

**MEMORANDUM OF UNDERSTANDING REGARDING  
OVERSIGHT OF THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA  
AMONG:**

**BRITISH COLUMBIA SECURITIES COMMISSION  
ALBERTA SECURITIES COMMISSION  
FINANCIAL AND CONSUMER AFFAIRS AUTHORITY OF SASKATCHEWAN  
MANITOBA SECURITIES COMMISSION  
ONTARIO SECURITIES COMMISSION  
NOVA SCOTIA SECURITIES COMMISSION  
FINANCIAL AND CONSUMER SERVICES COMMISSION OF NEW BRUNSWICK  
PRINCE EDWARD ISLAND OFFICE OF THE SUPERINTENDENT OF SECURITIES  
OFFICE OF THE SUPERINTENDENT OF SECURITIES, NORTHWEST  
TERRITORIES  
OFFICE OF THE SUPERINTENDENT OF SECURITIES, NUNAVUT  
OFFICE OF THE YUKON SUPERINTENDENT OF SECURITIES**

(each a **Recognizing Regulator** or RR, collectively the **Recognizing Regulators** or **RRs**)

To promote effective and efficient oversight of the Mutual Fund Dealers Association of Canada (**MFDA**), the Recognizing Regulators agree as follows:

**1. Underlying principles**

*a. Recognition*

Each of the RRs recognizes the MFDA as a self-regulatory organization or body under applicable legislation.

*b. Oversight program*

To ensure effective oversight of the MFDA's activities, the RRs to this Memorandum of Understanding (**MOU**) have developed an oversight program (the **Oversight Program**) that includes:

- i. communicating with the MFDA, as set out in section 4.
- ii. reviewing and approving Rule Changes (defined in section 2) of the MFDA, in accordance with the Joint Rule Review Protocol as set out in Appendix "B" (the **Protocol**).

iii. reviewing the MFDA's activities as set out in section 6.

The purpose of the Oversight Program is to ensure that the MFDA meets its public interest mandate, specifically, by complying with the terms and conditions of recognition and applicable securities legislation.

*c. Previous Memorandum of Understanding*

This MOU amends, restates and replaces the Memorandum of Understanding dated August 8, 2013 among the RRs concerning the oversight of the MFDA.

**2. Definitions**

"Approved Person" has the same meaning as that under the Rules.

"Board" has the same meaning as that under the Rules.

"Member" has the same meaning as that under the Rules.

"Principal Regulator" or "PR" means the RR designated as such from time to time by consensus of the RRs.

"Rules" means the by-laws, rules, regulations, policies, forms and other similar instruments of the MFDA, and a "Rule" means any one of these.

"Rule Change" means a new Rule, or an amendment, a revocation or a suspension of an existing Rule.

**3. General provisions**

*a. Oversight Committee*

An oversight committee (the **Oversight Committee**) has been established to act as a forum to discuss issues, concerns and proposals related to the oversight of the MFDA.

The Oversight Committee includes representatives from each of the RRs.

The Oversight Committee provides an annual written report to the Canadian Securities Administrators (the **CSA**) Chairs that will include a summary of all oversight activities carried out during the previous period.

*b. Status meetings*

The PR will organize quarterly conference calls and annual in-person meetings:

- i. of the Oversight Committee to discuss matters relating to the oversight of the MFDA and other matters that are of interest to the RRs and the MFDA, and
- ii. between the Oversight Committee and MFDA staff.

The PR will record minutes of these meetings and calls.

#### **4. Communication with the MFDA**

RRs will strive to communicate with the MFDA through the PR.

#### **5. Review and approval or non-objection to MFDA Rules**

The RRs have entered into the Protocol to establish uniform procedures relating to the review and approval of or non-objection to Rule Changes proposed by the MFDA.

#### **6. Oversight reviews**

The RRs will carry out reviews of MFDA offices when necessary for the purposes of assessing compliance with the terms and conditions of recognition.

The RRs agree to carry out coordinated reviews using a national assessment tool and the coordinated oversight review process described in Appendix "A".

Those RRs who participate in an oversight review (**Reviewing Regulators**) will follow the steps and target completion dates outlined in the work plan established in the oversight review process, including fact checking and other communications with the MFDA.

## **7. Disagreement between Recognizing Regulators**

The process for approval of Rule Changes, including resolving disagreements about Rule Changes, is set out in the Protocol.

