced Fund
Dynamic Value Fund of Canada
DynamicEdge Balanced Class Portfolio
DynamicEdge Balanced Growth Class Portfolio
DynamicEdge Balanced Growth Portfolio
DynamicEdge Balanced Income Portfolio
DynamicEdge Balanced Portfolio
DynamicEdge Conservative Class Portfolio
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Dec 6, 2023
NP 11-202 Final Receipt dated Dec 7, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06038409

Issuer Name:
Dynamic Corporate Bond Strategies Fund
Dynamic Credit Spectrum Fund
Dynamic Diversified Inflation Focused Fund
Dynamic Dividend Advantage Class
Dynamic Dividend Advantage Fund
Dynamic Dividend Fund
Dynamic Dividend Income Class
Dynamic Dividend Income Fund
Dynamic Dollar-Cost Averaging Fund
Dynamic Emerging Markets Equity Fund
Dynamic Energy Evolution Fund
Dynamic Energy Income Fund
Dynamic Equity Income Fund
Dynamic European Equity Fund
Dynamic Financial Services Fund
Dynamic Global Asset Allocation Class
Dynamic Global Asset Allocation Fund
Dynamic Global Balanced Fund
Dynamic Global Discovery Class
Dynamic Global Discovery Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Dec 6, 2023
NP 11-202 Final Receipt dated Dec 7, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing # 06038389

Issuer Name:
Evolve Artificial Intelligence Index Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated Dec 8, 2023
NP 11-202 Preliminary Receipt dated Dec 8, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06061351

Issuer Name:
CI Auspice Alternative Diversified Corporate Class
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Dec 7, 2023
NP 11-202 Preliminary Receipt dated Dec 7, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06060954

NON-INVESTMENT FUNDS

Issuer Name:
Collective Mining Ltd.
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus (NI 44-102) dated Dec 4, 2023
NP 11-202 Final Receipt dated Dec 6, 2023
Offering Price and Description:
$200,000,000.00
Common Shares, Debt Securities, Subscription Receipts, Warrants, Units
Filing# 06051116

Issuer Name:
Great-West Lifeco Inc.
Principal Regulator – Manitoba
Type and Date:
Final Shelf Prospectus dated Dec 5, 2023
NP 11-202 Final Receipt dated Dec 6, 2023
Offering Price and Description:
Debt Securities (unsecured), First Preferred Shares, Common Shares, Subscription Receipts
Filing# 06060358

Issuer Name:
Greenridge Exploration Inc.
Principal Regulator – British Columbia
Type and Date:
Final Long Form Prospectus dated Nov 29, 2023
NP 11-202 Final Receipt dated Dec 4, 2023
Offering Price and Description:
2,793,005 Common Shares on Exercise of 2,793,005 Outstanding Special Warrants **Filing#** 06033840

Issuer Name:
HEALWELL AI Inc.
Principal Regulator – Ontario
Type and Date:
Preliminary Short Form Prospectus (NI 44-101) dated Dec 8, 2023
NP 11-202 Preliminary Receipt dated Dec 8, 2023
Offering Price and Description:
$10,000,000.00
12,500,000 Units
Filing# 06060814

Issuer Name:
Hypercharge Networks Corp.
Principal Regulator – British Columbia
Type and Date:
Preliminary Short Form Base Shelf Prospectus dated Dec 7, 2023
NP 11-202 Preliminary Receipt dated Dec 7, 2023
Offering Price and Description:
$50,000,000.00
Common Shares, Subscription Receipts, Convertible Securities, Warrants, Debt Securities, Units
Filing# 06060288

Issuer Name:
NexGen Energy Ltd.
Principal Regulator – British Columbia
Type and Date:
Final Short Form Base Shelf Prospectus dated Dec 8, 2023
NP 11-202 Final Receipt dated Dec 8, 2023
Offering Price and Description:
$500,000,000.00
Common Shares, Warrants, Subscription Receipts, Units, Debt Securities
Filing# 06059571

Issuer Name:
Open Daily Technologies Inc.
Principal Regulator – British Columbia
Preliminary Long Form Prospectus dated Nov 30, 2023
NP 11-202 Preliminary Receipt dated Dec 6, 2023
Offering Price and Description:
Common Shares
Minimum Number of Securities: 6,666,667
Maximum Number of Securities: 10,000,000
Price per Security: $0.15
Filing# 06060586

Issuer Name:
Rektron Group Inc.
Principal Regulator – British Columbia
Type and Date:
Preliminary Long Form Prospectus dated Dec 5, 2023
NP 11-202 Preliminary Receipt dated Dec 6, 2023
Offering Price and Description:
Units
Number of Securities: 7,500,000
Price per Security: USD$2.00
2,595,917 Common Shares issuable on deemed exercise of 2,595,917 Special Warrants
Number of Securities: 2,595,917
Price per Security: USD$1.58
Filing# 06060621

Issuer Name:
Urban Plus Capital Corp.
Principal Regulator – British Columbia
Amended and Restated CPC Prospectus dated Dec 5, 2023
NP 11-202 First Amendment to Final Receipt dated Dec 8, 2023
Offering Price and Description:
Minimum Offering: $250,000.00 or 2,500,000 Common Shares
Maximum Offering: $450,000.00 or 4,500,000 Common Shares
Price: $0.10 per Common Share
Filing# 3539451

Issuer Name:
Wallbridge Mining Company Limited
Principal Regulator – Ontario
Preliminary Shelf Prospectus dated Dec 4, 2023
NP 11-202 Preliminary Receipt dated Dec 5, 2023
Offering Price and Description:
$50,000,000.00
Common Shares, Preferred Shares, Subscription Receipts, Warrants, Debt Securities, Units
Filing# 06060260

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B.10
Registrations

B.10.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Corporation Bloomridge Inc. / Bloomridge Corporation Inc.	Portfolio Manager	December 6, 2023

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B.11
CIRO, Marketplaces, Clearing Agencies and Trade Repositories

B.11.2 Marketplaces

B.11.2.1 Toronto Stock Exchange – Housekeeping Rule Amendments to the TSX Company Manual – Notice

TORONTO STOCK EXCHANGE

NOTICE OF
HOUSEKEEPING RULE AMENDMENTS TO
THE TSX COMPANY MANUAL

Introduction

In accordance with the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 (the "**Protocol**"), Toronto Stock Exchange ("**TSX**") has adopted, and the Ontario Securities Commission ("**OSC**") has approved, certain housekeeping amendments (the "**Amendments**") to Part I - Interpretation, Part IV - Maintaining a Listing and Part IX - Dealing with the News Media of the TSX Company Manual (the "**Manual**"). The Amendments are Housekeeping Rules under the Protocol and therefore have not been published for comment. The OSC has not disagreed with the categorization of the Amendments as Housekeeping Rules. In accordance with Section 5 of the Protocol, TSX has obtained a waiver from the OSC in connection with the requirements to obtain approval by the board of directors of TSX.

Background

Part IV of the Manual provides issuers with the general requirements to maintain its listing on TSX. This Part includes Sections 406 to 423.14 which relate to requirements regarding timely disclosure (the "**Timely Disclosure Requirements**"). Part IX of the Manual expands on the timely disclosure requirements by providing issuers with guidance on dealing with news media. TSX has also published the Guide to TSX Timely Disclosure Requirements, formally called the "TSX Policy Statement on Timely Disclosure" (the "**Guidelines**"), which provide issuers with additional guidance on complying with the requirements set out in Part IV and Part IX of the Manual. A copy of the updated Guidelines can be found here.

Currently, the Timely Disclosure Requirements include: (i) certain rules for issuers to follow; and (ii) recommendations and guidance for issuers to consider, but not required to follow. In order to make it easier for issuers to understand what the requirements are, the Amendments remove guidance or recommendations from the Manual and instead include them in the Guidelines. The Guidelines were initially published to supplement the Timely Disclosure Requirements and therefore, these recommendations and guidance are better suited for inclusion there. Part IX currently contains a number of provisions relating to dissemination of information that were relevant at the time of publication, but given the ever-changing nature of technologies (including social media) and methods of dissemination, the Amendments remove this Part from the Manual and include certain relevant portions in the Guidelines to help ensure that issuers apply the Timely Disclosure Requirements to all forms of disclosure, including any future means of communications.

The Amendments aim to: (i) assist issuers when preparing meaningful disclosure by clearly setting out in the Manual the timely disclosure requirements, and separately providing guidance in complying with these requirements in the Guidelines; and (ii) simplify the text in Part IV of the Manual for the reader. Please see the section entitled "Summary and Rationale of Non-Public Interest Amendments" below.

Summary and Rationale of Non-Public Interest Amendments

	Section of the Manual	Amendments to the Manual	Rationale
Part I - Interpretation			
1.	Interpretation	Include a new defined term, “Timely Disclosure Policy”, in the Interpretation section.	The Manual currently refers to this term, however does not define it. Including this term in the Interpretation section (and therefore providing a definition for it) and as a defined term in the Manual provides clarity and removes any inconsistencies.
2.		Revise the defined term, "Market Surveillance" in the Interpretation section. Include a new defined term, “PR Portal”, in the Interpretation section.	The Manual currently defines this term by referring to the Investment Industry Regulatory Organization of Canada but has been replaced by its successor, Canadian Investment Organization, or "CIRO". “PR Portal” is a new method provided by Market Surveillance (being the Canadian Investment Organization, or “**CIRO**”) by which issuers may submit their press releases to Market Surveillance. As such, a new defined term for this portal is being included in the Interpretation Section. Please also see Amendment #6 below.
Part IV - Maintaining a Listing - General Requirements			
3.	Part IV	Capitalize all references to “timely disclosure policy”.	This amendment is being made to reflect the addition of the definition of “Timely Disclosure Policy” in the Interpretations section and as a defined term in the Manual. See the rationale for Amendment #1 above.
		Remove all references to “company” or “companies” and replace them with “issuer” or “issuers”.	This amendment is being made to provide consistency in the use of terms throughout this Part.
		Remove all references to “listed issuer” and replace them with “issuer”.	This amendment is being made to provide consistency with the use of terms throughout this Part.
4.	Section 406 - Introduction	Replace “state” with “states” in the second paragraph that reads “[...] the CSA clearly state in National Policy 51-201 Disclosure Standards that they expect listed issuers to comply with the requirements of the Exchange.”	This amendment is being made to correct a grammatical error.
		Add “*(SEDI)*” to the title of National Instrument 55-102.	This amendment is being made to refer to the correct title of this instrument.
		Capitalize “Bid” in the title of National Instrument 62-103.	This amendment is being made to correct a typographical error.
		Remove “s” in the title of National Instrument 62-103.	Not applicable for the English version of the Manual.
5.	Section 413 - Timing of Announcements	Replace “significant announcements” with “material announcements” in the sentence describing the rule as to when material	Currently, the Manual refers to and defines "Material Information". While section 413 requires that “significant announcements” are to be released immediately, TSX is of the view that referring to material announcements would clarify the

	Section of the Manual	Amendments to the Manual	Rationale
		announcements are required to be released.	requirement with the use of the defined concept of materiality. In addition, the term "material announcements" is a more widely-understood concept than "significant announcements".
		Replace the reference to "shares" with "securities".	Currently, this section states that an issuer should seek direction from Market Surveillance as to when an announcement should be released and whether trading in an issuer's shares should be halted for dissemination of announcement. Because an issuer may have other securities (and not just common shares), the reference to "shares" is being replaced with "securities".
6.	Section 415 - OSC Cease Trading Order	Replace the reference to a "halt in trading" with "a cease of trading".	This amendment is being made to be consistent with the use of the term "cease trading order" in this section. In addition, the Canadian Securities Administrators generally refer to "halts" as cease trading orders rather than "halts" in trading as currently set out in this section.
7.	Section 416 - Announcements of Material Information	Replace "the Exchange" with "Market Surveillance" in the subheading "Pre-Notification to the Exchange".	In the past, the Exchange performed the market surveillance function for its listed issuers. This function was then assumed by IIROC (now CIRO) in 2008. As such, this amendment is being made to reflect that the Exchange no longer performs the market surveillance function, and as a result, that Market Surveillance (CIRO) (instead of the Exchange) must be advised of the content of an issuer's press release, and supplied with a copy of its release in advance.
		Amend the language to require issuers to, where an announcement is ready to be made by an issuer during trading hours, file the announcement with Market Surveillance before calling them to notify them of the announcement.	Where an announcement is ready to be made by an issuer during trading hours, the Manual currently requires issuers to first provide advance notice of the announcement involving material information to Market Surveillance by telephone, followed by a written copy of the release. This amendment is being made to be consistent with Market Surveillance's current practice, which is to require issuers to first file a copy of the announcement with Market Surveillance via Market Surveillance's Press Release Portal ("**PR Portal**") or email, followed by a telephone call to Market Surveillance. The PR Portal is a web-based platform provided by Market Surveillance, which provides issuers with immediate and secure delivery of their announcements directly to Market Surveillance staff.
		Include a reference to the PR Portal and email as methods by which an issuer may file a copy of an announcement with Market Surveillance where an announcement is ready to be made during trading hours.	TSX is also clarifying that, where an announcement is to be released after the Exchange has closed, copies of the announcement may be filed with Market Surveillance through TMX LINX, the PR Portal, or email.
8.	Section 417 - Dissemination	Delete the references to Dow Jones and Reuters as examples of news wire services that provide wide dissemination	When issuing a news release, the Manual currently requires issuers to use news wire services that provide wide dissemination at no charge to the issuer, and Section 417 provides limited examples

	Section of the Manual	Amendments to the Manual	Rationale
		of news releases, and remove the requirement that issuers use news wire services that provide such services “at no charge to the issuer”.	of news wire services providers that provide such services. Issuers are still required to satisfy themselves that their chosen provider meets the requirements set out in Section 417 of the Manual. While setting out examples of acceptable news wire service providers in Section 417 may be useful, TSX is of the view that it may not be appropriate to specifically name certain, and a limited number of, news wire service providers as examples in the Manual. Issuers may view the examples set out in the Manual as being prescriptive, and may limit their choice of news service provider based on this view. In contrast, while there are many news wire service providers that meet the requirements set out in Section 417, it is impracticable for the Exchange to list (and update) all of the acceptable news wire service providers in the Manual. As such, the specific references to Dow Jones and Reuters in this section are being removed to clarify to issuers that any news services providers that meet the criteria listed therein are acceptable, and not just the companies set out as examples. A list of examples of news services that meet the required criteria that issuers may refer to are included in the Guidelines. Section 417 also requires dissemination of the full text of an issuer’s news release. The Exchange has found that news wire services that offer their services at no cost typically amend the content of the news release. As such, the requirement that an issuer use a news wire service provider that provides such services “at no charge to the issuer” is being deleted.
		Amend the language to clarify that certain, and not all news service providers, may edit news releases, and that issuers are required to use news wire service providers that do not do this (i.e. they must provide full text of the news release without edits).	This section is being amended to clarify that issuers should be aware that certain news services (rather than all news services as currently stated in the section) may substantially edit news releases. In addition, the amendments to the requirement that issuers use news services that guarantee that the full text of the news release will be carried are stylistic in nature and are meant to clarify the issuer’s obligation.
9.	Section 421 - Requests for Trading Halts	Amend the language to clarify that the issuer’s disclosure obligation to Market Surveillance is so that Market Surveillance staff (and not Exchange staff) can assess the appropriateness (and duration) of a trading halt.	When requesting a trading halt for an announcement, issuers must provide Market Surveillance with certain disclosure as set out in Section 421 so that it can assess the need for, and the appropriate duration of, a trading halt. This section is being amended to clarify that it is Market Surveillance staff, and not Exchange staff, that makes this assessment.
		Make certain stylistic and grammatical amendments.	Certain grammatical and stylistic changes are being made to simplify this section for the reader.
10.	Section 423 - Failure to Make an	Add a hyphen to the term “nonbusiness” so that it reads “non-business”.	This amendment is being made to correct a typographical error.

