

CSA Notice of Publication

Regulation to amend Regulation 13-102 respecting System Fees

July 10, 2025

Introduction

The Canadian Securities Administrators (the **CSA** or **we**) are adopting the amendments (the **Amendments**) to *Regulation 13-102 respecting System Fees* (**Regulation 13-102**)¹.

Provided all required approvals are obtained, the Amendments will come into force on November 28, 2025, in all CSA jurisdictions.

This notice is available on the websites of the following CSA jurisdictions:

www.bcsc.bc.ca

www.asc.ca

www.fcaa.gov.sk.ca

www.mbsecurities.ca

www.osc.ca

www.lautorite.qc.ca

www.fcnb.ca

nssc.novascotia.ca

Substance and Purpose

The CSA is introducing an updated system fee regime with annual increases in system fees over a 5-year period commencing in late November 2025. Under the Amendments:

- the total system fees collected by the CSA will increase,
- no new system fees are introduced,
- system fees remain established on a cost-recovery basis, and
- the flat-fee structure is retained.

¹ While the Manitoba Securities Commission is not a participant in Regulation 13-102, it is a participant in the system fee regime as a result of Regulation 158/2013 under *The Securities Act* (Manitoba). It is anticipated that the Amendments would be reflected in corresponding amendments to Regulation 158/2013.

We note that system fees fund the costs of the technology systems shared by CSA members and are separate from any regulatory or other fees a user may be required to pay in any province or territory.

Background

In 2019, the CSA proposed that Regulation 13-102 be repealed and replaced so that the principal and non-principal regulator system fees could be replaced with flat fees per filing type paid only to a filer's principal regulator. This change simplified the system fee regime for filers and was implemented when SEDAR+ went live in July 2023. This change also removed system fees for certain filing types and introduced some new fees. The system fee changes under this new structure, combined with changes in filing patterns, reduced the annual system fee revenue by 18%. As a result, fiscal 2024 system fee revenue was less than the fiscal 2013 system fee revenue.

Since this change was proposed in 2019, there has also been accelerated growth in IT labour costs for both IT system development and operations (including for SEDAR+). From 2021 to 2024, the labour costs for IT services increased between 35% and 45%, outpacing costs growth in other sectors². These IT labour costs are expected to continue increasing at a steady pace over the next few years.

Summary of the Amendments

The Amendments increase system fees to better align system fee revenues with projected national systems operating costs over the next 5 years.

To meet current national systems funding needs, the CSA will implement a 60% system fee increase in November 2025 and 3% increases in each of the following 4 years. These system fee increases are necessary to ensure sufficient funding to operate the CSA's national systems over the next 5 years. Since system fees continue to be based on the type and number of filings submitted and the number of individual registrants, the proportional fee increases will equitably impact all market segments.

We are reviewing whether the CSA can develop and operate national systems more effectively and efficiently. As part of that review, the CSA is developing a long-term strategic plan for the national systems that considers use of the latest technology tools and alternative operating models.

Summary of Written Comments Received by the CSA

During the comment period, we received submissions from 4 commenters. We have reviewed the comments received and thank the commenters for their input. The names of the commenters are contained in Annex B of this notice and a summary of their comments, together with our responses, are contained in Annex C of this notice. The comment letters can be viewed on the websites of the

² <https://www.gartner.com/en/documents/3996699>

The Gartner Labor Rate Tool provides rates for 30+ countries for a selection of IT services. It uses salary analysis, which sources salary data from 65,000 global sources including government salary data, job boards, and corporate sources to collect compensation data. North American parameters were used to assess labor rate increases.

Alberta Securities Commission at www.asc.ca, Ontario Securities Commission at www.osc.ca and Autorité des marchés financiers at www.lautorite.qc.ca.

Summary of Changes to the Draft Regulation

After carefully considering the comments received, we have not made any material revisions to the materials that were published for comment. However, we do take note of them for consideration in future system, budget and stakeholder engagement planning. We invite the commenters to view our responses set out in Annex C. As mentioned above, the system fee increases are required to ensure the sustainability of the CSA's national systems over the next 5 years.