All other disagreements that cannot be resolved through discussions among staff of the RRs will be resolved as follows:

- i. Within 10 business days of becoming aware of the disagreement, staff of the PR will use their best efforts to arrange for senior staff of the RRs to discuss the issues and attempt to reach a consensus.
- ii. If, after discussions, senior staff of the RRs are unable to reach a consensus, staff of the PR will, as soon as practicable, elevate the disagreement to the CSA's Policy Coordination Committee for policy matters, the Executive Directors' Committee for operational matters, or such other process as agreed to by staff of the RRs.

## **8. Protocol**

The appendices are integral parts of this MOU.

## **9. Amendments to and withdrawal from this MOU**

The RRs may amend this MOU from time to time. The duly authorized representative of each RR must approve any amendment to this MOU and such amendment must be in writing.

An RR may withdraw from this MOU with at least 90 days written notice to each other RR.

## **10. Effective date**

This MOU comes into effect on April 1, 2020.

**BRITISH COLUMBIA SECURITIES COMMISSION**

Per: \_\_\_\_\_


Title: \_\_\_\_\_

**ALBERTA SECURITIES COMMISSION**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**FINANCIAL AND CONSUMER AFFAIRS AUTHORITY OF SASKATCHEWAN**

Per:  \_\_\_\_\_

Title: Chair & CEO \_\_\_\_\_

**MANITOBA SECURITIES COMMISSION**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**ONTARIO SECURITIES COMMISSION**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**OFFICE OF THE SUPERINTENDENT OF SECURITIES, SERVICE NEWFOUNDLAND AND LABRADOR**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**NOVA SCOTIA SECURITIES COMMISSION**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**FINANCIAL AND CONSUMER SERVICES COMMISSION OF NEW BRUNSWICK**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**PRINCE EDWARD ISLAND OFFICE OF THE SUPERINTENDENT OF SECURITIES**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**OFFICE OF THE SUPERINTENDENT OF SECURITIES, NORTHWEST TERRITORIES**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**OFFICE OF THE SUPERINTENDENT OF SECURITIES, NUNAVUT**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**OFFICE OF THE YUKON SUPERINTENDENT OF SECURITIES**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

## **Appendix A**

### **Oversight Reviews**

The Recognizing Regulators will carry out periodic oversight reviews of the MFDA's offices for the purposes of: (i) evaluating whether selected regulatory processes are effective, efficient, and are applied consistently and fairly; and (ii) assessing compliance with the terms and conditions of recognition.

A Recognizing Regulator may choose to participate in a coordinated review of an MFDA office depending on the functions carried out in that office, or may choose to rely on another Recognizing Regulator for the review of an MFDA office. In cases where a Recognizing Regulator chooses not to review the MFDA office in its jurisdiction, the other Recognizing Regulators may conduct a review of that MFDA office.

Each Recognizing Regulator may also perform an independent review of the MFDA to deal with significant and/or local issues. Any Recognizing Regulator who intends to perform such a review will notify staff of the other Recognizing Regulators prior to conducting such a review.

The Recognizing Regulators who choose to participate in an oversight review are considered to be "Reviewing Regulators" for the purposes of this Appendix A.

The scope of the review will be determined by utilizing a risk-based methodology established and agreed upon by staff of the Reviewing Regulators.

When conducting a coordinated review, the Reviewing Regulators will use best efforts to adhere to the following within any timelines established among themselves:

- 1) The Reviewing Regulators will establish and agree on a work plan for the coordinated review that sets the target completion date for each step, including conducting the review, reviewing draft reports, confirming factual accuracy, translating and publishing the final report, and follow-up plans.
- 2) The coordinated review of the MFDA's offices will be conducted at the same time and, for each MFDA office, a Reviewing Regulator will be designated as the regulator who has overall responsibility for the review of that office.
- 3) The Reviewing Regulators will develop and use a uniform review program and uniform performance benchmarks to conduct the coordinated review and will ensure the review is appropriately staffed in their respective jurisdiction.