	Section of the Manual	Amendments to the Manual	Rationale
	Announcement Immediately		
11.	Section 423.2 - When Information May be Kept Confidential	Delete “It is the policy of the Exchange that the […]” in this section as it is irrelevant and redundant.	This text is being removed as it is unnecessary, and to simplify the text for the reader.
12.	Section 423.3 - Maintaining Confidentiality	Amend the language to state that unusual market activity “may indicate” (rather than “probably means”) that news of an undisclosed and material matter is being disclosed and that certain persons are taking advantage of it.	This amendment is being made to clarify that not all unusual market activity indicates the disclosure of undisclosed material information, but instead, “may indicate” such disclosure.
		Include “and” before the reference to Market Surveillance.	This amendment is being made to correct a grammatical error.
		Amend the language to require issuers (rather than suggest to issuers) to advise Market Surveillance immediately where there disclosure of material information is delayed and there is unusual market activity.	Currently, the Manual states that issuers should notify Market Surveillance of unusual market activity where an issuer delays the disclosure of material information. This amendment is being made to clarify that issuers are required to notify Market Surveillance in such a case, and to reflect the practice of the Exchange in applying this section as an issuer requirement.
13.	Section 423.4 - Insider Trading	Delete the paragraphs in this section that discuss insider trading rules and requirements as per applicable Ontario securities laws.	As these paragraphs refer to securities law requirements, are not Exchange requirements and are currently included in the Guidelines, they are being removed from the Manual. See the section entitled “Insider Trading” in the Guidelines.
		Delete the subheading entitled “Law”.	The deletion of the subheading reflects this amendment above.
14.	Section 423.5 - Guidelines— Disclosure, Confidentiality Guidelines and Employee Trading	Amend this section by removing the paragraphs discussing the Exchange’s recommendation that issuers establish policies to help them comply with the Disclosure Rules (as defined in the Manual), including recommendations as to what the policies should include.	This section requires that issuers comply with applicable securities law governing corporate disclosure, confidentiality and employee trading, and the Timely Disclosure Policy. This section also recommends that issuers establish written policies to help them comply with the Disclosure Rules. As these paragraphs do not include any requirements of the Exchange, and instead provide recommendations and guidelines for issuers to consider, they are being deleted from this section. In addition, the text of the deleted paragraphs is currently included in the Guidelines. See the section entitled “Guidelines - Disclosure, Confidentiality and Employee Trading” in the Guidelines.
		Delete the heading entitled “Guidelines - Disclosure, Confidentiality Guidelines and Employee Trading”.	The deletion of the subheading reflects this amendment above.

	Section of the Manual	Amendments to the Manual	Rationale
15.	Section 423.6 - Disclosing Material Information	Delete this section in its entirety and include "[Intentionally deleted]".	This section includes the definition of "material information" and states that issuers are required to disclose public information immediately. This section is being removed from the Manual as it is duplicative of information already included in the Manual (see Section 408 of the Manual). This section also includes guidelines and recommendations that an issuer may consider when establishing a policy to help it comply with the Disclosure Rules (see Amendment #10 above), and more specifically, as it relates to disclosing material information. As these paragraphs do not include any requirements of the Exchange, and instead provide recommendations and guidelines for issuers to consider, they are being deleted from the Manual. In addition, the text of the deleted paragraphs is currently included in the Guidelines. See the section entitled "Disclosing Material Information" in the Guidelines.
16.	Section 423.7 - Maintaining the Confidentiality of Information	Delete this section in its entirety and include "[Intentionally deleted']".	This section provides guidelines and recommendations relating to how issuers can keep information confidential and implement policies to do so. As this section does not include any requirements of the Exchange, and instead provides recommendations and guidelines for issuers to consider, it is being removed from the Manual. In addition, this section is duplicative of the information included in Sections 423.2 and 423.3 of the Manual, and is also currently included in the Guidelines. See the section entitled "Maintaining the Confidentiality of Information" in the Guidelines.
17.	Section 423.8 - Restrictions on Employee Trading	Delete the section under the subheading entitled "Guidelines" in its entirety.	This section expands on the Disclosure Rules and provides for restrictions on employee trading where an issuer's employees have access to material information of the issuer, or are aware of undisclosed material information of another issuer. It also includes, under the subheading entitled "Guidelines", guidelines and recommendations regarding an issuer's trading blackout policy. As this section does not include any requirements of the Exchange, and instead provides recommendations and guidelines for issuers to consider, it is being removed from the Manual. In addition, this section is currently included in the Guidelines. See the section entitled "Restrictions on Employee Trading" in the Guidelines.
18.	Section 423.9 and 423.10 - Electronic Communications Disclosure Guidelines Section 423.11 - Applicable Disclosure Standards	Delete these sections in their entirety.	These sections have been removed, as they provide guidelines and recommendations with respect to electronic communications disclosure guidelines instead of requirements of the Exchange. Although electronic communications disclosure is subject to the Timely Disclosure Policy, certain paragraphs in this section that contain relevant recommendations are now included in the Guidelines. These paragraphs provide relevant guidance to issuers relating to: (i) applicable

	Section of the Manual	Amendments to the Manual	Rationale
			disclosure rules applying to electronic communications; (ii) making investor relations information available on an issuer's website; (iii) the duty to update and correct any information on an issuer's website; (iv) ensuring that excerpts are not misleading when read on its own; and (vi) displaying favourable and unfavourable information on an issuer's website with the same prominence.
19.	Section 423.12 – Electronic Communication Guidelines	Delete this section in its entirety.	This section has been removed, as it provides guidelines and recommendations instead of requirements. Certain paragraphs in this section that contain relevant recommendations are now included in the Guidelines. These paragraphs provide relevant guidance to issuers relating to: (i) establishing a written policy regarding electronic communications; (ii) monitoring electronic communications; (iii) posting their investors relations information; (iv) distributing non-material, supplemental investor information to all investors; (v) providing contact information to an investor relations representative of the issuer; (vi) hosting conference calls and industry conferences; (vii) adopting a social media policy for employees; (vii) posting of third party links; (viii) maintaining accurate information on its website; and (ix) dealing with rumours about an issuer on the internet. While certain deleted text provides guidelines and recommendations regarding electronic communication, TSX is of the view that such information is currently included in the Manual and/or Guidelines, and/or includes information that was relevant for issuers at the time the internet became available, however is now out of date, and no longer relevant.
20.	Section 423.13 - Maintaining Site Integrity	Delete this section in its entirety.	This section has been removed. It provides outdated recommendations for maintaining website security that were relevant when they were introduced initially in the manual, but are no longer relevant in the context of current technology.
21.	Section 423.14 - TSX Monitoring of the Internet	Delete this section in its entirety.	As described above, the Exchange performed the market surveillance function in the past. As this function was assumed by Market Surveillance (CIRO) in 2008, the Exchange no longer monitors issuer websites and therefore, this section is no longer applicable.
22.	Section 472 – Corporate Governance	Delete the paragraphs that discuss the Exchange's review of issuers' corporate governance disclosure and the consequences of failure to comply with requests for amended disclosure.	In the past, the Exchange would monitor its issuers who were subject to National Instrument 58-101 *Disclosure of Corporate Governance Practices* and assist issuers who were not in compliance with this instrument. This amendment is being made to reflect the Exchange's current practice, which is to review an issuer's corporate governance disclosure as part of an issuer's continuing listing requirements review.

	Section of the Manual	Amendments to the Manual	Rationale
Part IX Dealing with the News Media			
23.	Part A. General Section 901 Section 902	Delete these sections in their entirety and include "[Intentionally deleted]" after "Part A."	These sections provide information on dealing with the media in matters relating to day-to-day business developments. Given that they do not contain any requirements, these sections have been moved to the Guidelines. See the section entitled "Dealing with the News Media" in the Guidelines.
24.	Part A. General Section 903 Section 904 Section 905	Delete these sections in their entirety.	These sections provide information on the news media, generally, and discuss how issuers may interact with the news media. As these sections do not provide any requirements of the Exchange, nor do they provide any guidance for issuers to consider, they are being removed from the Manual. TSX is of the view that while this information may have been useful at the time of publication, it is out of date and no longer relevant. As such, these recommendations will not be included in the Guidelines.
25.	Part B. Notifying the Financial Media Section 906	Delete this section in its entirety.	This section requires issuers to advise Market Surveillance of the content of an announcement involving material information and to provide Market Surveillance with a copy prior to its release. As this section is duplicative of the information included in Section 416 of the Manual, it is being removed from the Manual.
26.	Part B. Notifying the Financial Media Section 907	Delete this section in its entirety.	This section sets out recommendations where there is material information arising from an issuer's board meeting. As this section does not include any requirements of the Exchange, and instead provides recommendations and guidelines for issuers to consider, it is being removed from the Manual. Instead, this section is now included in the Guidelines. See the section entitled "Notifying the Financial Media" in the Guidelines.
27.	Part B. Notifying the Financial Media Section 908	Delete this section in its entirety.	This section provides issuers with guidance and requirements relating to the immediate disclosure of statements on material information, and the disclosure of subsequent developments relating to such matters. As this section is duplicative of the information included in Section 410 of the Manual, it is being removed from the Manual. Instead, this section is now included in the Guidelines. See the section entitled "Notifying the Financial Media" in the Guidelines.
28.	Part B. Notifying the Financial Media Section 909	Delete this section in its entirety.	This section recommends that issuers become familiar with applicable Ontario securities law relating to timely disclosure. As this section is duplicative of the information included in Section 406 of the Manual, it is being removed from the Manual.
29.	News Services and Publications Section 910	Delete this section in its entirety.	This section discusses the requirement for issuers to use a wire service to transmit news releases as quickly as possible, with the widest dissemination possible. It also includes a link to a list of key segments of the news media accepted by the

	Section of the Manual	Amendments to the Manual	Rationale
			Exchange. As this section is duplicative of the information provided in Section 417, it is being removed from the Manual. A list of examples of news services that meet the required criteria that issuers may refer to is now included in the Guidelines. Issuers are still required to satisfy themselves that their chosen provider meets the requirements set out in Section 417 of the Manual.
30.	News Services and Publications Section 911 Section 912 Rules of Thumb for Release of Information Section 913	Delete these sections in their entirety.	These sections advise issuers to: (i) make phone calls to major dailies and weekly financial publications regarding news releases; (ii) contact local newspapers, radio, television and foreign publications; and (iii) avoid news releases with fixed release times as some newspapers ignore them. As these sections provide guidelines and recommendations instead of requirements of the Exchange, they are being removed from the Manual. In addition, while these sections may have been useful at the time of their initial publication, TSX is of the view that they are no longer relevant given new communication technology, and therefore, will not be included in the Guidance.
31.	Section 914	Delete this section in its entirety.	This section recommends that an issuer's news release be accurate, whether the news is good or bad. As this section provide guidelines and recommendations instead of requirements of the Exchange, they are being removed from the Manual. See section entitled "Content of Announcements" in the Guidelines.
32.	Part. C. Dealing with Enquiries from Press and Public Section 915 Section 916	Delete these sections in their entirety.	These sections set out recommendations relating to an issuer dealing with enquiries from the press and public, including avoiding selective disclosure to third parties, and delegating an authorized spokesperson for the issuer. As these sections provide guidelines and recommendations instead of requirements of the Exchange, they are being removed from the Manual. Instead, these sections are now included in the Guidelines. See section entitled "Dealing with Enquiries from Press and Public" in the Guidelines.

Text of the Amendments

The Amendments are set out as blacklined text at **Appendix A**. For ease of reference, a clean version of the Amendments is set out at **Appendix B**.

Effective Date

The Amendments become effective on December 14, 2023.

APPENDIX "A"

BLACKLINE OF
NON-PUBLIC INTEREST AMENDMENTS TO
THE TSX COMPANY MANUAL

Part I – Introduction

[…]

Interpretation

[…]

"Market Surveillance" means ~~the Market Surveillance Department of the Investment Industry Regulatory Organization of Canada~~ the Canadian Investment Regulatory Organization;

[…]

"PR Portal" means the Press Release Portal provided by Market Surveillance;

[...]

