

CSA Notice and Request for Comment Draft Amendments Facilitating CSA Information Technology Arrangements

January 24, 2013

Introduction

The Canadian Securities Administrators (the CSA or we) are publishing for a 90 day comment period the following material (the Proposed Material):

- draft *Regulation 13-102 respecting System Fees for SEDAR and NRD* (Regulation 13-102),
- draft *Regulation to amend Regulation 13-101 respecting System for Electronic Document Analysis and Retrieval (SEDAR)* (Regulation 13-101),
- draft *Regulation to amend Regulation 31-102 respecting National Registration Database* (Regulation 31-102), and
- draft *Regulation to amend National Instrument 55-102 System for Electronic Disclosure by Insiders (SEDI)*.

The Proposed Material reflects the amendments necessary in connection with the scheduled expiry of existing agreements with CDS Inc. to operate the System for Electronic Documents Analysis and Retrieval (SEDAR), the System for Electronic Disclosure by Insiders (SEDI) and the National Registration Database (NRD) (collectively, the CSA National Systems) on behalf of the CSA. Regulation 13-102 will consolidate and replace the existing filing service charge schedules under the SEDAR Filer Manual and NRD User Guide. As well, we have taken advantage of cost saving opportunities under the new arrangements to reduce fees. Based on recent filing patterns, we expect system fees to decline in approximately 40% of SEDAR filing situations and in approximately 24% of NRD filing situations.

Annex A of this notice compares the fees in the existing filing service charge schedules to the fees in Regulation 13-102. The text of Regulation 13-102 and other related draft amendments is published with this notice. This material is also available on websites of CSA jurisdictions, including:

www.lautorite.qc.ca

www.albertasecurities.com

www.bcsc.bc.ca

www.gov.ns.ca/nssc

www.nbsc-cvmnb.ca

www.osc.gov.on.ca

www.sfsc.gov.sk.ca

www.msc.gov.mb.ca

Background

CDS Inc. currently operates the CSA National Systems for the benefit of the CSA. The agreements with CDS Inc. to operate the CSA National Systems are scheduled to expire in October 2013 and a new service provider is being secured to take over operations. In this regard, a number of minor changes to the existing rules governing the CSA National Systems are required. In addition, we are consolidating the existing filing service charge schedules under the SEDAR Filer Manual and NRD User Guide into Regulation 13-102.

The proposed system fees in Regulation 13-102 are structured in a substantially similar way to the fees in the existing filing service charge schedules. “First jurisdiction” filing fees have been replaced with filing fees payable to the applicable filer’s principal regulator, with the amounts unchanged. Fees payable for filings in additional jurisdictions have been substantially reduced. Maximum fees for filing in all jurisdictions will not increase, but fewer filers will be subject to the maximum fee due to the reduction in additional jurisdiction fees and the way in which these fees will be applied under the proposed system.

From a user perspective, we do not expect any significant changes to the current payment process. The system fees will continue to be collected on-line through the CSA National Systems and paid into a special purpose pool of funds, managed by one or more designated CSA members, for the payment of costs and expenses associated with the operation and development of the CSA National Systems (including any new or updated national information technology systems that may be developed for the CSA).

Substance and Purpose

Regulation 13-102 sets out system fees payable to Canadian securities regulatory authorities, largely in connection with specified filings. It consolidates and replaces the existing system fee schedules found in the SEDAR Filer Manual and NRD User Guide. The proposed system fees result in a reduction to the overall fees charged under the current arrangements. System fees would continue, with the exception of NRD enrolment fees, to be paid on-line through SEDAR and NRD.

The other draft amendments reflect the changes necessary as a result of the change of the SEDAR filing service contractor, SEDI operator and NRD administrator from CDS Inc. to a new vendor.

Summary of the Proposed Material

Part 1 of Regulation 13-102 sets out definitions used in the draft Regulation. It also ensures that the draft Regulation prevails over any conflicting provision in Regulation 13-101 or Regulation 31-102.

