

## 1.1.6 Notice of Consequential Amendments and Changes to Ontario Securities Commission Rules and Policies

### NOTICE OF CONSEQUENTIAL AMENDMENTS AND CHANGES TO ONTARIO SECURITIES COMMISSION RULES AND POLICIES

#### Introduction

On November 16th, 2021, the Ontario Securities Commission (the **Commission** or **we**) made amendments to:

- Ontario Securities Commission Rule 11-501 *Electronic Delivery of Documents to the Ontario Securities Commission (OSC Rule 11-501)*, and
- Ontario Securities Commission Rule 14-501 *Definitions (OSC Rule 14-501)*.

On November 16th, 2021, the Commission made changes to:

- Ontario Securities Commission Policy 11-601 *The Securities Advisory Committee (OSC Policy 11-601)*,
- Ontario Securities Commission Policy 15-601 *Whistleblower Program (OSC Policy 15-601)*,
- Ontario Securities Commission Policy 51-601 *Reporting Issuer Defaults (OSC Policy 51-601)*, and
- Companion Policy 91-507 *Trade Repositories and Derivatives Data Reporting (Companion Policy 91-507)*.

In this Notice, we refer to the amendments to OSC Rule 11-501 and OSC Rule 14-501 collectively as the “**Rule Amendments**”.

In this Notice, we refer to the changes to OSC Policy 11-601, OSC Policy 15-601, OSC Policy 51-601 and Companion Policy 91-507 collectively as the “**Policy Changes**”.

The Rule Amendments and Policy Changes reflect consequential changes associated with the anticipated coming into force of the *Securities Commission Act, 2021* (the **SCA**) and related housekeeping matters.

#### Amending Instruments and Change Documents

The amending instruments and change documents are set out in the Appendices as follows:

- Appendix A of this Notice sets out the amendments to OSC Rule 11-501;
- Appendix B of this Notice sets out the amendments to OSC Rule 14-501;
- Appendix C of this Notice sets out the changes to OSC Policy 11-601;
- Appendix D of this Notice sets out the changes to OSC Policy 15-601;
- Appendix E of this Notice sets out the changes to OSC Policy 51-601; and
- Appendix F of this Notice sets out the changes to Companion Policy 91-507.

#### Substance and Purpose of the Rule Amendments and Policy Changes

##### *What is changing*

Earlier this year the Capital Markets Modernization Taskforce issued their final report containing recommendations to change the administrative structure of the Commission. Some of their relevant recommendations include:

- separating the regulatory and adjudicative functions of the Commission through the creation of an independent Tribunal;
- separating the current combined Chair and Chief Executive Officer position into two distinct positions; and
- expanding the mandate of the Commission to include fostering capital formation and competition in capital markets.

To effect the bifurcation of the Tribunal and other governance changes, the *Protecting the People of Ontario Act (Budget Measures), 2021 (Bill 269)* introduces a new statute titled the SCA. The Commission will be continued under this new governance statute, and the SCA provides for the creation of an independent Capital Markets Tribunal.

Bill 269 also includes numerous consequential amendments to the *Securities Act* (the **OSA**) and *Commodity Futures Act* (the **CFA**), including shifting most of the governance and corporate provisions from the OSA to the SCA and making the changes necessary to provide for the Tribunal as decision maker in place of the Commission.

The amendments to the purposes of the OSA and CFA to cover capital formation and competition came into force on April 27, 2021, while the remaining provisions of the SCA will come into force on proclamation.

Amendments to local rules and policies are required to reflect the new organizational structure of the Commission as well as the consequential amendments to the OSA and CFA. Such amendments include updating the Commission's mandate and replacing references to "Commission" with "Tribunal" where appropriate. The Rule Amendments will neither increase nor decrease regulatory burden on regulated persons and entities.

#### **Authority for Non-Material Amendments and Changes**

The Rule Amendments, which do not include any new requirements, were made by the Commission without prior publication for comment, as permitted under paragraph 143.2(5)(c) of the OSA.

We are satisfied that the Rule Amendments do not materially change OSC Rule 11-501 or OSC Rule 14-501.

The Policy Changes were made by the Commission without prior publication for comment, as permitted under paragraph 143.8(6) of the OSA.