"Timely Disclosure Policy" means the timely disclosure requirements of TSX in Sections 406 to 423.8 under Part IV of the Manual;

[…]

Part IV Maintaining a Listing — General Requirements

[…]

B. Timely Disclosure

Introduction

Sec. 406.

It is a cornerstone policy of the Exchange that all persons investing in securities listed on the Exchange have equal access to information that may affect their investment decisions. Public confidence in the integrity of the Exchange as a securities market requires timely disclosure of material information concerning the business and affairs of ~~companies~~issuers listed on the Exchange, thereby placing all participants in the market on an equal footing.

The ~~timely disclosure policy of the Exchange~~Timely Disclosure Policy is the primary timely disclosure standard for all TSX listed issuers. National Policy 51-201 Disclosure Standards, assists issuers in meeting their legislative disclosure requirements. While the legislative and Exchange timely disclosure requirements differ somewhat, the CSA clearly ~~state~~states in National Policy 51-201 Disclosure Standards that they expect listed issuers to comply with the requirements of the Exchange.

To minimize the number of authorities that must be consulted in a particular matter, in the case of securities listed on the Exchange, the Exchange is the relevant contact. The issuer may, of course, consult with the government securities administrator of the particular jurisdiction. In the case of securities listed on more than one stock market, the issuer should deal with each market.

The requirements of the Exchange and National Policy 51-201 Disclosure Standards are in addition to any applicable statutory requirements. The Exchange enforces its own policy. ~~Companies~~Issuers whose securities are listed on the Exchange are legally obligated to comply with the provisions on timely disclosure set out in section 75 of the OSA and the regulation under the OSA. Reference should also be made to National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*, National Instrument 55-102 *System for Electronic Disclosure by Insiders (SEDI)*, National Instrument 62-103 T*he Early Warning System and Related Take-Over ~~bid~~Bid and Insider Reporting Issues*, and National Instrument 62-104 *Take-Over Bids and Issuer Bids*.

In addition to the foregoing requirements, ~~companies~~issuers whose securities are listed on the Exchange and who engage in mineral exploration, development and/or production, must follow the "Disclosure Standards for Companies Engaged in Mineral Exploration, Development and Production" as outlined in ~~Appendix B~~Appendix B of this Manual for both their timely and continuous disclosure.

Market Surveillance monitors the ~~timely disclosure policy~~Timely Disclosure Policy on behalf of the Exchange.

Material Information

Definition

Sec. 407.

Material information is any information relating to the business and affairs of ~~a company~~an issuer that results in or would reasonably be expected to result in a significant change in the market price or value of any of the ~~company~~issuer's listed securities.

Material information consists of both material facts and material changes relating to the business and affairs of a listed ~~company~~issuer. In addition to material information, trading on the Exchange is sometimes affected by the existence of rumours and speculation. Where this is the case, Market Surveillance may require that an announcement be made by the ~~company~~issuer whether such rumours and speculation are factual or not. The policy of the Exchange with regard to rumours is set out more fully in ~~Section 414.~~Section 414.

The ~~timely disclosure policy~~Timely Disclosure Policy of the Exchange is designed to supplement the provisions of the OSA, which requires disclosure of any "material change" as defined therein. A report must be tiled with the OSC concerning any "material change" as soon as practicable and in any event within ten days of the date on which the change occurs. The Exchange considers that "material information" is a broader term than "material change" since it encompasses material facts that may not entail a "material change" as defined in the Act. It has long been the practice of most listed ~~companies~~ issuers to disclose a broader range of information to the public pursuant to the Exchange's ~~timely disclosure policy~~Timely Disclosure Policy than a strict interpretation of the Act might require. ~~Companies~~Issuers subject to securities legislation outside of Ontario should be aware of their disclosure obligations in other jurisdictions.

It is the responsibility of each listed ~~company~~issuer to determine what information is material according to the above definition in the context of the ~~company~~issuer's own affairs. The materiality of information varies from one ~~company~~issuer to another according to the size of its profits, assets and capitalization, the nature of its operations and many other factors. An event that is "significant" or "major" in the context of a smaller ~~company~~issuer's business and affairs is often not material to a large ~~company~~issuer. The ~~company~~issuer itself is in the best position to apply the definition of material information to its own unique circumstances. The Exchange recognizes that decisions on disclosure require careful subjective judgments, and encourages ~~listed companies~~issuers to consult Market Surveillance when in doubt as to whether disclosure should be made.

Rule: Immediate Disclosure

Sec. 408.

A listed ~~company~~issuer is required to disclose material information concerning its business and affairs forthwith upon the information becoming known to management, or in the case of information previously known, forthwith upon it becoming apparent that the information is material. Immediate release of information is necessary to ensure that it is promptly available to all investors and to reduce the risk of persons with access to the information acting upon undisclosed information. Unusual trading marked by significant changes in the price or trading volumes of any of ~~a company~~an issuer's securities prior to the announcement of material information is embarrassing to ~~company~~issuer management and damaging to the reputation of the securities market, since the investing public may assume that certain persons benefited from access to material information which was not generally disclosed.

In restricted circumstances disclosure of material information may be delayed for reasons of corporate confidentiality. In this regard, see Sections 423.1 to 423.3.

Developments to be Disclosed

Sec. 409.

~~Companies~~Issuers are not required to interpret the impact of external political, economic and social developments on their affairs, but if the external development will have or has had a direct effect on their business and affairs that is both material in the sense outlined above and uncharacteristic of the effect generally experienced as a result of such development by other companies engaged in the same business or industry, ~~companies~~issuers are urged, where practical, to explain the particular impact on them. For example, a change in government policy that affects most ~~companies~~issuers in a particular industry does not require an announcement, but if it affects only one or a few ~~companies~~issuers in a material way, an announcement should be made.

The market price of ~~a company~~an issuer's securities may be affected by factors directly relating to the securities themselves as well as by information concerning the ~~company~~issuer's business and affairs. For example, changes in ~~a company~~an issuer's issued capital, stock splits, redemptions and dividend decisions may all impact upon the market price of a security.

Sec. 410.

Other actual or proposed developments that are likely to give rise to material information and thus to require prompt disclosure include, but are not limited to, those listed below. Of course, any development must be material according to the definition of material information before disclosure is required.

Many developments must be disclosed at the proposal stage, or before an event actually occurs, if the proposal gives rise to material information at that stage. Announcements of an intention to proceed with a transaction or activity should be made when a decision has been made to proceed with it by the board of directors of the ~~company~~issuer, or by senior management with the expectation of concurrence from the board of directors. Subsequently, updates should be announced at least every 30 days, unless the original announcement indicates that an update will be disclosed on another indicated date. In addition, prompt disclosure is required of any material change to the proposed transaction, or to the previously disclosed information.

Examples of developments likely to require prompt disclosure as referred to above include the following:

(a) Changes in share ownership that may affect control of the ~~company~~issuer.

(b) Changes in corporate structure, such as reorganizations, amalgamations, etc.

(c) Take-over bids or issuer bids.

(d) Major corporate acquisitions or dispositions.

(e) Changes in capital structure.

(f) Borrowing of a significant amount of funds.

(g) Public or private sale of additional securities.

(h) Development of new products and developments affecting the ~~company~~issuer's resources, technology, products or market.

(i) Significant discoveries by resource ~~companies~~issuers.

(j) Entering into or loss of significant contracts.

(k) Firm evidence of significant increases or decreases in near-term earnings prospects.

(l) Changes in capital investment plans or corporate objectives.

(m) Significant changes in management.

(n) Significant litigation.

(o) Major labour disputes or disputes with major contractors or suppliers.

(p) Events of default under financing or other agreements.

(q) Any other developments relating to the business and affairs of the ~~company~~issuer that would reasonably be expected to significantly affect the market price or value of any of the ~~company~~issuer's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions.

Sec. 411.

Forecasts of earnings and other financial forecasts need not be disclosed, but where a significant increase or decrease in earnings is indicated in the near future, such as in the next fiscal quarter, this fact must be disclosed. Forecasts should not be provided on a selective basis to certain investors not involved in the management of the affairs of the ~~company~~issuer. If disclosed, they should be generally disclosed. Reference should be made to National Instrument 51-102 *Continuous Disclosure Obligations* (FOFI and Financial Outlooks).

Market Surveillance

Monitoring Trading

Sec. 412.

Market Surveillance maintains a continuous stock watch program which is designed to highlight unusual market activity, such as unusual price and volume changes in a stock relative to its historical pattern of trading. Where unusual trading activity takes place in a listed security, Market Surveillance attempts to determine the specific cause of such activity. If the specific cause cannot be determined immediately, ~~company~~issuer management will be contacted. Should this contact result in Market Surveillance staff becoming aware of a situation which requires a news release, the ~~company~~issuer will be asked to make an immediate announcement. Should the ~~company~~issuer be unaware of any undisclosed developments, Market Surveillance staff will continue to monitor trading and, if concerns continue, may ask the ~~company~~issuer to issue a statement that it is not aware of any undisclosed developments that would account for the unusual trading pattern.

Timing of Announcements

Sec. 413.

Market Surveillance has the responsibility of receiving all timely disclosure news releases from ~~listed companies~~issuers detailing material information concerning their affairs. The overriding rule is that ~~significant~~material announcements are required to be released immediately. Release of certain announcements may be delayed until the close of trading, subject to the approval of Market Surveillance. ~~Company~~Issuer officials are encouraged to seek assistance and direction from Market Surveillance as to when an announcement should be released and whether trading in the ~~company~~issuer's ~~shares~~securities should be halted for dissemination of an announcement.

Rumours

Sec. 414.

Unusual market activity is often caused by the presence of rumours. The Exchange recognizes that it is impractical to expect management to be aware of, and comment on, all rumours, but when market activity indicates that trading is being unduly influenced by rumours Market Surveillance will request that a clarifying statement be made by the ~~company~~issuer. Prompt clarification or denial of rumours through a news release is the most effective manner of rectifying such a situation. A trading halt may be instituted pending a "no corporate developments" statement from the ~~company~~issuer. If a rumour is correct in whole or in part, immediate disclosure of the relevant material information must be made by the ~~company~~issuer and a trading halt will be instituted pending release and dissemination of the information.

OSC Cease Trading Order

Sec. 415.

In certain circumstances trading in a listed security may be stopped by Market Surveillance as a result of a cease trading order being issued by the OSC. Such an order may be issued by the OSC where it is of the opinion that a ~~halt in~~cease of trading is in the public interest. However, Market Surveillance generally handles halts for the dissemination of announcements of material information. Additional information with respect to trading halts is included in Sections ~~420~~420 to ~~423.~~423.

Announcements of Material Information

Pre-Notification to ~~**Exchange**~~Market Surveillance

Sec. 416.

The Exchange's policy requires immediate release of material information except in unusual circumstances. While Market Surveillance may permit certain news releases to be issued after the close of trading, the policy of immediate disclosure frequently requires that news releases be issued during trading hours, especially when an important corporate development has occurred. If this is the case, it is absolutely essential that ~~company~~issuer officials notify Market Surveillance prior to the issuance of a news release. Market Surveillance staff will then be in a position to determine whether trading in any of the ~~company~~issuer's securities should be temporarily halted. Also, if the Exchange is not advised of news releases in advance, any subsequent unusual trading activity will generate enquiries and perhaps a halt in trading.

Regardless of when an announcement involving material information is released, Market Surveillance must be advised of its content and supplied with a copy in advance of its release. Market Surveillance must also be advised of the proposed method of dissemination. ~~Market Surveillance must be advised by telephone~~ Where an announcement is ready to be made during trading hours~~, and submission of a written copy of the release should follow.~~, an issuer must file a copy of the announcement with Market Surveillance via the PR Portal or email, followed by a telephone call to Market Surveillance. Where an announcement is to be

released after the Exchange has closed, Market Surveillance staff should be advised before trading opens on the next trading day. Copies of the announcement may be filed through TMX LINX, the PR Portal or email.

Market Surveillance coordinates trading halts with other exchanges and markets where ~~a company~~an issuer's securities are listed or traded elsewhere. A convention exists that trading in a security traded in more than one market shall be halted and resumed at the same time in each market. Failing to pre-notify the Exchange of an imminent material announcement could disrupt this system.

Dissemination

Sec. 417.

After notifying Market Surveillance, a news release must be transmitted to the media by the quickest possible method, and by one that provides the widest dissemination possible. To ensure that the entire financial community is aware of the news at the same time, a wire service or combination of services must be used which provides national and simultaneous coverage.

The Exchange accepts the use of any news services that meet the following criteria:

- dissemination of the full text of the release to the national financial press and to daily newspapers that provide regular coverage of financial news;
- dissemination to all Participating Organizations; and
- dissemination to all relevant regulatory bodies.

~~Companies~~Issuers are also expected to use services ~~such as Dow Jones and Reuters~~ that provide wide dissemination ~~at no charge to the issuer. However, companies~~.

Issuers should be aware that ~~these~~certain services do not carry all releases and may substantially edit releases they do carry. ~~News~~Issuers are required to use news services that guarantee that the full text of the release will be carried ~~are required to be used~~.

Dissemination of news is essential to ensure that all investors trade on equal information. The onus is on the listed ~~company~~issuer to ensure appropriate dissemination of news releases, and any failure to properly disseminate news shall be deemed to be a breach of this policy and shall be grounds for suspension of trading or delisting of the ~~company~~issuer's securities. In particular, the Exchange will not consider relieving ~~a company~~an issuer from its obligation to disseminate news properly because of cost factors.

Content of Announcements

Sec. 418.

Announcements of material information should be factual and balanced, neither overemphasizing favourable news nor under-emphasizing unfavourable news. Unfavourable news must be disclosed just as promptly and completely as favourable news. It is appreciated that news releases may not be able to contain all the details that would be included in a prospectus or similar document. However, news releases should contain sufficient detail to enable media personnel and investors to appreciate the true substance and importance of the information so that investors may make informed investment decisions. The guiding principle should be to communicate clearly and accurately the nature of the information, without including unnecessary details, exaggerated reports or editorial commentary designed to colour the investment community's perception of the announcement one way or another. The ~~company should~~issuer must be prepared to supply further information when appropriate, and the Exchange recommends that the name and telephone number of the ~~company~~issuer official to contact be provided in the release.