Part 2 of Regulation 13-102, in conjunction with Appendices A and B of the draft Regulation, sets out the SEDAR system fees payable to each Canadian securities regulatory authority.

Part 3 of Regulation 13-102 sets out the NRD system fees payable to each Canadian securities regulatory authority.

Part 4 of Regulation 13-102 provides that the fees in section 3, 4, 6 or 7 of the draft Regulation are all paid through SEDAR or NRD, as the case may be.

Part 5 of Regulation 13-102 allows exemptions to be granted under the Regulation.

Anticipated Costs and Benefits

The proposed system fees, when implemented, will yield benefits in the form of lower system costs for many filers. Based on recent filing patterns, we expect system fees to decline in approximately 40% of SEDAR filing situations and in approximately 24% of NRD filing situations. In all remaining filing situations, there will be no change in system fee costs. We expect system fee costs to decline by 6.5% on average for SEDAR filings and by 6.6% on average for NRD filings based on recent filing patterns.¹ We have also eliminated the subscription fees that are currently required to be paid for SEDAR filer software licences.

The CSA believes the proposed system operation and fee changes will have no impact on service levels or the general operation and development of the CSA National Systems.

Request for Comments

We welcome your comments on the Proposed Materials.

Please submit your comments in writing on or before April 24, 2013. If you are not sending your comments by email, please send a CD containing the submissions (in Microsoft Word format).

Address your submission to all of the CSA as follows:

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial and Consumer Affairs Authority
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Nova Scotia Securities Commission
New Brunswick Securities Commission
Prince Edward Island Securities Office
Office of the Superintendent of Securities, Government of Newfoundland and Labrador
Department of Community Services, Government of Yukon
Office of the Superintendent of Securities, Government of the Northwest Territories
Legal Registries Division, Department of Justice, Government of Nunavut

¹ Averages calculated by weighting the fee changes for each filing type by that filing type's share of all filings made over the last 12 months. For further information on the fee changes, see Annex A.

Deliver your comments **only** to the addresses below. Your comments will be distributed to the other participating CSA members.

M^e Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers
800, square Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal (Québec) H4Z 1G3
Fax : 514-864-6381
consultation-en-cours@lautorite.qc.ca

The Secretary
Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, Ontario M5H 3S8
Fax: 416-593-2318
comments@osc.gov.on.ca

We cannot keep submissions confidential because securities legislation in certain provinces requires publication of a summary of the written comments received during the comment period.

Contents of Annex

As described above, Annex A compares the existing filing service charge schedules to the fees in Regulation 13-102.

Questions

Autorité des marchés financiers
Mathieu Laberge
Legal Counsel
Legal Affairs
514-395-0337 ext.2537
1-877-525-0337 ext. 2537
mathieu.laberge@lautorite.qc.ca

Alberta Securities Commission
Samir Sabharwal
Associate General Counsel
Office of the General Counsel
403-297-7389
samir.sabharwal@asc.ca

British Columbia Securities Commission

David M. Thompson

General Counsel

604-899-6537

DThompson@bcsc.bc.ca

Manitoba Securities Commission

Chris Besko

Legal Counsel – Deputy Director

204-945-2561

Chris.Besko@gov.mb.ca

Ontario Securities Commission

Simon Thompson

Senior Legal Counsel

General Counsel's Office

416-593-8261

sthompson@osc.gov.on.ca

Robert Galea

Legal Counsel

General Counsel's Office

416-593-2321

rgalea@osc.gov.on.ca

ANNEX A

**COMPARISON OF EXISTING CHARGES TO PROPOSED FEES
IN REGULATION 13-102**

SEDAR filing service subscriber fees

Category	Existing Charge	Proposed Fee
Initial licensing fee	\$390.00	Fee eliminated
Charge for additional SEDAR filer software licenses	\$260.00	Fee eliminated
Annual subscription fee	\$390.00	Fee eliminated