WKSI-Related Amendments

As published for comment on September 21, 2023, the CSA plans on introducing an expedited shelf prospectus regime for well-known seasoned issuers (**WKSIs**) in Canada. The draft WKSI amendments include the introduction of system fees required upon the filing of a WKSI base shelf prospectus, which are aligned with the fees required for the filing of a preliminary shelf prospectus. Since the WKSI amendments are scheduled to come into force at the same time as the Amendments, the WKSI-related system fees have been added to the Amendments to Regulation 13-102.

List of Annexes

This notice contains the following annexes:

- Annex A – List of commenters
- Annex B – Summary of Comments and CSA Responses
- Annex C – Local matters – this annex is being published in any local jurisdiction that is making related changes to local securities laws, 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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<p><i>British Columbia Securities Commission</i></p> <p>Noreen Bent Chief, Corporate Finance Legal Services nbent@bcsc.bc.ca</p>	<p><i>British Columbia Securities Commission</i></p> <p>Ken Chow Senior Legal Counsel Corporate Finance Legal Services kchow@bcsc.bc.ca</p>
<p><i>Alberta Securities Commission</i></p> <p>Duncan Pardoe Legal Counsel, Office of the General Counsel Duncan.Pardoe@asc.ca</p>	<p><i>Financial and Consumer Services Commission Authority of Saskatchewan</i></p> <p>Sonne Udemgba, Director, Legal, Securities Division Financial and Consumer Affairs sonne.udemgba@gov.sk.ca</p>
<p><i>Manitoba Securities Commission</i></p> <p>Leigh-Anne Mercier General Counsel leigh-anne.mercier@gov.mb.ca</p>	<p><i>Ontario Securities Commission</i></p> <p>Ashley Hsu Legal Counsel, General Counsel’s Department ahsu@osc.gov.on.ca</p>
<p><i>Financial and Consumer Services Commission (New Brunswick)</i></p> <p>Ray Burke Manager, Corporate Finance ray.burke@fcnb.ca</p>	<p><i>Nova Scotia Securities Commission</i></p> <p>Doug Harris General Counsel, Director of Market Regulation and Policy and Secretary Doug.Harris@novascotia.ca</p>

ANNEX A
LIST OF COMMENTERS

1. IGM Financial Inc.
2. Fidelity Investments Canada ULC
3. The Canadian Independent Finance and Innovation Counsel
4. The Investment Funds Institute of Canada (now Securities and Investment Management Association or SIMA)

SUMMARY OF COMMENTS AND CSA RESPONSES

Draft Regulation to amend Regulation 13-102 respecting System Fees

This Annex summarizes the comments we received and our responses to those comments.

ITEM	TOPIC	SUMMARIZED COMMENT	CSA RESPONSE
1	Size of the fee increase	<p>Commenters generally expressed disappointment in the size of the proposed increase in the first year. Two noted that while the increase would be less than \$2,500 for 95% of filers, it would still be significant to some smaller, cost-sensitive filing organizations.</p> <p>The commenters also generally acknowledged the rising costs of information technology. All asked the CSA to consider the cumulative cost impact of proposed system fees and policy changes, and the impact of the change experienced by market participants.</p> <p>There were several suggestions on how to approach system fees, including deferring increases until all national systems have been modernized, spreading the first-year increase over five years and only doing gradual increases when warranted. All encouraged planning so significant increases are avoided in the future.</p> <p>Specific comments:</p> <ul style="list-style-type: none"> • We understand that the CSA is functioning on a cost-recovery basis and that the significant fee increases proposed in the Consultation are to recover exponential cost increases in the last few years for implementing and maintaining information 	<p>The CSA acknowledges the impact of the system fee increases on filing organizations.</p> <p>We take note of the comments regarding the cumulative impact of policy changes, and they will be considered in future planning.</p> <p>Before proposing the system fee changes, the CSA carefully examined all expenses and reduced national system spending to the point where additional reductions would negatively impact services in the short-term and the overall health and longevity of the national systems in the long-term.</p> <p>When the 2019 proposed flat filing fee structure was implemented in 2023, the filing patterns that year resulted in annual system fee revenue being reduced by 18%. As a result, fiscal 2024 system fee revenue was less than the fiscal 2013 system fee revenue.</p> <p>Additionally, from 2021 to 2024, the labour costs for IT services increased between 35% and 45%, outpacing costs growth in other sectors¹. These IT labour costs are</p>

¹ <https://www.gartner.com/en/documents/3996699>

The Gartner Labor Rate Tool provides rates for 30+ countries for a selection of IT services. It uses salary analysis, which sources salary data from 65,000 global sources including government salary data, job boards, and corporate sources to collect compensation data. North American parameters were used to assess labor rate increases.