Misleading Announcements

Sec. 419.

While the policy of the Exchange is that all material information must be released immediately, judgment must be exercised by ~~company~~issuer officials as to the timing and propriety of any news releases concerning corporate developments, since misleading disclosure activity designed to influence the price of a security is considered by the Exchange to be improper. Misleading news releases send signals to the investment community which are not justified by an objective examination of the facts, and may detract from the credibility of the ~~company~~issuer. Announcements of an intention to proceed with a transaction or activity should not be made unless the ~~company~~issuer has the ability to carry out the intent (although proceeding may be subject to contingencies) and a decision has been made to proceed with the transaction or activity by the board of directors of the ~~company~~issuer, or by senior management with the expectation of concurrence from the board of directors. Disclosure of corporate developments must be handled carefully and requires the exercise of judgment by ~~company~~issuer officials as to the timing of an announcement of material information, since either premature or late disclosure may result in damage to the reputation of the securities markets.

Trading Halts

When Trading May Be Halted

Sec. 420.

The Exchange's objective is to provide a continuous auction market in listed securities. The guiding principle is therefore to reduce the frequency and length of trading halts as much as possible.

Trading may be halted in the securities of a listed ~~company~~issuer upon the occurrence of a material change during normal trading hours, which requires immediate public disclosure. The determination that trading should be halted is made by Market Surveillance. Market Surveillance determines the amount of time necessary for dissemination in any particular case, which determination is dependent upon the significance and complexity of the announcement.

It is neither the intention nor practice of Market Surveillance to halt trading for all news releases from listed ~~companies~~issuers. A news release is discussed by Market Surveillance and the listed ~~company~~issuer prior to its release and a determination is made as to whether a trading halt is justified based upon the impact which the particular announcement is expected to have on the market for the ~~company~~issuer's securities.

A halt in trading does not reflect upon the reputation of management of ~~a company~~an issuer nor upon the quality of its securities. Indeed, trading halts for material information announcements are usually made at the request of the listed ~~company~~issuer involved. Market Surveillance normally attempts to contact ~~a company~~an issuer before imposing a halt in trading.

Requests for Trading Halts

Sec. 421.

It is not appropriate for a listed ~~company~~issuer to request a trading halt in a security if a material announcement is not going to be made forthwith.

When a listed ~~company~~issuer (or its advisors) requests a trading halt for an announcement, the ~~company~~issuer must provide assurance to Market Surveillance that an announcement is imminent. The nature of this announcement and the current status of events shall be disclosed to Market Surveillance, ~~in order the~~so that Market Surveillance staff can assess the need for, and the appropriate duration of, a trading halt.

Length of Trading Halts

Sec. 422.

When a halt in trading is necessary, trading is normally interrupted for a period of less than two hours. In the normal course, the announcement should be made immediately after the halt is imposed and trading will resume within approximately one hour of the dissemination of the announcement through major news wires.

A trading halt in a security shall not normally extend for a period longer than 24 hours from the time the halt was imposed. This is a maximum time period intended to address unusual situations. The only exception to the 24-hour time limit is where Market Surveillance determines that resumption of trading would have a significant negative impact on the integrity of the market.

Failure to Make an Announcement Immediately

Sec. 423.

If trading is halted but an announcement is not immediately forthcoming as expected, Market Surveillance will establish a reopening time, which shall not be later than 24 hours after the time that the halt was imposed (excluding ~~nonbusiness~~non-business days). If the ~~company~~issuer fails to make an announcement. Market Surveillance will issue a notice stating that trading was halted for dissemination of news or for clarification of abnormal trading activity, that an announcement was not immediately forthcoming, and that trading will therefore resume at a specific time.

When Market Surveillance advises ~~a company~~an issuer in applying this Section 423 that it will announce the reopening of trading the ~~company~~issuer should reconsider, in light of its responsibility to make timely disclosure of all material information, whether it should issue a statement prior to the reopening becoming effective to clarify why it requested a trading halt (if this is the case) and why it is not able to make an announcement prior to the reopening of trading.

Confidentiality

When Information May Be Kept Confidential

Sec. 423.1.

In restricted circumstances disclosure of material information concerning the business and affairs of a listed ~~company~~issuer may be delayed and kept confidential temporarily where immediate release of the information would be unduly detrimental to the interests of the ~~company~~issuer.

Examples of instances in which disclosure might be unduly detrimental to the ~~company~~issuer's interests are as follows:

(a) Release of the information would prejudice the ability of the ~~company~~issuer to pursue specific and limited objectives or to complete a transaction or series of transactions that are under way. For example, premature disclosure of the fact that ~~a company~~an issuer intends to purchase a significant asset may increase the cost of making the acquisition.

(b) Disclosure of the information would provide competitors with confidential corporate information that would be of significant benefit to them. Such information may be kept confidential if the ~~company~~issuer is of the opinion that the detriment to it resulting from disclosure would outweigh the detriment to the market in not having access to the information. A decision to release a new product, or details on the features of a new product may be withheld for competitive reasons. Such information should not be withheld if it is available to competitors from other sources.

(c) Disclosure of information concerning the status of ongoing negotiations would prejudice the successful completion of those negotiations. It is unnecessary to make a series of announcements concerning the status of negotiations with another party concerning a particular transaction. If it seems that the situation is going to stabilize within a short period, public disclosure may be delayed until a definitive announcement can be made. Disclosure should be made once "concrete information" is available, such as a final decision to proceed with the transaction or, at a later point in time, finalization of the terms of the transaction.

Sec. 423.2.

~~It is the policy of the Exchange that the~~The withholding of material information on the basis that disclosure would be unduly detrimental to the ~~company~~issuer's interests must be infrequent and can only be justified where the potential harm to the ~~company~~issuer or to investors caused by immediate disclosure may reasonably be considered to outweigh the undesirable consequences of delaying disclosure, keeping in mind at all times the considerations that have given rise to the Exchange's immediate disclosure policy. While recognizing that there must be a trade-off between the legitimate interests of ~~a company~~an issuer in maintaining secrecy and the right of the investing public to disclosure of corporate information, the Exchange discourages delaying disclosure for a lengthy period of time, since it is unlikely that confidentiality can be maintained beyond the short term.

Maintaining Confidentiality

Sec. 423.3.

If disclosure of material information is delayed, complete confidentiality must be maintained. In the event that such confidential information, or rumours respecting the same, is divulged in any manner (other than in the necessary course of business), the ~~company~~issuer is required to make an immediate announcement on the matter, and Market Surveillance must be notified of the announcement in advance in the usual manner. During the period before material information is disclosed, market activity in the ~~company~~issuer's securities should be closely monitored. Any unusual market activity ~~probably means~~may indicate that news of the matter is being disclosed and that certain persons are taking advantage of it. In such case, Market Surveillance ~~should~~must be advised immediately, and a halt in trading will be imposed until the ~~company~~issuer has made disclosure on the matter.

At any time when material information is being withheld from the public, the ~~company~~issuer is under a duty to take precautions to keep such information completely confidential. Such information should not be disclosed to any officers or employees of the ~~company~~issuer, or to the ~~company~~issuer's advisors, except in the necessary course of business. The directors, officers and employees of a listed ~~company~~issuer should be reminded on a regular basis that confidential information obtained in the course of their duties must not be disclosed. It is contrary to law under the OSA for any person in a "special relationship" with ~~a company~~an issuer to make use of undisclosed material information. This point is discussed in Section 423.4.

Listed ~~companies~~issuers must comply with the provisions of section 75 of the OSA requiring confidential disclosure to the OSC of any "material change" that is not immediately being disclosed to the public.

Insider Trading

~~Law~~

Sec. 423.4.

Every listed ~~company~~issuer should have a firm rule prohibiting those who have access to confidential information from making use of such information in trading in the ~~company~~issuer's securities before the information has been fully disclosed to the public and a reasonable period of time for dissemination of the information has passed.

~~Insider trading is strictly regulated by Part XXI and sections 76 and 134 of the OSA and the Regulation under the Act. The securities laws of other provinces also regulate insider trading in their respective jurisdictions. Insider trading in the securities of companies incorporated under the *Canada Business Corporations Act* is also regulated by Part XI of that Act. The definition of an "insider" will vary from statute to statute, but in any case will include directors and senior officers of the company and large shareholders. In Ontario directors and senior officers of any company that is itself an insider of a second company are considered insiders of that second company. It is recommended that directors and officers of listed companies be fully conversant with all applicable legislation concerning insider trading.~~

~~The OSA requires insiders who own securities of a listed company to file an initial report with the OSC upon becoming insiders and to report all trades made in the securities of the company of which they are insiders.~~

~~In addition, section 76 of the OSA prohibits any person or company in a "special relationship" with a listed company from trading on the basis of undisclosed material information on the affairs of that company. Those considered to be in a "special relationship" with a listed company include those who are insiders, affiliates or associates of the listed company, a person or company proposing to make a take-over bid of the listed company, and a person or company proposing to become a party to a reorganization, amalgamation, merger or similar business arrangement with the listed company. A person or company in a "special relationship" also includes those involved, or which were involved, in the provision of business or professional services for the listed company, including employees.~~

~~An indefinite chain of "tippees" is created by including in the "special relationship" category persons or companies who acquire information from a source known to them to have a "special relationship" with the listed company.~~

~~In any situation where material information is being kept confidential because disclosure would be unduly detrimental to the best interests of the company, management is under a duty to take every possible precaution to ensure that no trading whatsoever takes place by any insiders or persons in a "special relationship" with the company, such as lawyers, engineers and accountants, in which use is made of such information before it is generally disclosed to the public. Similarly, undisclosed material information cannot be passed on or "tipped" to others who may benefit by trading on the information.~~

In the event that Market Surveillance is of the opinion that insider or improper trading may have occurred before material information has been disclosed and disseminated, the Exchange requires an immediate announcement to be made disclosing the material information of which use is being made.

~~**Guidelines—Disclosure, Confidentiality Guidelines and Employee Trading**~~

Sec. 423.5.

~~Companies~~Issuers listed on the Exchange must comply with two sets of rules:

- securities law governing corporate disclosure, confidentiality and employee trading; and
- ~~the Exchanges policy on timely disclosure~~ the Exchange's Timely Disclosure Policy (Sections 406 to 423.4), which expands on the requirements of securities law.

Collectively, these rules are referred to as the Disclosure Rules. Compliance with them is essential to maintaining investor confidence in the integrity of the Exchanges market and its listed ~~companies~~issuers.

~~Each listed company should establish a clear written policy to help it comply with the Disclosure Rules. The guidelines in Sections 423.6 to 423.8 are intended to help companies establish their policies. They should be viewed as a means to an end (compliance with the Disclosure Rules) and not as an end in themselves.~~

~~These guidelines are not hard and fast rules, and will not be appropriate for every listed company. The TSX recognizes that company policies will vary depending on the company's size and corporate culture.~~

~~Every company's policy, however, should:~~

- ~~describe the procedures to be followed and spell out the consequences of violations~~

- be updated regularly
- be brought to the attention of employees regularly.

The policy should also give specific guidance in the following areas:

- disclosing material information
- maintaining the confidentiality of information
- restricting employee trading.

Disclosing Material Information

Sec. 423.6.

[Intentionally deleted]

The Disclosure Rules state that material information is information about a company that has a significant effect, or would reasonably be expected to have a significant effect, on the market price of the company's securities. A company must disclose material information to the public immediately. For exceptions, please see Section 423.7, "Maintaining the Confidentiality of Information".

Guidelines

The Exchange suggests that the company's policy include provisions to assist management in determining:

- if the information is material and must therefore be disclosed
- when and how the material is to be disclosed
- the content of any press release disclosing the information.

Specific corporate officers should be made responsible for disclosing material information.

These officers would:

- be completely familiar with the company's operations
- be kept up to date on any pending material developments
- have a sufficient understanding of the disclosure rules to be able to decide whether or not a piece of information is material
- be responsible for communications with the media, shareholders and securities analysts
- have back-ups assigned, in case they are unavailable.

To assist these officers, it might be helpful for them to have access to a file containing all relevant public information about the company, including news releases, brokerage research reports and debriefing notes following analyst contacts.

Different corporate officers may be designated for different circumstances. For example, a specific employee might be designated as a corporate spokesperson for a particular area of operations or a particular press release. At the same time investor relations personnel might be designated as the contact for shareholders, the media and analysts, but not have the authority to issue a particular press release.

The names of the designated officers, the names of their back-ups, and their areas of responsibility should be given to Market Surveillance. Market Surveillance may need to contact them in the event of unusual trading in the company's securities.

Avoid situations where:

- delays occur because the person responsible for disclosure is unavailable or cannot be located
- employees other than designated spokespersons comment on material corporate developments.

Maintaining the Confidentiality of Information

Sec. 423.7.

[Intentionally deleted]

~~The Disclosure Rules allow that if the early disclosure of material information would be unduly detrimental to the company, that information may be kept confidential for a *limited* period of time. To keep material information completely confidential, companies should:~~

- ~~not disclose the information to anybody, except in the necessary course of business~~
- ~~make sure that if the information has been disclosed in the necessary course of business, everyone understands that it is to be kept confidential~~
- ~~make sure that there is no selective disclosure of confidential information to third parties, for example, in a meeting with an analyst. This is *tipping*, which is prohibited under securities law.~~

~~In the event that selective disclosure of confidential information inadvertently occurs, the company must immediately disclose the information publicly by issuing a press release.~~

~~**Guidelines**~~

~~The Exchange suggests that a company's policy might:~~

- ~~limit the number of people with access to confidential information~~
- ~~require confidential documents to be locked up and code names to be used if necessary~~
- ~~make sure that confidential documents cannot be accessed through technology such as shared servers~~
- ~~educate all staff about the need to keep certain information confidential, not to discuss confidential information when they may be overheard, and not to discuss investment in the company, for example, in an investment club, when they are aware of confidential information (so that they don't influence the investments of other people, when they themselves are not allowed to trade).~~

Restrictions on Employee Trading

Sec. 423.8.

