

## CSA Notice of *Regulation 13-102 respecting System Fees for SEDAR and NRD*

July 18, 2013

### **Introduction**

We, the Canadian Securities Administrators (CSA), are adopting *Regulation 13-102 respecting System Fees for SEDAR and NRD* (the Regulation). We are also making related changes to:

- *Regulation 13-101 respecting System for Electronic Document Analysis and Retrieval (SEDAR)*,
- *Regulation 31-102 respecting National Registration Database*, and
- *National Instrument 55-102, System for Electronic Disclosure by Insiders (SEDI)*, (the Related Consequential Amendments).

The Regulation and Related Consequential Amendments are 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.

The Regulation 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.

The Regulation and Related Consequential Amendments are initiatives of the securities regulatory authorities in all Canadian jurisdictions. CSA members in the following jurisdictions have made, or expect to implement the Regulation via:

- rules in each of British Columbia, Ontario, New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island, the Northwest Territories, Nunavut and Yukon; and
- regulations in Alberta, Manitoba, Saskatchewan and Québec.

Provided all necessary approvals are obtained, the Regulation and Related Consequential Amendments will come into force on October 12, 2013. Where applicable, Annex A provides information about each jurisdiction's approval process.

### **Substance and Purpose**

The Regulation 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, and reduces overall fees

currently charged. System fees will continue, with the exception of NRD enrolment fees, to be paid on-line through SEDAR and NRD.

The Related Consequential 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 CGI Information Systems and Management Consultants Inc.

## **Background**

We published the Regulation and Related Consequential Amendments for comment on January 24, 2013. For additional background, including a comparison of the existing system fee schedules to the fees in the Regulation, please refer to the notice we published on January 24, 2013.

From a user perspective, we do not expect any significant changes to the current process for paying SEDAR and NRD fees.

## **Summary of Written Comments Received by the CSA**

The comment period for the Regulation and Related Consequential Amendments ended April 24, 2013. During the comment period, we received submissions from two commenters. We have considered the comments received and thank all of the commenters for their input. The names of commenters are contained in Annex B of this notice. The comment letters can be viewed on the Ontario Securities Commission website at [www.osc.gov.on.ca](http://www.osc.gov.on.ca). Both commenters were supportive of the filing fee reductions included in the Regulation, and neither suggested any changes to the Regulation or Related Consequential Amendments.

The commenters also took the opportunity to provide feedback on technical aspects of the CSA National Systems and their functionality. We thank the commenters for this feedback and have provided these technical comments to relevant CSA Staff for consideration in connection with the redevelopment of these systems. These technical comments do not affect the Regulation or the Related Consequential Amendments.

## **Summary of Changes to the Proposed Regulation**

We have made some revisions to the materials that were published for comment. Those revisions are reflected in the materials we are publishing concurrently with this notice. As these changes are not material, we are not republishing the Regulation or the Related Consequential Amendments for a further comment period.

In particular, we updated Section 4 of the Regulation to clarify that the SEDAR annual filing service charge applicable in the first calendar year after filing an initial filer profile is for the pro rated amount covering the month following the month in which the filer filed its initial filer profile through the remainder of that calendar year.

The text of the Regulation and the Related Consequential Amendments are being published concurrently with this notice.

## **Local Matters**

Annex A is being published in any local jurisdiction that is making related changes to local securities laws, including local notices or other policy instruments in that jurisdiction. It also includes any additional information that is relevant to that jurisdiction only.

## **Questions**

Please refer your questions to any of the following:

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## ANNEX A

### Local Matters

#### Alberta

In Alberta, the Regulation will be incorporated by reference in the Schedule – Fees of the *Securities Regulation*, Alta Reg. 115/95 as a result of an amendment to that regulation which will come into force on October 12, 2013. The Related Consequential Amendments are expected to come into force on October 12, 2013.

#### Manitoba

In Manitoba, the implementation of the Regulation will be by a regulation under *The Securities Act* (Manitoba). The Related Consequential Amendments will come into force on October 12, 2013.

#### Ontario

In Ontario, OSC Rule 31-509 *National Registration Database (Commodity Futures Act)* is being amended (the 31-509 Amendments) to reflect similar amendments being made to National Instrument 31-102 *National Registration Database*. The Ontario Securities Commission is of the view that the 31-509 Amendments do not materially change the existing rule. These amendments are published concurrently with this notice.

In Ontario, the Regulation, Related Consequential Amendments, 31-509 Amendments and other required materials were delivered to the Minister of Finance on July 17, 2013. The Minister may approve or reject the Regulation, Related Consequential Amendments and 31-509 Amendments or return them for further consideration. If the Minister approves the Regulation, Related Consequential Amendments and 31-509 Amendments or does not take any further action, they will come into force on October 12, 2013.

#### Québec

In Québec, the Regulation is made under section 331 of *The Securities Act* (Québec) and must be approved, with or without amendment, by the Government.

The Related Consequential Amendments are regulations made under section 331.1 of *The Securities Act* (Québec) and must be approved, with or without amendment, by the Minister of Finance. The Regulation and Related Consequential Amendments will come into force 15 days after the date of its publication in the *Gazette officielle du Québec* or on any later date indicated in the regulation.

**ANNEX B**

**List of Commenters**

<b>FIRM/ORGANIZATION</b>	<b>COMMENTER NAME(S)</b>
Portfolio Management Association of Canada	Katie Walmsley, Scott Mahaffy
RBC Dominion Securities Inc.; RBC Direct Investing Inc.; Royal Mutual Funds Inc.; RBC Global Asset Management Inc.; RBC Phillips, Hager & North Investment Counsel Inc.; and Phillips, Hager & North Investment Funds Ltd.	Kevin Bresler