**SEDAR local system fees
(Appendix A of Regulation 13-102)**

Reference in Regulation 13-102	Category	Existing Charge	Proposed Fee
Appendix A	Québec fee for distribution outside Québec	\$130.00	No change

**Annual filing service fee for continuous disclosure
(Appendix B of Regulation 13-102)**

Reference in Regulation 13-102	Category	Existing Charge	Proposed Fee
Row 1	Investment Fund	\$495.00	No change
Row 2	Single Jurisdiction Issuer (issuer which is a reporting issuer in only one jurisdiction)	\$705.00	No change
Row 2	Multi-Jurisdiction Issuer (an issuer which is a reporting issuer in more than one jurisdiction)	\$1,595.00	\$705.00, plus \$74.00 for each additional jurisdiction in which the issuer is a reporting issuer, to a maximum of \$1,593.00

**Other SEDAR system fees
(Appendix B of Regulation 13-102)**

Reference in Regulation 13-102	Category	Existing Charge	Proposed Fee	
Row 3	Simplified prospectus, AIF and Fund Facts (investment funds)	First/local jurisdiction fee	\$585.00	No change
		Fee per add'l jurisdiction	\$325.00	\$162.50
		Maximum Fee	\$2,535.00	No change
Row 4	Long form prospectus (investment funds)	First/local jurisdiction fee	\$715.00	No change
		Fee per add'l jurisdiction	\$425.00	\$212.50
		Maximum Fee	\$3,265.00	No change

Reference in Regulation 13-102	Category		Existing Charge	Proposed Fee
Row 5	Investment funds AIF (not a short form prospectus issuer)	First/local jurisdiction fee	\$455.00	No change
Row 6	Investment funds AIF (if short form prospectus issuer)	First/local jurisdiction fee	\$2,655.00	No change
Row 7	Investment fund exemptions and other applications (Regulation 81-102)	First/local jurisdiction fee	\$195.00	No change
		Fee per add'l jurisdiction	\$80.00	\$40.00
		Maximum Fee	\$675.00	No change
Rows 8, 17, 20 and 21	Exemptions and other applications in connection with a prospectus filing; issuer bid filings and take-over bid filings	First/local jurisdiction fee	\$195.00	No change
		Fee per add'l jurisdiction	\$165.00	\$ 82.50
		Maximum Fee	\$1,185.00	No change
Rows 9 to 11	Other short form prospectuses, shelf prospectuses and MJDS prospectus	First/local jurisdiction fee	\$390.00	No change
		Fee per add'l jurisdiction	\$230.00	\$115.00
		Maximum Fee	\$1,770.00	No change
Rows 12 and 14	Long form prospectus or prospectus governed by CPC instrument	First/local jurisdiction fee	\$715.00	No change
		Fee per add'l jurisdiction	\$425.00	\$212.50
		Maximum Fee	\$3,265.00	No change
Rows 13, 19 and 20	Rights offering material, going private transaction filings and related party transaction filings	First/local jurisdiction fee	\$325.00	No change
		Fee per add'l jurisdiction	\$230.00	\$ 115.00
		Maximum Fee	\$1,705.00	No change
Row 15	AIF if neither an investment fund nor a short form prospectus issuer	First/local jurisdiction fee	\$455.00	No change
Row 16	AIF, if a short form prospectus issuer (other than an investment fund)	First/local jurisdiction fee	\$2,655.00	No change

NRD system fees

Reference in Regulation 13-102	Category		Existing Charge	Proposed Fee
s. 5	NRD enrolment fee		\$500.00	No change
s. 6(2) and 7	NRD submission and annual systems fee	First/local jurisdiction fee	\$75.00	No change
		Fee per add'l jurisdiction	\$50.00	\$20.50
		Maximum Fee	\$325.00	\$321.00