The Disclosure Rules require that employees with access to material information be prohibited from trading until the information has been fully disclosed and a reasonable period of time has passed for the information to be disseminated. This period may vary, depending on how closely the ~~company~~issuer is followed by analysts and institutional investors.

This prohibition applies not only to trading in ~~company~~issuer securities, but also to trading in other securities whose value might be affected by changes in the price of the ~~company~~issuer's securities. For example, trading in listed options or securities of other companies that can be exchanged for the ~~company~~issuer's securities is also prohibited.

In addition, if employees become aware of undisclosed material information about another public ~~company~~issuer such as a subsidiary, they may not trade in the securities of that other ~~company~~issuer.

In the case of pending transactions, the circumstances of each case should be considered in determining when to prohibit trading. In some cases, prohibition may be appropriate as soon as discussions about the transaction begin. The definition of materiality helps determine when trading should be prohibited in the case of pending transactions. Trading must be prohibited once the negotiations have progressed to a point where it reasonably could be expected that the market price of the ~~company~~issuer's securities would materially change if the status of the transaction were publicly disclosed. As the transaction becomes more concrete, it is more likely that the market will react. This prohibition on trading will often come into effect before the point in time when it must be disclosed publicly. In all situations, it is a judgment call as to when employee trading should be restricted.

~~**Guidelines**~~

~~The Exchange suggests that a company's policy address trading blackouts. Trading blackouts are periods of time during which designated employees cannot trade the company's securities or other securities whose price may be affected by a pending corporate announcement. A trading blackout:~~

- prohibits trading before a scheduled material announcement is made (such as the release of financial statements)
- may prohibit trading before an unscheduled material announcement is made, even if the employee affected doesn't know that the announcement will be made
- prohibits trading for a specific period of time after a material announcement has been made.

It is easiest to implement a policy on trading blackouts that applies to scheduled announcements, such as the release of financial statements. In this case the policy might:

- prohibit trading by employees for a certain number of days before and after the release of financial statements
- provide "open windows", which are limited periods of time following the release of financial statements during which employees may trade.

It is more problematic to implement a policy on trading blackouts for unscheduled announcements. A company should make the following decisions about its policy on trading blackouts according to its particular circumstances:

- should the policy apply to employees other than those already prevented from trading by insider trading rules (for example, senior employees not directly involved in the material transaction)?
- would telling an employee not to trade tip them off as to the content of the pending announcement?

If a company decides to implement a preannouncement blackout policy, it might want to consider one of the following options:

- without giving a reason, instruct employees not to trade until further notice if there is a pending undisclosed material development
- require employees to obtain approval before trading, on the understanding that this approval will be denied if any material information has not been disclosed.

A company policy on post-announcement trading blackouts should:

- state whether the blackout rules apply to all staff or only to those involved in the material transaction
- allow the market time to absorb the information before employees can resume trading. The amount of time that the market needs to absorb the information and set a new price level will depend upon the size of the company and to what extent it is tracked by analysts and investors.

The Exchange also suggests that a company:

- circulate some basic do's and don'ts about employee trading to all their staff
- designate a contact person who is familiar with the disclosure rules and who can help employees determine whether or not they may trade in a given circumstance
- set expiry dates for the exercise of stock options and other such compensation plans so that the expiry dates normally would fall after the release of financial statements
- educate employees about any additional specific trading restrictions that may apply to them (for example, section 130 of the *Canada Business Corporations Act* generally prohibits insiders of CBCA companies from selling that company's shares short, or from buying or selling put or call options on the shares. Insiders of companies which have to report under the U.S. *Securities Exchange Act of 1934* may be subject to other restrictions, such as liability to account (for short swing profits.)
- decide whether employees who are subject to more stringent trading restrictions, and who are not required by law to file insider trading reports, should have to report details of their trading to the company
- decide whether the company should review insider trading reports to make sure that employees have complied with company policy and disclosure rules.

Electronic Communications Disclosure Guidelines

Sec. 423.9.

The Internet allows for relevant information to be instantaneously and simultaneously available to an investor. But the Internet also poses regulatory challenges. In a world in which information is more readily available than ever, it is more important than ever that it be accurate, timely and up-to-date. With this in mind, TSX has developed these electronic communications guidelines to assist listed issuers to meet their investors' informational needs.

Section 423.11 (Applicable Disclosure Guidelines) reminds issuers that applicable disclosure rules apply to all corporate disclosure through electronic communications and must be followed by each issuer. Disclosure of information by an issuer through its web site or e-mail will not satisfy the issuer's disclosure obligations. The issuer must continue to use traditional means of dissemination. Section 423.12 (Electronic Communications Guidelines) sets out the guidelines that apply directly to the Internet and other electronic media. The overall objective of the guidelines is to encourage the use of electronic media to make investor information accessible, accurate and timely. The challenge of regulating electronic media is to ensure that regulatory concerns are addressed without impeding innovation.

Sec. 423.10.

These guidelines should be read with TSX's Timely Disclosure requirements and related guidelines ("TSX Timely Disclosure Policy").

Web sites, electronic mail ("e-mail") and other channels available on the Internet are media of communication available to listed issuers for corporate disclosure. Each of these media provides opportunities for an issuer to broadly disseminate investor relations information. There are, however, a number of issues that an issuer must consider when it goes online. Investor relations information that is disclosed electronically using these new media should be viewed by the issuer as an extension of its formal corporate disclosure record. As such, these electronic communications are subject to securities laws and TSX standards and should not be viewed merely as a promotional tool.

TSX strongly recommends that all listed issuers make investor relations information available on their web site.

Current securities filings of listed issuers such as financial statements, Annual Information Forms, annual reports and prospectuses are maintained on SEDAR. In addition, TSX maintains a profile page on each listed issuer on its web site ("tsx.com"). Further, many news wire services post listed issuer news releases on their web sites. Since these various sites are not all connected, it may be difficult and time-consuming for an investor to search the Internet and obtain all relevant investor relations information about a particular issuer. If an issuer creates its own web site, it can ensure that all of its investor relations information is available through one site and can provide more information than is currently available online. For example, SEDAR contains only mandatory corporate filings, while an issuer's site may carry a wealth of supplemental information, such as fact sheets, fact books, slides of investor presentations, transcripts of investor relations conferences and webcasts.

Disclosure by the Internet alone will not meet an issuer's disclosure requirements and an issuer must continue to use traditional means of dissemination.

Electronic communications do not reach all investors. Investors who have access to the Internet will be unaware that new information is available unless the issuer notifies them of an update.

Applicable Disclosure Standards

Sec. 423.11.

Distribution of information via a web site, e-mail or otherwise via the Internet is subject to the same laws as traditional forms of dissemination such as news releases. In establishing electronic communications, an issuer should have special regard to disclosure requirements under all applicable securities laws. Issuers should refer to TSX Timely Disclosure Policy, National Policy 51-201 *Disclosure Standards*, National Policy 11-201 *Electronic Delivery of Documents*, and National Policy 47-201 *Trading Securities Using the Internet and Other Electronic Means*. Issuers should be aware of disclosure requirements in all jurisdictions in which they are reporting issuers. Also, there are constant developments regarding electronic disclosure of material information by issuers and issuers must be aware of the impact of all such developments on their disclosure practices.

These standards apply to all corporate disclosure through electronic communications and must be followed by each issuer.

1. *Electronic communications cannot be misleading*—An issuer must ensure that material information posted on its web site is not misleading. Material information is misleading if it is incomplete, incorrect or omits a fact so as to make another statement misleading. Information may also be misleading if it is out of date.

(a) *Duty to correct and update*—A web site should be a complete repository of current and accurate investor relations information. Viewers visiting a web site expect that they are viewing all the relevant information about an issuer and that the information provided to them by the issuer is accurate in all material respects. An issuer has the duty to include on its web site all material information and to correct any material information available on its web site that is misleading. It is not sufficient that the information has been corrected or updated elsewhere.

It is possible for information to become inaccurate over time. An issuer must regularly review and update or correct the information on the site.

(b) *Incomplete information or material omissions* – Providing incomplete information or omitting a material fact is also misleading. An issuer must include all material disclosed information. It must include all news releases, not just favourable ones. Similarly, documents should be posted in their entirety. If this is impractical for a particular document, such as a technical report with graphs, charts or maps, care must be taken to ensure that an excerpt is not misleading when read on its own. In such circumstances, it may be sufficient to post the executive summary.

(c) *Information must be presented in a consistent manner* – Investor relations information that is disclosed electronically should be presented in the same manner online as it is offline. Important information should be displayed with the same prominence and a single document should not be divided into shorter, linked documents that could obscure or "bury" unfavourable information. While issuers may divide a lengthy document into sections for ease of access and downloading, issuers must ensure that the full document appears on the site, that each segment is easily accessible and that the division of the document has not altered the import of the document or any information contained in it.

2. Electronic communications cannot be used to *"tip" or leak material information* – An issuer's internal employee trading and confidentiality policies should cover the use of electronic forms of communication. Employees must not use the Internet to tip or discuss in any form undisclosed material information about the issuer.

An issuer must not post a material news release on a web site or distribute it by e-mail or otherwise on the Internet before it has been disseminated on a news wire service in accordance with TSX Timely Disclosure Policy.

3. *Electronic communications must comply with securities laws*—An issuer should have special regard to securities laws and, in particular, registration and filing requirements, which may be triggered if it posts any document offering securities to the general public on its web site. If a listed issuer is considering a distribution of securities, it should carefully review its web site in consultation with the issuer's legal counsel in advance of and during the offering. The Internet is increasingly becoming an important tool to communicate information about public offerings to shareholders and investors. Nevertheless, the release of information and promotional materials relating to a public offering before or during the offering is subject to restrictions under securities laws. Documents related to a distribution of securities should only be posted on a web site if they are filed with and receipted by the appropriate securities regulators in the applicable jurisdictions. All promotional materials related to a distribution of securities should be reviewed with the issuer's legal advisors before they are posted on a web site to ensure that such materials are consistent with the disclosure made in the offering documents and that the posting of such materials to a web site is permitted under applicable securities laws.

Anyone, anywhere in the world can access a web site. Special regard should be made to foreign securities laws, some of which may be stricter than Ontario laws. Foreign securities regulators may take the view that posting offering documents on a web site that can be accessed by someone in their jurisdiction constitutes an offering in that jurisdiction unless appropriate disclaimers are included on the document or other measures are taken to restrict access. Reference should be made to the guidelines issued by other jurisdictions such as those issued by the U.S. Securities and Exchange Commission for issuers who use Internet web sites to solicit offshore securities transactions and clients without registering the securities in the United States.

Electronic Communication Guidelines

Sec. 423.12.

TSX recommends that listed issuers follow these guidelines when designing a web site, establishing an internal e-mail policy or disseminating information over the Internet.

Unlike the disclosure rules which are applicable to all electronic communications, these guidelines are not hard and fast rules which must be followed. Aspects of these guidelines may not be appropriate for every issuer. An issuer should tailor these guidelines to create an internal policy that is suitable to its particular needs and resources.

Each listed issuer should establish a clear written policy on electronic communications as part of its existing policies governing corporate disclosure, confidentiality and employee trading. Please refer to TSX Timely Disclosure Policy.

TSX suggests that the policy describe how its electronic communications are to be structured, supervised and maintained. The policy should be reviewed regularly and updated as necessary. To ensure that the policy is followed, it should be communicated to all individuals of the issuer to whom it will apply.

1. *Who should monitor electronic communications*—TSX recommends that one or more of the officers appointed under the issuer's disclosure policy be made responsible for maintaining, updating and implementing the issuer's policies on electronic communications. Reference should be made to TSX Timely Disclosure Policy. These officers should ensure that all investor relations information made available by the issuer on the web site, broadcast via e-mail or otherwise on the Internet complies with applicable securities laws and internal policies. This responsibility includes ensuring the issuer web site is properly reviewed and updated.

2. What should be on the web site?

(a) *All corporate "timely disclosure" documents and other investor relations information*—TSX recommends that issuers take advantage of Internet technologies and make available through an issuer web site all corporate "timely disclosure" documents and other investor relations information that it deems appropriate. As stated, however, the posting of such documents and information on the web site does not fulfill the issuer's obligation to disseminate such information through a timely news release.

An issuer may either post its own investor relations information or establish links to other web sites that also maintain publicly disclosed documents on behalf of the issuer such as news wire services, SEDAR and stock quote services. "Investor relations information" includes all material public documents such as: the annual report; annual and interim financial statements; the Annual Information Form; news releases; material change reports; information regarding DRIPs; declarations of dividends; redemption notices; management proxy circulars; and any other communications to shareholders.

TSX recommends that an issuer post its investor relations information, particularly its news releases, as soon as possible following dissemination. Documents that an issuer files on SEDAR should be posted concurrently on its web site, as suggested in National Policy 51-201 *Disclosure Standards* or the issuer could create a hyper-link to the SEDAR web site. If an issuer chooses to link to SEDAR or to a news wire web site, a link can be provided directly to the issuer's page on that site, provided that the terms and conditions of the site to which the link is provided do not place restrictions on "deep-linking", or object to "framing"[1]. An issuer providing deep-linking from its web site to a third party web site should consult its legal advisors to assess the legal issues surrounding deep-linking and to ensure the proposed link is effected properly. The practice of deep-linking has given rise to a number of legal issues, including whether permission from the third party must be sought in order to access a web site other than through the homepage and whether the issuer may incur liability in sending a user to a third party site bypassing any disclaimers posted on the homepage of the third party site.

Links to other web sites should be checked regularly to ensure they still work, are up-to-date and accurate. In addition, a disclaimer should be included on the issuer's web site, preferably via a pop-up window, clearly stating that the viewer is leaving the issuer web site and that the issuer is not responsible for the content, accuracy or timeliness of the other site.

