

**SENT VIA EMAIL TO:**

comments@osc.gov.on.ca

**CONFIDENTIAL**

April 21, 2022

The Secretary  
Ontario Securities Commission  
20 Queen Street West 22nd Floor, Box 55  
Toronto, Ontario M5H 3S8  
Fax: 416-593-2318  
Email: comments@osc.gov.on.ca

Dear Sir or Madame:

**Re: Proposed Amendments to OSC Rule 13-502 Fees, OSC Rule 13-503 (Commodity Futures Act) Fees and Proposed Changes to their Companion Policies**

The Canadian Bankers Association (**CBA**) is the voice of more than 60 domestic and foreign banks that help to drive Canada's economic growth and prosperity. We appreciate the opportunity to provide comments on the *OSC Rule 13-502 Fees, OSC Rule 13-503 (Commodity Futures Act) Fees and Proposed Changes to their Companion Policies* (the "**Proposed Draft Rule**").

**CBA's Support of CMIC's Comments**

The CBA supports the Canadian Market Infrastructure Committee's (**CMIC**) submission dated April 21, 2022, on the Proposed Draft Rule in its entirety.

More specifically, like CMIC, we suggest the following:

- The OSC should carefully evaluate the possible impacts of the proposed fee (e.g., increased regulatory and transaction costs and impact on the hedging activities of dealers) to ensure it does not disrupt the long-term sustainability of Ontario's OTC derivatives market.

- If the OSC proceeds with the proposed fee, like CMIC, we think the OSC should calculate firms' fees prior to collecting them, rather than requiring firms to calculate their own fee. Our members agree the approach to fee calculation outlined in the Proposed Draft Rule is unique and complex. As a result, it will require extensive technology builds for fee payers to determine the amount they owe under this structure. CMIC's suggested approach would avoid this outcome, dramatically streamlining and simplifying the overall fee calculation and collection process. Further, it would reduce both red tape for market participants and the potential negative impacts of the fee on the OTC derivatives marketplace, in keeping with the stated burden reduction goals of the OSC.
- If the OSC requires firms to calculate the proposed fee themselves, the CBA supports CMIC's alternative approach to calculation (i.e., "determine any New Fee with reference to the average outstanding notional amount as at the end of the last day of each of the four most recent fiscal quarters of the firm").

## **Conclusion**

We thank you for considering our views. As always, we remain open to meeting with you as you continue to develop the Proposed Draft Rule to discuss in detail our general comments. In the meantime, if you have any questions about any of the matters raised in connection with this consultation, please do not hesitate to contact us.

Sincerely,