We are satisfied that the Policy Changes do not materially change OSC Policy 11-601, OSC Policy 15-601, OSC Policy 51-501 or Companion Policy 91-507.

#### **Effective Date of Rule Amendments**

The Commission delivered the Rule Amendments to the Minister of Finance on January 6, 2022. The Minister may approve or reject the Rule Amendments, or return them for further consideration. If the Minister approves the Rule Amendments or does not take any further action by March 23, 2022, the Rule Amendments will come into force on the later of (a) March 23, 2022, and (b) the day on which section 25 of Schedule 9 of the *Protecting the People of Ontario Act (Budget Measures), 2021 (Ontario)* is proclaimed into force.

#### **Effective Date of Policy Changes**

The Policy Changes will come into force on the later of (a) March 23, 2022, and (b) the day on which section 25 of Schedule 9 of the *Protecting the People of Ontario Act (Budget Measures), 2021 (Ontario)* is proclaimed into force.

#### **Questions**

If you have questions, please contact:

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APPENDIX A

AMENDMENTS TO  
OSC RULE 11-501 ELECTRONIC DELIVERY OF DOCUMENTS TO  
THE ONTARIO SECURITIES COMMISSION

1. **Ontario Securities Commission Rule 11-501 Electronic Delivery of Documents to the Ontario Securities Commission is amended by this Instrument.**
2. **Paragraph 2.(2)(b) is amended by replacing** “Ontario Securities Commission Rules of Procedure” **with** “Capital Markets Tribunal Rules of Procedure”.
3. **Row 5 of the chart in Appendix A is amended by replacing** “81-106, s. 11.2(4)” **with** “81-106, s. 11.2(2)”.
4. **Row 13 of the chart in Appendix A is amended by replacing** “Revocation of a Compliance-related Cease Trade Order” **with** “Revocation of Certain Cease Trade Orders”.
5. **Row 17 of the chart in Appendix A is amended by replacing** “Adjustment of Fee for Registrant Firms and Unregistered Exempt International Firms” **with** “Adjustment of Fee for Registrant Firms and Unregistered Capital Markets Participants”.
6. **Row 18 of the chart in Appendix A is amended by replacing** “Capital Markets Participation Fee Calculation (Firms registered only under the Commodity Futures Act)” **with** “(Commodity Futures Act) Participation Fee Calculation”.
7. **Row 19 of the chart in Appendix A is amended by replacing** “Adjustment of Fee for Registrant Firms registered only under the Commodity Futures Act” **with** “Adjustment of Fee Payment for Commodity Futures Act Registrant Firms”.
8. **Row 20 of the chart in Appendix A is amended by adding** “Credit” **immediately after** “Designated”.
9. **Row 22 of the chart in Appendix A is amended by replacing** “Initial Operation Report Alternative Trading System” **with** “Information Statement Alternative Trading System”.
10. **Row 23 of the chart in Appendix A is amended by replacing** “Quarterly Report of Alternative Trading System Activities” **with** “Quarterly Report of Marketplace Activities”.
11. **Row 25 of the chart in Appendix A is amended by replacing** “Initial Operation Report for Information Processor” **with** “Information Statement Information Processor”.
12. **Row 68 of the chart in Appendix A is amended by replacing** “Mutual Funds” **with** “Investment Funds”.
13. **Row 69 of the chart in Appendix A is amended by replacing** “Mutual Funds” **with** “Investment Funds”.
14. **Row 70 of the chart in Appendix A is amended by replacing** “Mutual Funds” **with** “Investment Funds”.
15. This Instrument comes into force on the later of the following:
  - (a) March 23, 2022;
  - (b) the day on which section 25 of Schedule 9 of Bill 269, Protecting the People of Ontario Act (Budget Measures), 2021 (Ontario) is proclaimed into force.

APPENDIX B

AMENDMENTS TO  
OSC RULE 14-501 *DEFINITIONS*

1. ***Ontario Securities Commission Rule 14-501 Definitions is amended by this Instrument.***
2. ***Subsection 1.1(2) is amended by repealing the definition of “Commission member” and “Vice-Chair”.***
3. ***Subsection 1.1(3) is amended by repealing the definition of “derivative” and “non-redeemable investment fund”.***
4. This Instrument comes into force on the later of the following:
  - (a) March 23, 2022;
  - (b) the day on which section 25 of Schedule 9 of Bill 269, Protecting the People of Ontario Act (Budget Measures), 2021 (Ontario) is proclaimed into force.

