

CSA Notice and Request for Comment Proposed 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):

- proposed National Instrument 13-102 *System Fees for SEDAR and NRD* (NI 13-102), as set out in Annex A,
- proposed amendments to National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)* (NI 13-101), as set out in Annex C,
- proposed amendments to National Instrument 31-102 *National Registration Database* (NI 31-102), as set out in Annex D, and
- proposed amendments to National Instrument 55-102 *System for Electronic Disclosure by Insiders (SEDI)*, as set out in Annex E.

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. NI 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.

The text of NI 13-102 is contained in Annex A of this notice. Annex B of this notice compares the fees in the existing filing service charge schedules to the fees in NI 13-102. Other related proposed amendments are contained in Annexes C, D and E of 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 NI 13-102.

The proposed system fees in NI 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

NI 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 proposed 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 NI 13-102 sets out definitions used in the proposed Instrument. It also ensures that the proposed Instrument prevails over any conflicting provision in NI 13-101 or NI 31-102.

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

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

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

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

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 B.

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

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Montréal (Québec) H4Z 1G3
Fax : 514-864-6381
consultation-en-cours@lautorite.qc.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 Annexes

As described above, Annexes A, C and D contain the Proposed Material. Annex B compares the existing filing service charge schedules to the fees in NI 13-102.

Where applicable, Annex F contains local material.

Questions

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