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		<p>technology (IT) systems. It is important to note, however, that the industry has concerns with how SEDAR+ was developed and therefore expects the increased new fees will be used optimally.</p> <ul style="list-style-type: none"> • While we acknowledge the necessity of funding to address rising technology and cybersecurity costs and to support the CSA's national systems, we believe that the fee increases proposed would be onerous for the Investment Dealers we represent. • We note that there are other significant cost increases on the horizon for asset and wealth managers. In particular, the draft amendments to Regulation 31-103 and Policy Statement to implement Total Cost Reporting and the draft amendments to Regulation 81-106 and Policy Statement to replace the existing annual and interim MRFPs with new Fund Reports. • The Independent dealers we represent object to the burden of higher fees being placed on them in order to cover these past shortcomings in financial planning and forecasting. • For CSA staff to comment that "accelerated growth in IT labour costs for both system development and operations could not have been anticipated" is worrisome. 	<p>expected to continue increasing at a steady pace over the next few years. Therefore, the CSA must proceed with the proposed fee changes at this time.</p> <p>The CSA appreciates the benefit to market participants of understanding future fee increases. The proposed system fees include gradual inflationary increases for the 4 years that follow the larger increase in the first year, better aligning future system fees revenues with projected operating costs. This approach is intended to help moderate the impact of projected operating cost increases on market participants.</p>
2	Transparency and involvement of market participants in strategic discussions	All commenters requested greater transparency with respect to the CSA providing details on how collected system fees are allocated. They also requested that the CSA provide a list of existing system issues, a clear	The CSA is committed to working closely with market participants to ensure SEDAR+ and other future systems are developed with their direct input.

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		<p>timeline and ongoing updates about fixing issues and replacing systems. Industry Association commenters advocated for greater inclusion in the system planning process, to ensure the national systems meet as many market participant needs as possible.</p>	<p>We are transparent about system priorities and changes. In 2024, the CSA began publishing a list of open SEDAR+ items, workarounds and anticipated resolutions. With each quarterly SEDAR+ update, the CSA hosts an informational filer webinar about the latest changes and the fixes or improvements that are planned for future SEDAR+ system updates.</p> <p>For the last year we have hosted a monthly SEDAR+ User Community meeting for filers. The goal was to better understand the SEDAR+ filer experience, better address challenging filing issues and gather user insights. This group's ongoing contributions have added great value to our issue prioritization and resolution process. The SEDAR+ User Community meetings will continue in 2025.</p> <p>Additionally, this year the CSA is establishing an NRD User Community to provide input on current experiences with NRD and areas of improvement, and to explore how best to use the system for regulatory compliance and for registrants to run their businesses effectively.</p> <p>The CSA appreciates the varied perspectives and needs of national system users. In preparation for the launch of SEDAR+, the CSA increased industry stakeholder engagement. We are</p>

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			<p>committed to engaging national system users earlier in the development process for future national systems changes, with the intent of better understanding and meeting the ongoing and changing needs of those users.</p>
3	System funding model	<p>Three commenters felt that the CSA should bear the burden of some system costs, not just market participants. One commenter acknowledged the system fee reduction experienced in 2019. To ensure the sustainability of all market participants, one commenter recommended the introduction of a tiered fee structure that aligns fee increases with firm size, capacity to pay, and the value of the technological improvements made to the national systems.</p> <p>Specific comments:</p> <ul style="list-style-type: none"> • We appreciate the CSA's initiative in 2019 to simplify the system fees regime so that the principal and non-principal regulator system fees could be replaced with flat fees per filing type paid only to a filer's principal regulator which, combined with changes in filing patterns, resulted in an annual system fee reduction. • We believe that the CSA should consider paying the costs for SEDAR+ issues from each of the securities commissions' surplus funds, rather than placing this burden on the industry. • We recommend periodic reviews of the fee structure alongside system performance with industry 	<p>We acknowledge the suggestion to have system development funded by the CSA and that is a consideration in future national system planning.</p> <p>The CSA's national systems are operated on a cost recovery basis, primarily through system fees.</p> <p>To maintain a fair and transparent cost recovery approach, the CSA uses the flat per-filing system fee model, where fees increase proportionally based on system use. Filing organizations that have the smallest filing or registrant volumes and/or a lower filing frequency pay the lowest proportion of the fees being collected.</p> <p>In addition to the flat fee structure enabling fees to be based on filing behaviour and volume of system use, it streamlines fee payment administration for multi-jurisdictional filers and for the CSA.</p>