(b) *All supplemental information provided to analysts and other market observers but not otherwise distributed publicly*—TSX recommends that an issuer that distributes non-material investor relations information to analysts and institutional clients make such supplemental information available to all investors. Supplemental information includes such materials as fact sheets, fact books, slides of investor presentations and transcripts of management investor relations speeches and other materials distributed at investor presentations. Posting supplemental information on a web site is a very useful means of making it generally available.

Keeping in mind that an issuer should design its web site to meet its business needs, TSX recommends that an issuer post all supplemental information on its web site, unless the volume or format makes it impractical. If this is the case, the issuer should describe the information on the web site and provide a contact for the information so that an investor may contact the issuer directly either to obtain a copy of the information or to view the information at the issuer's offices.

In addition to any supplemental information provided by the issuer to analysts, TSX recommends that whenever an issuer is making a planned disclosure of material corporate information in compliance with TSX Timely Disclosure Policy and related guidelines, it should also consider providing dial-in

and/or web replay or make transcripts of the related conference call available for a reasonable period of time after the call.

(c) *Investor relations contact information*—TSX suggests that an issuer provide an e-mail link on its web site for investors to communicate directly with an investor relations representative of the issuer. The issuer policy should specify who may respond to investor inquiries and should provide guidance as to the type of information that may be transmitted electronically. When distributing information electronically the issuer must adhere to TSX and legislative disclosure requirements in order to minimize the potential of selective disclosure of information.

To assure rapid distribution of material information to internet users who follow the issuer, an issuer may consider establishing an e-mail distribution list, permitting users who access its web site to subscribe to receive electronic delivery of news directly from the issuer. Alternatively, an issuer may consider using software that notifies subscribers automatically when the issuer's web site is updated. The issuer must note, however, that any electronic distribution of material information must be made after the information has been disseminated on a news wire service.

(d) *Online conferences*—TSX recommends that issuers hold analyst conference calls and industry conferences in a manner that enables any interested party to listen either by telephone and/or through a web cast, in accordance with s. 6.7(1) of National Policy 51-201 *Disclosure Standards*.

If an issuer chooses to participate in an online news or investor conference TSX suggests that participation by the issuer in such online conferences should be governed by the same policy that the issuer has established in respect of its participation in other conferences such as analyst conference calls.

3. What should not be distributed via electronic communications

(a) *Employee misuse of electronic communications*—Access to e-mail and the Internet can be valuable tools for employees to perform their jobs; however, TSX recommends that clear guidelines should be established as to how employees may use these media. These guidelines should be incorporated into the issuer's disclosure, confidentiality and employee trading policy. Employees should be reminded that their corporate e-mail address is an issuer address and that all correspondence received and sent via e-mail is to be considered corporate correspondence.

Appropriate guidelines should be established about the type of information that may be circulated by e-mail. An issuer should prohibit its employees from participating in Internet chat rooms[2], newsgroups[3A] or social media[3B] in discussions relating to the issuer or its securities. As stated in s. 6.13 of National Policy 51-201 *Disclosure Standards*, an issuer should also consider requiring employees to report to a designated issuer official any discussion pertaining to the issuer which they find on the Internet. Moreover, communications over the Internet via e-mail may not be secure unless the issuer has appropriate encryption technology. Employees should be warned of the danger of transmitting confidential information externally via unencrypted e-mail.

(b) *Analyst reports and third party information*—As a general practice, TSX recommends that an issuer not post any investor relations information on its web site that is authored by a third party, unless the information was prepared on behalf of the issuer, or is general in nature and not specific to the issuer. For example, if an issuer posts an analyst report or consensus report on its web site, it may be seen to be endorsing the views and conclusions of the report. By posting such information on its site, an issuer may become "entangled" with the report and be legally responsible for the content even though it did not author it. This could also give rise to an obligation to correct the report if the issuer becomes aware that the content is or has become misleading (for example, if the earnings projection is too optimistic).

While TSX recommends that issuers refrain from posting analyst and consensus reports on their web sites, it recognizes that some issuers take a different view. If an issuer chooses to post any third party reports on its web site, TSX recommends that extreme caution be exercised. An issuer's policy on posting analyst reports should address the following concerns:

- permission to reprint a report should be obtained in advance from the third party, since reports are subject to copyright protection;
- the information should clearly be identified as representing the views of the third party and not necessarily those of the issuer;

- the entire report should be reproduced so that it is not misleading;
- any updates, including changes in recommendations, should also be posted so the issuer's web site wilt not contain out-of-date and possibly misleading information;
- all third party reports should be posted.

Instead of posting third party reports on its web site, an alternative approach is for an issuer to provide a list of all analysts who follow the issuer or all consensus reports issued regarding the issuer together with contact information so that investors may contact the third party directly. If an issuer chooses to provide its investors with a list of analysts and other third party authors, the list should be complete and include all analysts and other third party authors that the issuer knows to follow it, regardless of the content of their reports. Since issuers are not obligated to keep track of every third party that follows them or develops a consensus report regarding the issuer, it may be onerous to compile an accurate and complete list that is not misleading to investors.

Concerns also exist regarding the posting of media articles, including radio, television and online news reports, about an issuer on the issuer's web site. TSX recommends that issuers refrain from posting media articles on their web sites as it is very difficult for an issuer to ensure that it is posting all relevant articles to its web site. If an issuer chooses to do so, it must make every effort to ensure that all significant articles concerning the issuer are posted to the web site and that negative and positive articles are given similar prominence. Also, given the frequency with which media articles may appear, the issuer will have to regularly update the articles posted on its web site.

(c) *Third party links* - As stated above, an issuer may establish hyperlinks between its web site and third party sites. If an issuer creates a hyperlink to a third party site, there is a risk that a viewer will not realize that he or she has left the issuer's web site. TSX recommends that the issuer include a disclaimer stating clearly that the viewer is leaving the issuer website and that the issuer is not responsible for the content, accuracy or timeliness of the other site.

(d) *The blurred line between investor and promotional information* - TSX recommends that an issuer clearly identify and separate its investor information from other information on its web site. In particular, promotional, sales and marketing information should not be included on the same web pages as investor relations information. An issuer's web site should clearly distinguish sections containing investor relations information from sections containing other information.

4. *When should information be removed from a web site?* - Care should be taken to make sure that information that is inaccurate or out-of-date no longer appears on the web site. The currency of information on a web site will vary depending on the nature of the information. An issuer may retain on its web site its annual financial statements for a full year while removing other information such as frequent product releases more quickly. An issuer should review the types of information it posts on its web site and develop a consistent policy for the posting and removal of such different types of information. Issuers may delete or remove inaccurate information from the web site, as long as a correction has been posted. In addition, TSX recommends that issuers establish an archiving system to store and provide access to information that is no longer current. An electronic archive is a repository of information which has been removed from the web site but which can still be accessed from the web site through a link. To assist investors in determining the currency of the information on the site, TSX recommends that an issuer date the first page of each document as it is posted on the web site.

TSX recommends that the issuer's policy establish a minimum retention period for material corporate information that it posts on its web site. Different types of information may be retained for a different period of time. For example, the issuer may decide to retain all news releases on the site for a period of one year from the date of issue. In contrast, the issuer may decide that investors would want to access its financials for a longer period (e.g., two years for quarterlies and five years for annuals).

Issuers should also maintain a log of the date and content of all material information that it has posted and removed from the web site. Issuers should also try to ensure that the information posted on their web site is made available in a manner that makes it accessible by others so that it can be used for subsequent reference and is capable of being retained (e.g., printer friendly versions and save/download buttons).

5. *Rumours on the Internet* - Rumours about the issuer may appear in chat rooms, newsgroups, and on social media. Rumours may spread more quickly and more widely on the Internet than by other media. Market Surveillance monitors chat rooms, news groups, and social media to identify rumours about TSX listed issuers that may influence the trading activity of their stocks. TSX Timely Disclosure Policy addresses how an issuer should respond to rumours. An issuer is not expected to monitor chat rooms, news groups or social media for

rumours about itself. Nevertheless, TSX recommends that the issuer's standard policy for addressing rumours apply to those on the Internet.

Whether an issuer should respond to a rumour depends on the circumstances. TSX suggests that the issuer should consider the market impact of the rumour and the degree of accuracy and significance to the issuer. In general, TSX recommends against an issuer participating in a chat room, newsgroup or social media to dispel or clarify a rumour as such action may give rise to selective disclosure concerns and may create the expectation that the issuer will always respond. Instead, the issuer should issue a news release to ensure widespread dissemination of its statement.

If an issuer becomes aware of a rumour in a chat room, newsgroup or on social media or any other source that may have a material impact on the price of its stock, it should immediately contact Market Surveillance. If the information is false and is materially influencing the trading activity of the issuer's securities, it may consider issuing a clarifying news release. The issuer should contact Market Surveillance so that they can monitor trading in the issuer's securities. If Market Surveillance determines that trading is being affected by the rumour, it may require the issuer to issue a news release stating that there are no corporate developments to explain the market activity.

6. *Legal disclaimers*—Corporate disclosure by electronic communications gives rise to many legal issues. The use of legal disclaimers on corporate web sites is commonplace. It is in the best interests of an issuer to consult with its legal advisors to discuss the appropriateness and effectiveness of including legal disclaimers about the accuracy, timeliness and completeness of the information posted on its web site. Issuers should also review with their legal advisors the placement and wording of legal disclaimers on web sites. It is critical that disclaimers be easily visible to all users of the web site and that they be written in plain language such that the content of the disclaimer is easily and quickly read and understood.

[1] Displaying the content or page(s) of a third party web site within the overall design of an issuer's web site, which gives the impression that the third party content is part of the issuer's site.

[2] A chat room is a live electronic forum for discussion among Internet participants.

[3]A A newsgroup is an electronic bulletin board on which internet participants may post information.

[3B] Social media includes electronic communication through which users create or participate in online communities to share information, ideas and other content, or to participate in social networking.

Maintaining Site Integrity

Sec. 423.13.

Electronic communications on the Internet are not always secure. TSX recommends that an issuer establish procedures to assure maximum security of its web site and email. As electronic technologies evolve, security measures also evolve. To ensure the security of its electronic communications, TSX suggests that an issuer:

- review and update its security systems regularly;
- be aware that it might be possible for unauthorized persons to alter the content of the site;
- monitor the integrity of its web site address to make sure that the site is accessible and has not been altered.

TSX Monitoring of the Internet

Sec. 423.14.

TSX regularly monitors listed issuer web sites as well as chat rooms, news groups, and social media on the Internet. TSX has the capability to review alterations to listed issuer web sites and to perform random searches of the Internet to identify active discussions relating to listed issuers. However, such monitoring can never be exhaustive. Issuers are responsible for maintaining their web site and should continue to make Market Surveillance aware of significant rumours or problems relating to Internet discussions.

[…]

M. Corporate Governance

Sec. 472.

Each listed issuer subject to National Instrument 58-101 *Disclosure of Corporate Governance Practices*, or any replacement of that instrument, is required to disclose its corporate governance practices in accordance with that instrument, or any replacement of that instrument.

~~The Exchange will monitor corporate governance disclosure of listed issuers. The Exchange will contact listed issuers who have not complied with this Section 472 to assist them in complying with the disclosure requirement. Non-complying listed issuers will be required to publish amended disclosure in the listed issuer's next quarterly report.~~

~~The Exchange will publish the names of those listed issuers failing to comply with a request for amended disclosure. Continuing non-compliance could result in suspension and delisting.~~

Listed issuers who evidence a blatant and consistent disregard of the Exchange's disclosure requirement will be referred to the OSC and may be subject to other legal proceedings.

[...]

Part IX ~~Dealing with the News Media~~[Intentionally deleted]

~~A. General~~

~~Sec. 901.~~

~~Listed companies are frequently called upon to deal with the media in matters relating to day-to-day company developments. Generally, if given all available information, news writers will reciprocate with a straightforward reporting of the company's business. Successful companies recognize that the media provide an effective extension of their lines of communication.~~

~~Sec. 902.~~

~~Many listed companies have well-organized public relations departments which effectively carry out standard company disclosure policies. While the following comments may be of interest to such companies, they will be more pertinent to companies which, because they have no such permanent staff are relatively unfamiliar with such matters. This is particularly true of newly listed companies. They may find that for the first time, as a result of the public attention which their listing now commands, they receive many more enquiries from the media.~~

~~Sec. 903.~~

~~The media have demonstrated a growing awareness of the business world and have taken an increased interest in reporting on this area. It can be expected that this trend will continue. A number of Canadian daily newspapers carry company news in separate business sections. Such business sections are very significant factors in providing continuous, sound and prompt reporting of events affecting the equity markets.~~

~~Sec. 904.~~

~~The broadened national coverage of financial news by the media in Canada reflects an increased public demand for financial and business information. A contributing factor to this increased public interest is a growing public participation in the equity markets, a trend which is fostered by the year-to-year growth in Canada's population.~~

~~Sec. 905.~~

~~Wider coverage of financial news is made possible in part as a result of disclosure requirements now imposed on companies by stock exchanges and governments. Moreover, companies are voluntarily making such information available, because it is recognized that, in the long run, this practice is in the best interests of the company and its security holders.~~

~~B. Notifying the Financial Media~~

~~Sec. 906.~~

~~Regardless of when an announcement involving material information is released, Market Surveillance must be advised of its content and supplied with a copy in advance of its release. Market Surveillance must also be advised of the proposed method of dissemination. Market Surveillance must be advised by telephone in advance if an announcement is ready to be made during trading hours, and submission of a written copy of the release must follow. Where an announcement is to be released after the~~

Exchange has closed, Market Surveillance should be advised before trading opens on the next trading day. Copies may be filed through TMX LINX at https://linx.tmx.com.

Sec. 907.

The Exchange's timely disclosure policy (Sections 406 to 423.4) makes it desirable that an officer of a company, in handling news arising from important decisions by the board of directors, leave the board meeting and contact Market Surveillance by telephone in order that the Exchange may determine whether a halt in trading is necessary prior to public release of the information. The news should then be reported to the financial media by a TSX recognized full text news service. To release information after the adjournment of the meeting may not prove to be the most satisfactory procedure.