APPENDIX C

CHANGES TO  
ONTARIO SECURITIES COMMISSION POLICY 11-601  
THE SECURITIES ADVISORY COMMITTEE TO THE OSC

1. ***Ontario Securities Commission Policy 11-601 The Securities Advisory Committee to the OSC is changed by this Document.***
2. ***Section B is changed in item 4 by replacing “Chairman of the Commission” with “Chair of the Commission”.***
3. ***Section E is changed by replacing item 3 with the following:***
  3. The General Counsel will review all applications and will make the final decision as to SAC membership.
4. These changes come into effect on the later of the following:
  - (a) March 23, 2022;
  - (b) the day on which section 25 of Schedule 9 of Bill 269, Protecting the People of Ontario Act (Budget Measures), 2021 (Ontario) is proclaimed into force.

APPENDIX D

CHANGES TO  
ONTARIO SECURITIES COMMISSION POLICY 15-601 *WHISTLEBLOWER PROGRAM*

1. *Ontario Securities Commission Policy 15-601 Whistleblower Program is changed by this document.*
2. *Part 1 is changed:*
  - (a) *by replacing “Commission in determining” in paragraph 1 bullet 4 under “Purpose” with “Commission’s board of directors in determining”;*
  - (b) *by replacing “fair and efficient capital markets” in paragraph 3 under “Purpose” with “fair, efficient and competitive capital markets”;*
  - (c) *by replacing “decision of the Commission” in paragraph 4 under “Purpose” with “decision of the Tribunal”; and*
  - (d) *by replacing “Commission” wherever it occurs in the definition of “award eligible outcome” under section 1 with “Tribunal”.*
3. *Part 5 is changed:*
  - (a) *by replacing “Commission’s” in paragraph 20(c) with “Tribunal’s”; and*
  - (b) *by replacing “Commission” in subparagraph 25(2)(i)(ii) with “Tribunal”.*
4. These changes come into effect on the later of the following:
  - (a) March 23, 2022;
  - (b) the day on which section 25 of Schedule 9 of Bill 269, Protecting the People of Ontario Act (Budget Measures), 2021 (Ontario) is proclaimed into force.

APPENDIX E

CHANGES TO  
ONTARIO SECURITIES COMMISSION POLICY 51-601 *REPORTING ISSUER DEFAULTS*

1. ***Ontario Securities Commission Policy 51-601 Reporting Issuer Defaults is changed by this Document.***
2. ***Subsection 2.2(2) is changed by replacing “determination of the issue by the Commission” with “determination of the issue by the Commission or Tribunal”.***
3. ***Subsection 3.2(2) is changed by replacing “Commission” wherever it occurs with “Tribunal”.***
4. These changes come into effect on the later of the following:
  - (a) March 23, 2022;
  - (b) the day on which section 25 of Schedule 9 of Bill 269, Protecting the People of Ontario Act (Budget Measures), 2021 (Ontario) is proclaimed into force.

APPENDIX F

CHANGES TO  
ONTARIO SECURITIES COMMISSION COMPANION POLICY 91-507CP  
TRADE REPOSITORIES AND DERIVATIVES DATA REPORTING

1. ***Ontario Securities Commission Companion Policy 91-507CP Trade Repositories and Derivatives Data Reporting is changed by this Document.***
2. ***Subsection 2(1) is changed in bullet 5 by replacing “fosters both fair and efficient capital markets” with “fosters fair, efficient and competitive capital markets”.***
3. ***Subsection 37(1) is changed in paragraph 2 by replacing “fair and efficient capital markets” with “fair, efficient and competitive capital markets”.***
4. ***Subsection 37(1) is changed in paragraph 2 by adding “to foster capital formation,” immediately before “to promote confidence in the capital markets”.***
5. These changes come into effect on the later of the following:
  - (a) March 23, 2022;
  - (b) the day on which section 25 of Schedule 9 of Bill 269, Protecting the People of Ontario Act (Budget Measures), 2021 (Ontario) is proclaimed into force.