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		<p>input, to ensure it remains equitable and reflective of actual system costs and to ensure useability and value for market participants.</p>	
4	Importance of system modernization	<p>Three commenters mentioned the critical role that the national systems play in ensuring the transparency, efficiency and confidence in Canada’s capital markets. They also supported the CSA’s focus on cybersecurity and long-term efficiency.</p> <p>All commenters noted that the multi-year, multi-million system modernization project, SEDAR+, did not deliver on all expectations and market participants experience residual issues. Larger issues, specifically the large Investment Fund Group filings (fixed in November 2024), had resulted in increased time (thus costs) to file. Three commenters urged the CSA to address the most pressing concerns before implementing the system fee increases. One offered a suggestion on how SEDAR+ can be enhanced to reduce regulatory burden, by becoming a central repository for mandatory investment industry disclosure documents.</p> <p>Specific comments:</p> <ul style="list-style-type: none"> • We also find it difficult that the CSA can justify such a steep increase in fees when the performance of its new system SEDAR+ has not delivered on its expectations of enhanced usability. • For our team, it has caused a significant increase in the number of hours to complete filings, over 100 additional hours, and we have increased 	<p>We thank the commenters and acknowledge their comments of support for the CSA’s national systems.</p> <p>We also acknowledge that some aspects of SEDAR+ functionality have not fully met market participants’ expectations, and some issues have impacted filing organizations negatively.</p> <p>Since the SEDAR+ launch in 2023, the CSA has and continues to diligently work with vendors to address the system issues most impacting market participants.</p> <p>In November 2024, we made notable improvements to the “large investment fund group” SEDAR+ filing process. Overall, filing organizations have indicated that SEDAR+ performance has been getting better.</p> <p>We have replied directly to the one commenter who provided a list that included the large investment fund group and other SEDAR+ issues experienced by their filing organization. Over 90% of the issues, including those with the highest impacts, have been addressed. The remaining are being investigated and/or scheduled to be fixed.</p>

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		<p>the number of team members involved in our regulatory filings as a result.</p> <ul style="list-style-type: none">• We are thankful that the most significant challenges have been addressed. However, using SEDAR+ still present some challenges such as the search function and slow functionality, which need to be addressed so that the system meets investor and industry needs.	

ANNEX C

LOCAL MATTERS IN QUÉBEC

In Québec, the *Regulation to amend Regulation 13-102 respecting System Fees* also includes consequential amendments to draft *Regulation to amend Regulation 44-102 respecting Shelf Distributions* (“Regulation to amend Regulation 44-102”), which was published for consultation on September 21, 2023, and is subject to Ministerial approval. These consequential amendments, which are subject to government approval, are related to the eventual introduction of an expedited shelf prospectus regime for well-known seasoned issuers (WKSI). Subject to obtaining all necessary approvals, the coming into force of these consequential amendments should be concurrent to that of Regulation to amend Regulation 44-102.

1. Section 1 of Regulation 13-102 respecting System Fees (chapter V-1.1, r. 2.2) is amended by inserting, in paragraph (1) and after “system fee”, the following:

““WKSI base shelf prospectus” means a base shelf prospectus filed under Part 9B of Regulation 44-102 respecting Shelf Distributions.”.

2. Appendix A is amended by inserting, after the second line of Columns B and C of Item 9, the following:

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WKSI base shelf prospectus	\$2400	\$2472	\$2547	\$2624	\$2703
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