If possible, it is preferable to schedule meetings of boards of directors after the Exchange has closed for the day, so that disclosure can be made when the market is closed. This allows for more complete dissemination of the news, provides a greater opportunity for the investment community and the public to assess the significance of the news and minimizes the risk of misinterpretation of media coverage of the news before trading of the company's securities resumes in the market.

Sec. 908.

An immediate statement containing the major points is the first objective. Additional details can follow in a news release. When several significant actions are resolved at one meeting, they should all be given immediate release, so that the total implications may be judged by the public.

Under the Exchange's timely disclosure policy, further developments must be reported just as promptly as the original notice. Since many developments are disclosed at the proposal stage, further announcements are required when the decision is made to proceed with the development. Updates are required at least every 30 days or at a date designated for an update in the initial announcement.

Sec. 909.

In addition to the requirements of the Exchange, companies should be familiar with applicable securities law relating to timely disclosure. See, for example, sections 75 and 76 of the *Securities Act* of Ontario.

News Services and Publications

Sec. 910.

As a matter of routine procedure, all information of importance should be released as quickly as circumstances permit, and to as broad an audience as possible. After notification to Market Surveillance, a news release must be transmitted to the media by the quickest possible method, and by one that provides the widest dissemination possible. To ensure that the entire financial community is aware of the news at the same time, the Exchange's timely disclosure policy requires that a wire service (or combination of services) be used which provides national and simultaneous coverage of the full text of the release to the national financial press and daily newspapers that provide regular coverage of financial news, to all Participating Organizations and to all relevant regulatory bodies. If the officials of a listed company have any questions about the acceptability of a particular means of dissemination, they should contact Market Surveillance. A list of key segments of the news media can be found at: https://www.tsx.com/listings/tsx-and-tsxv-issuer-resources/tsx-issuer-resources/continuous-disclosure.

Sec. 911.

A telephone call to the major dailies regarding a news release will ensure that if there is sufficient time remaining before the next edition, these papers will have an opportunity to report on the items covered by the news release.

A telephone call to the weekly financial publications regarding news releases is a sound practice. It may be that the publication date of one or more of these publications is close to the release time of a press statement. A telephone call may make the difference as to whether coverage is immediately achieved in these publications. Coverage of a news item in the weekly financial press may be somewhat reduced if a full week elapses before a news item can be reported.

Sec. 912.

Many companies notify additional news media—local newspapers, radio, television and foreign publications. The Exchange encourages this practice, provided that the main news services and key Canadian newspapers are given immediate attention.

~~**Rules of Thumb for Release of Information**~~

~~**Sec. 913.**~~

~~All material company developments must be classified as subject to immediate release. This helps to eliminate any tardiness in bringing events out into the open where the public can assess them. Moreover, it avoids releases with fixed release times. It is the policy of some newspapers not to observe such restrictions.~~

~~**Sec. 914.**~~

~~Bad news must be disclosed just as promptly and fully as good news. Unwillingness to release a negative story, a disguising of unfavourable news, or a partial release can endanger a company's reputation. Such actions may encourage the public to view all company announcements with distrust. News releases should be explicit, and should accurately reflect corporate news.~~

~~**C. Dealing with Enquiries from Press and Public**~~

~~**Sec. 915.**~~

~~Regarding specific requests for information, not only from the press but also from security analysts, security holders, and others who have a legitimate interest in a company's business, the Exchange recommends that a listed company maintain a policy of full co-operation, even though it may seem burdensome at times.~~

~~Such a policy builds up goodwill, and thus contributes to a positive attitude towards a company.~~

~~**Sec. 916.**~~

~~The Exchange recommends that:~~

~~(a) a company not give to one inquirer facts which it would not give to another; this can result in bad publicity and lasting resentment;~~

~~(b) a company not give out facts to market analysts or individuals which it would not willingly give to the press, or make public; and~~

~~(c) one or more key executives be delegated to speak for the company in all matters relating to the public interest; this practice helps to ensure that all disclosure is consistent and is handled capably; should the person normally giving out company information go on vacation or on a business trip, prior arrangements should be made for another qualified officer to assume his or her responsibilities.~~

[Intentionally deleted]

APPENDIX "B"

CLEAN VERSION OF
NON-PUBLIC INTEREST AMENDMENTS TO
THE COMPANY MANUAL

Part I – Introduction

[...]

Interpretation

[...]

"Market Surveillance" means the Canadian Investment Regulatory Organization;

[...]

"PR Portal" means the Press Release Portal provided by Market Surveillance;

[...]

"Timely Disclosure Policy" means the timely disclosure requirements of TSX in Sections 406 to 423.8 under Part IV of the Manual;

[...]

Part IV Maintaining a Listing — General Requirements

B. Timely Disclosure

Introduction Sec. 406.

It is a cornerstone policy of the Exchange that all persons investing in securities listed on the Exchange have equal access to information that may affect their investment decisions. Public confidence in the integrity of the Exchange as a securities market requires timely disclosure of material information concerning the business and affairs of issuers listed on the Exchange, thereby placing all participants in the market on an equal footing.

The Timely Disclosure Policy is the primary timely disclosure standard for all TSX listed issuers. National Policy 51-201 Disclosure Standards, assists issuers in meeting their legislative disclosure requirements. While the legislative and Exchange timely disclosure requirements differ somewhat, the CSA clearly states in National Policy 51-201 Disclosure Standards that they expect listed issuers to comply with the requirements of the Exchange.

To minimize the number of authorities that must be consulted in a particular matter, in the case of securities listed on the Exchange, the Exchange is the relevant contact. The issuer may, of course, consult with the government securities administrator of the particular jurisdiction. In the case of securities listed on more than one stock market, the issuer should deal with each market.

The requirements of the Exchange and National Policy 51-201 Disclosure Standards are in addition to any applicable statutory requirements. The Exchange enforces its own policy. Issuers whose securities are listed on the Exchange are legally obligated to comply with the provisions on timely disclosure set out in section 75 of the OSA and the regulation under the OSA. Reference should also be made to National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*, National Instrument 55-102 *System for Electronic Disclosure by Insiders (SEDI)*, National Instrument 62-103 T*he Early Warning System and Related Take-Over Bid and Insider Reporting Issues*, and National Instrument 62-104 *Take-Over Bids and Issuer Bids*.

In addition to the foregoing requirements, issuers whose securities are listed on the Exchange and who engage in mineral exploration, development and/or production, must follow the "Disclosure Standards for Companies Engaged in Mineral Exploration, Development and Production" as outlined in Appendix B of this Manual for both their timely and continuous disclosure.

Market Surveillance monitors the Timely Disclosure Policy on behalf of the Exchange.

Material Information

Definition Sec. 407.

Material information is any information relating to the business and affairs of an issuer that results in or would reasonably be expected to result in a significant change in the market price or value of any of the issuer's listed securities.

Material information consists of both material facts and material changes relating to the business and affairs of a listed issuer. In addition to material information, trading on the Exchange is sometimes affected by the existence of rumours and speculation. Where this is the case, Market Surveillance may require that an announcement be made by the issuer whether such rumours and speculation are factual or not. The policy of the Exchange with regard to rumours is set out more fully in Section 414.

The Timely Disclosure Policy of the Exchange is designed to supplement the provisions of the OSA, which requires disclosure of any "material change" as defined therein. A report must be tiled with the OSC concerning any "material change" as soon as practicable and in any event within ten days of the date on which the change occurs. The Exchange considers that "material information" is a broader term than "material change" since it encompasses material facts that may not entail a "material change" as defined in the Act. It has long been the practice of most listed issuers to disclose a broader range of information to the public pursuant to the Exchange's Timely Disclosure Policy than a strict interpretation of the Act might require. Issuers subject to securities legislation outside of Ontario should be aware of their disclosure obligations in other jurisdictions.

It is the responsibility of each listed issuer to determine what information is material according to the above definition in the context of the issuer's own affairs. The materiality of information varies from one issuer to another according to the size of its profits, assets and capitalization, the nature of its operations and many other factors. An event that is "significant" or "major" in the context of a smaller issuer's business and affairs is often not material to a large issuer. The issuer itself is in the best position to apply the definition of material information to its own unique circumstances. The Exchange recognizes that decisions on disclosure require careful subjective judgments, and encourages issuers to consult Market Surveillance when in doubt as to whether disclosure should be made.

Rule: Immediate Disclosure

Sec. 408.

A listed issuer is required to disclose material information concerning its business and affairs forthwith upon the information becoming known to management, or in the case of information previously known, forthwith upon it becoming apparent that the information is material. Immediate release of information is necessary to ensure that it is promptly available to all investors and to reduce the risk of persons with access to the information acting upon undisclosed information. Unusual trading marked by significant changes in the price or trading volumes of any of an issuer's securities prior to the announcement of material information is embarrassing to issuer management and damaging to the reputation of the securities market, since the investing public may assume that certain persons benefited from access to material information which was not generally disclosed.

In restricted circumstances disclosure of material information may be delayed for reasons of corporate confidentiality. In this regard, see Sections 423.1 to 423.3.

Developments to be Disclosed

Sec. 409.

Issuers are not required to interpret the impact of external political, economic and social developments on their affairs, but if the external development will have or has had a direct effect on their business and affairs that is both material in the sense outlined above and uncharacteristic of the effect generally experienced as a result of such development by other companies engaged in the same business or industry, issuers are urged, where practical, to explain the particular impact on them. For example, a change in government policy that affects most issuers in a particular industry does not require an announcement, but if it affects only one or a few issuers in a material way, an announcement should be made.

The market price of an issuer's securities may be affected by factors directly relating to the securities themselves as well as by information concerning the issuer's business and affairs. For example, changes in an issuer's issued capital, stock splits, redemptions and dividend decisions may all impact upon the market price of a security.

Sec. 410.

Other actual or proposed developments that are likely to give rise to material information and thus to require prompt disclosure include, but are not limited to, those listed below. Of course, any development must be material according to the definition of material information before disclosure is required.

Many developments must be disclosed at the proposal stage, or before an event actually occurs, if the proposal gives rise to material information at that stage. Announcements of an intention to proceed with a transaction or activity should be made when a decision has been made to proceed with it by the board of directors of the issuer, or by senior management with the expectation of concurrence from the board of directors. Subsequently, updates should be announced at least every 30 days, unless the original announcement indicates that an update will be disclosed on another indicated date. In addition, prompt disclosure is required of any material change to the proposed transaction, or to the previously disclosed information.

Examples of developments likely to require prompt disclosure as referred to above include the following:

(a) Changes in share ownership that may affect control of the issuer.

(b) Changes in corporate structure, such as reorganizations, amalgamations, etc.

(c) Take-over bids or issuer bids.

(d) Major corporate acquisitions or dispositions.

(e) Changes in capital structure.

(f) Borrowing of a significant amount of funds.

(g) Public or private sale of additional securities.

(h) Development of new products and developments affecting the issuer's resources, technology, products or market.

(i) Significant discoveries by resource issuers.

(j) Entering into or loss of significant contracts.

(k) Firm evidence of significant increases or decreases in near-term earnings prospects.

(l) Changes in capital investment plans or corporate objectives.

(m) Significant changes in management.

(n) Significant litigation.

(o) Major labour disputes or disputes with major contractors or suppliers.

(p) Events of default under financing or other agreements.

(q) Any other developments relating to the business and affairs of the issuer that would reasonably be expected to significantly affect the market price or value of any of the issuer's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions.

Sec. 411.

Forecasts of earnings and other financial forecasts need not be disclosed, but where a significant increase or decrease in earnings is indicated in the near future, such as in the next fiscal quarter, this fact must be disclosed. Forecasts should not be provided on a selective basis to certain investors not involved in the management of the affairs of the issuer. If disclosed, they should be generally disclosed. Reference should be made to National Instrument 51-102 *Continuous Disclosure Obligation*s (FOFI and Financial Outlooks).

Market Surveillance

Monitoring Trading

Sec. 412.

Market Surveillance maintains a continuous stock watch program which is designed to highlight unusual market activity, such as unusual price and volume changes in a stock relative to its historical pattern of trading. Where unusual trading activity takes place in a listed security, Market Surveillance attempts to determine the specific cause of such activity. If the specific cause cannot be determined immediately, issuer management will be contacted. Should this contact result in Market Surveillance staff becoming aware of a situation which requires a news release, the issuer will be asked to make an immediate announcement. Should the issuer be unaware of any undisclosed developments, Market Surveillance staff will continue to monitor trading and, if concerns continue, may ask the issuer to issue a statement that it is not aware of any undisclosed developments that would account for the unusual trading pattern.

Timing of Announcements

Sec. 413.

Market Surveillance has the responsibility of receiving all timely disclosure news releases from issuers detailing material information concerning their affairs. The overriding rule is that material announcements are required to be released immediately.

Release of certain announcements may be delayed until the close of trading, subject to the approval of Market Surveillance. Issuer officials are encouraged to seek assistance and direction from Market Surveillance as to when an announcement should be released and whether trading in the issuer's securities should be halted for dissemination of an announcement.

Rumours

Sec. 414.

Unusual market activity is often caused by the presence of rumours. The Exchange recognizes that it is impractical to expect management to be aware of, and comment on, all rumours, but when market activity indicates that trading is being unduly influenced by rumours Market Surveillance will request that a clarifying statement be made by the issuer. Prompt clarification or denial of rumours through a news release is the most effective manner of rectifying such a situation. A trading halt may be instituted pending a "no corporate developments" statement from the issuer. If a rumour is correct in whole or in part, immediate disclosure of the relevant material information must be made by the issuer and a trading halt will be instituted pending release and dissemination of the information. OSC Cease Trading Order Sec. 415.

In certain circumstances trading in a listed security may be stopped by Market Surveillance as a result of a cease trading order being issued by the OSC. Such an order may be issued by the OSC where it is of the opinion that a cease of trading is in the public interest. However, Market Surveillance generally handles halts for the dissemination of announcements of material information. Additional information with respect to trading halts is included in Sections 420 to 423.

Announcements of Material Information

Pre-Notification to Market Surveillance

Sec. 416.

The Exchange's policy requires immediate release of material information except in unusual circumstances. While Market Surveillance may permit certain news releases to be issued after the close of trading, the policy of immediate disclosure frequently requires that news releases be issued during trading hours, especially when an important corporate development has occurred. If this is the case, it is absolutely essential that issuer officials notify Market Surveillance prior to the issuance of a news release. Market Surveillance staff will then be in a position to determine whether trading in any of the issuer's securities should be temporarily halted. Also, if the Exchange is not advised of news releases in advance, any subsequent unusual trading activity will generate enquiries and perhaps a halt in trading.

Regardless of when an announcement involving material information is released, Market Surveillance must be advised of its content and supplied with a copy in advance of its release. Market Surveillance must also be advised of the proposed method of dissemination. Where an announcement is ready to be made during trading hours, an issuer must file a copy of the announcement with Market Surveillance via the PR Portal or email, followed by a telephone call to Market Surveillance. Where an announcement is to be released after the Exchange has closed, Market Surveillance staff should be advised before trading opens on the next trading day. Copies of the announcement may be filed through TMX LINX, the PR Portal or email.

Market Surveillance coordinates trading halts with other exchanges and markets where an issuer's securities are listed or traded elsewhere. A convention exists that trading in a security traded in more than one market shall be halted and resumed at the same time in each market. Failing to pre-notify the Exchange of an imminent material announcement could disrupt this system.

Dissemination

Sec. 417.

After notifying Market Surveillance, a news release must be transmitted to the media by the quickest possible method, and by one that provides the widest dissemination possible. To ensure that the entire financial community is aware of the news at the same time, a wire service or combination of services must be used which provides national and simultaneous coverage.

The Exchange accepts the use of any news services that meet the following criteria:

- dissemination of the full text of the release to the national financial press and to daily newspapers that provide regular coverage of financial news;
- dissemination to all Participating Organizations; and
- dissemination to all relevant regulatory bodies.

Issuers are also expected to use services that provide wide dissemination.

Issuers should be aware that certain services do not carry all releases and may substantially edit releases they do carry. Issuers are required to use news services that guarantee that the full text of the release will be carried.

Dissemination of news is essential to ensure that all investors trade on equal information. The onus is on the listed issuer to ensure appropriate dissemination of news releases, and any failure to properly disseminate news shall be deemed to be a breach of this policy and shall be grounds for suspension of trading or delisting of the issuer's securities. In particular, the Exchange will not consider relieving an issuer from its obligation to disseminate news properly because of cost factors.

Content of Announcements

Sec. 418.

Announcements of material information should be factual and balanced, neither overemphasizing favourable news nor under-emphasizing unfavourable news. Unfavourable news must be disclosed just as promptly and completely as favourable news. It is appreciated that news releases may not be able to contain all the details that would be included in a prospectus or similar document. However, news releases should contain sufficient detail to enable media personnel and investors to appreciate the true substance and importance of the information so that investors may make informed investment decisions. The guiding principle should be to communicate clearly and accurately the nature of the information, without including unnecessary details, exaggerated reports or editorial commentary designed to colour the investment community's perception of the announcement one way or another. The issuer must be prepared to supply further information when appropriate, and the Exchange recommends that the name and telephone number of the issuer official to contact be provided in the release.

Misleading Announcements

Sec. 419.

While the policy of the Exchange is that all material information must be released immediately, judgment must be exercised by issuer officials as to the timing and propriety of any news releases concerning corporate developments, since misleading disclosure activity designed to influence the price of a security is considered by the Exchange to be improper. Misleading news releases send signals to the investment community which are not justified by an objective examination of the facts, and may detract from the credibility of the issuer. Announcements of an intention to proceed with a transaction or activity should not be made unless the issuer has the ability to carry out the intent (although proceeding may be subject to contingencies) and a decision has been made to proceed with the transaction or activity by the board of directors of the issuer, or by senior management with the expectation of concurrence from the board of directors. Disclosure of corporate developments must be handled carefully and requires the exercise of judgment by issuer officials as to the timing of an announcement of material information, since either premature or late disclosure may result in damage to the reputation of the securities markets.

Trading Halts

When Trading May Be Halted Sec. 420.

The Exchange's objective is to provide a continuous auction market in listed securities. The guiding principle is therefore to reduce the frequency and length of trading halts as much as possible.

Trading may be halted in the securities of a listed issuer upon the occurrence of a material change during normal trading hours, which requires immediate public disclosure. The determination that trading should be halted is made by Market Surveillance. Market Surveillance determines the amount of time necessary for dissemination in any particular case, which determination is dependent upon the significance and complexity of the announcement.

It is neither the intention nor practice of Market Surveillance to halt trading for all news releases from listed issuers. A news release is discussed by Market Surveillance and the listed issuer prior to its release and a determination is made as to whether a trading halt is justified based upon the impact which the particular announcement is expected to have on the market for the issuer's securities.

A halt in trading does not reflect upon the reputation of management of an issuer nor upon the quality of its securities. Indeed, trading halts for material information announcements are usually made at the request of the listed issuer involved. Market Surveillance normally attempts to contact an issuer before imposing a halt in trading.

Requests for Trading Halts

Sec. 421.

It is not appropriate for a listed issuer to request a trading halt in a security if a material announcement is not going to be made forthwith.

When a listed issuer (or its advisors) requests a trading halt for an announcement, the issuer must provide assurance to Market Surveillance that an announcement is imminent. The nature of this announcement and the current status of events shall be disclosed to Market Surveillance, so that Market Surveillance staff can assess the need for, and the appropriate duration of, a trading halt.

Length of Trading Halts

Sec. 422.

When a halt in trading is necessary, trading is normally interrupted for a period of less than two hours. In the normal course, the announcement should be made immediately after the halt is imposed and trading will resume within approximately one hour of the dissemination of the announcement through major news wires.

A trading halt in a security shall not normally extend for a period longer than 24 hours from the time the halt was imposed. This is a maximum time period intended to address unusual situations. The only exception to the 24-hour time limit is where Market Surveillance determines that resumption of trading would have a significant negative impact on the integrity of the market.

Failure to Make an Announcement Immediately

Sec. 423.

If trading is halted but an announcement is not immediately forthcoming as expected, Market Surveillance will establish a reopening time, which shall not be later than 24 hours after the time that the halt was imposed (excluding non-business days). If the issuer fails to make an announcement. Market Surveillance will issue a notice stating that trading was halted for dissemination of news or for clarification of abnormal trading activity, that an announcement was not immediately forthcoming, and that trading will therefore resume at a specific time.

When Market Surveillance advises an issuer in applying this Section 423 that it will announce the reopening of trading the issuer should reconsider, in light of its responsibility to make timely disclosure of all material information, whether it should issue a statement prior to the reopening becoming effective to clarify why it requested a trading halt (if this is the case) and why it is not able to make an announcement prior to the reopening of trading.

Confidentiality

When Information May Be Kept Confidential

Sec. 423.1.

In restricted circumstances disclosure of material information concerning the business and affairs of a listed issuer may be delayed and kept confidential temporarily where immediate release of the information would be unduly detrimental to the interests of the issuer.

Examples of instances in which disclosure might be unduly detrimental to the issuer's interests are as follows:

(a) Release of the information would prejudice the ability of the issuer to pursue specific and limited objectives or to complete a transaction or series of transactions that are under way. For example, premature disclosure of the fact that an issuer intends to purchase a significant asset may increase the cost of making the acquisition.

(b) Disclosure of the information would provide competitors with confidential corporate information that would be of significant benefit to them. Such information may be kept confidential if the issuer is of the opinion that the detriment to it resulting from disclosure would outweigh the detriment to the market in not having access to the information. A decision to release a new product, or details on the features of a new product may be withheld for competitive reasons. Such information should not be withheld if it is available to competitors from other sources.

(c) Disclosure of information concerning the status of ongoing negotiations would prejudice the successful completion of those negotiations. It is unnecessary to make a series of announcements concerning the status of negotiations with another party concerning a particular transaction. If it seems that the situation is going to stabilize within a short period, public disclosure may be delayed until a definitive announcement can be made. Disclosure should be made once "concrete information" is available, such as a final decision to proceed with the transaction or, at a later point in time, finalization of the terms of the transaction.

Sec. 423.2.

The withholding of material information on the basis that disclosure would be unduly detrimental to the issuer's interests must be infrequent and can only be justified where the potential harm to the issuer or to investors caused by immediate disclosure may reasonably be considered to outweigh the undesirable consequences of delaying disclosure, keeping in mind at all times the considerations that have given rise to the Exchange's immediate disclosure policy. While recognizing that there must be a trade-

off between the legitimate interests of an issuer in maintaining secrecy and the right of the investing public to disclosure of corporate information, the Exchange discourages delaying disclosure for a lengthy period of time, since it is unlikely that confidentiality can be maintained beyond the short term.

Maintaining Confidentiality

Sec. 423.3.

If disclosure of material information is delayed, complete confidentiality must be maintained. In the event that such confidential information, or rumours respecting the same, is divulged in any manner (other than in the necessary course of business), the issuer is required to make an immediate announcement on the matter, and Market Surveillance must be notified of the announcement in advance in the usual manner. During the period before material information is disclosed, market activity in the issuer's securities should be closely monitored. Any unusual market activity may indicate that news of the matter is being disclosed and that certain persons are taking advantage of it. In such case, Market Surveillance must be advised immediately, and a halt in trading will be imposed until the issuer has made disclosure on the matter.

At any time when material information is being withheld from the public, the issuer is under a duty to take precautions to keep such information completely confidential. Such information should not be disclosed to any officers or employees of the issuer, or to the issuer's advisors, except in the necessary course of business. The directors, officers and employees of a listed issuer should be reminded on a regular basis that confidential information obtained in the course of their duties must not be disclosed. It is contrary to law under the OSA for any person in a "special relationship" with an issuer to make use of undisclosed material information. This point is discussed in Section 423.4.

Listed issuers must comply with the provisions of section 75 of the OSA requiring confidential disclosure to the OSC of any "material change" that is not immediately being disclosed to the public.

Insider Trading

Sec. 423.4.

Every listed issuer should have a firm rule prohibiting those who have access to confidential information from making use of such information in trading in the issuer's securities before the information has been fully disclosed to the public and a reasonable period of time for dissemination of the information has passed.

In the event that Market Surveillance is of the opinion that insider or improper trading may have occurred before material information has been disclosed and disseminated, the Exchange requires an immediate announcement to be made disclosing the material information of which use is being made.

Sec. 423.5.

Issuers listed on the Exchange must comply with two sets of rules:

- securities law governing corporate disclosure, confidentiality and employee trading; and
- the Exchange’s Timely Disclosure Policy (Sections 406 to 423.4), which expands on the requirements of securities law.

Collectively, these rules are referred to as the Disclosure Rules. Compliance with them is essential to maintaining investor confidence in the integrity of the Exchanges market and its listed issuers.

Disclosing Material Information

Sec. 423.6.

[Intentionally deleted]

Maintaining the Confidentiality of Information

Sec. 423.7.

[Intentionally deleted]

Restrictions on Employee Trading

Sec. 423.8.

The Disclosure Rules require that employees with access to material information be prohibited from trading until the information has been fully disclosed and a reasonable period of time has passed for the information to be disseminated. This period may vary, depending on how closely the issuer is followed by analysts and institutional investors.

This prohibition applies not only to trading in issuer securities, but also to trading in other securities whose value might be affected by changes in the price of the issuer's securities. For example, trading in listed options or securities of other companies that can be exchanged for the issuer's securities is also prohibited.

In addition, if employees become aware of undisclosed material information about another public issuer such as a subsidiary, they may not trade in the securities of that other issuer.

In the case of pending transactions, the circumstances of each case should be considered in determining when to prohibit trading. In some cases, prohibition may be appropriate as soon as discussions about the transaction begin. The definition of materiality helps determine when trading should be prohibited in the case of pending transactions. Trading must be prohibited once the negotiations have progressed to a point where it reasonably could be expected that the market price of the issuer's securities would materially change if the status of the transaction were publicly disclosed. As the transaction becomes more concrete, it is more likely that the market will react. This prohibition on trading will often come into effect before the point in time when it must be disclosed publicly. In all situations, it is a judgment call as to when employee trading should be restricted.

[…]

M. Corporate Governance Sec. 472.

Each listed issuer subject to National Instrument 58-101 *Disclosure of Corporate Governance Practices*, or any replacement of that instrument, is required to disclose its corporate governance practices in accordance with that instrument, or any replacement of that instrument.

Listed issuers who evidence a blatant and consistent disregard of the Exchange's disclosure requirement will be referred to the OSC and may be subject to other legal proceedings.

[...]

Part IX [Intentionally deleted]

[Intentionally deleted]

B.11.3 Clearing Agencies

B.11.3.1 Canadian Derivatives Clearing Corporation (CDCC) – Proposed Amendments to the Rules, Operations Manual and Risk Manual of the CDCC Regarding Reference Rate Fallback Procedures – Notice of Material Rule Submission

NOTICE OF MATERIAL RULE SUBMISSION

CANADIAN DERIVATIVES CLEARING CORPORATION (CDCC)

PROPOSED AMENDMENTS TO
THE RULES, OPERATIONS MANUAL AND RISK MANUAL OF
THE CDCC REGARDING REFERENCE RATE FALLBACK PROCEDURES

CDCC has submitted to the Commission proposed amendments to the CDCC Rules, Operations Manual and Risk Manual regarding the reference rate fallback procedures.

The purpose of the proposed amendments, which are subject to Commission approval, is to modify the settlement price procedure for Three-Month Canadian Bankers' Acceptance Futures (BAX) contracts to allow for their conversion to Three-Month Canadian Overnight Repo Rate Average Futures (CRA) contracts before the discontinuation of Canadian Dollar Offered Rate (CDOR).

The proposed amendments have been posted for public comment on CDCC's **website.** The comment period ends on January 18, 2024.

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