- 4) The Principal Regulator will, as needed, arrange for communication among the Reviewing Regulators during the course of a review, to discuss the progress of the work completed and to ensure appropriate consistency in the Reviewing Regulators' approach.
- 5) Each Reviewing Regulator will share with all other Reviewing Regulators the results of its review, including draft findings and, upon request, supporting materials.
- 6) Unless otherwise agreed upon, the Principal Regulator will draft a review report and share it among the Reviewing Regulators to ensure it meets all of their expectations and requirements, as applicable. The review report will:
  - a) take into account the draft findings and comments of the Reviewing Regulators, and
  - b) use a common set of criteria to rate the significance and urgency of findings.
- 7) After the Reviewing Regulators are mutually satisfied with the draft review report, the Principal Regulator will forward the draft review report to the MFDA to confirm factual accuracy.
- 8) The MFDA will review the draft review report for factual accuracy and respond to the Reviewing Regulators with comments.
- 9) The Reviewing Regulators will consider the MFDA's comments and revise the review report as necessary.
- 10) The Principal Regulator will send the revised review report to the MFDA for its formal response.
- 11) On receipt of the MFDA's formal response, the Reviewing Regulators will incorporate such formal response and any follow-up plans to the review report as applicable.
- 12) Each Reviewing Regulator will seek the necessary internal approval to publish the final review report, taking into account language translation needs where applicable.
- 13) When each Reviewing Regulator has obtained the necessary internal approvals, the Principal Regulator will, and the other Reviewing Regulators may, publish the final review report.

## Appendix B

### Joint Rule Review Protocol

#### 1. Scope and purpose

The “RRs have entered into this Protocol to establish uniform procedures for their review of and decision-making about Rule Changes proposed by the MFDA.

#### 2. Classifying Rule Changes

- (a) **Classification.** The MFDA will classify each proposed Rule Change as “housekeeping” or “public comment”.
- (b) **Housekeeping Rule Changes.** A “housekeeping” Rule Change is a Rule Change that has no material impact on investors, issuers, registrants, the MFDA, the MFDA Investor Protection Corporation (“MFDA IPC”) or the Canadian capital markets generally and that:
  - (i) makes necessary changes of an editorial nature (such as correcting a textual mistake or inaccurate cross-reference, correcting a translation, making a formatting change, or standardization of terminology),
  - (ii) changes the routine internal processes, practices, or administration of the MFDA,
  - (iii) is necessary to conform to applicable securities legislation, statutory or legal requirements, accounting or auditing standards, or to other MFDA Rules (including those that the RRs have approved or non-objected to, but which the MFDA has not yet made effective), or
  - (iv) establishes or changes a due, fee or other charge imposed by the MFDA under a Rule that the RRs have previously approved or non-objected to.
- (c) **Public comment Rule Changes.** A “public comment” Rule Change is any Rule Change that is not a housekeeping Rule Change.
- (d) **RRs’ disagreement with classification.** If staff of an RR thinks the MFDA incorrectly classified a proposed Rule Change as housekeeping, the RRs and the MFDA will use best efforts to adhere to the following:
  - (i) within 5 business days of the date of the MFDA’s filing under section 3, staff of the RR who intends to disagree with the classification will advise staff of the other RRs, in writing, that they intend to disagree and provide reasons for its intended disagreement.



- (ii) within 3 business days of receiving or sending a notice of disagreement, staff of the Principal Regulator (“PR”) will discuss the classification, and may arrange a conference call, with staff of the other RRs and, as applicable, the MFDA .
- (iii) if disagreement with the classification still exists after any such discussion, staff of the PR will notify the MFDA of the disagreement, in writing, with a copy to staff of the other RRs within 10 business days of the date of the MFDA’s filing.
- (iv) if staff of the PR sends a notice of disagreement to the MFDA under paragraph 2(d)(iii), the MFDA will reclassify the proposed Rule Change as a public comment Rule Change or withdraw the proposed Rule Change by filing a written notice with staff of the RRs indicating that it will be withdrawing the Rule Change.
- (v) if the MFDA does not receive any such notice of disagreement within 10 business days of the date of the MFDA’s filing, the MFDA will assume that staff of the RRs agree with the classification.

### 3. Required Filings

- (a) **Language requirements.** Upon request, the MFDA will file the information required under this section concurrently in both English and French, accompanied with a translation certificate.
- (b) **Filings for housekeeping Rule Changes.** The MFDA will file the following information with staff of the RRs for each proposed housekeeping Rule Change:
  - (i) a cover letter that indicates the classification of the proposed Rule Change and the applicable provisions in subsection 2(b),
  - (ii) the Board resolution, including the date that the proposed Rule Change was approved and a statement that the Board has determined that the proposed Rule Change is in the public interest,
  - (iii) the text of the proposed Rule Change and, where applicable, a blacklined version showing the changes to an existing Rule, and
  - (iv) a notice for publication including:
    - (A) a brief description of the proposed Rule Change,
    - (B) the reasons for the housekeeping classification,
    - (C) the anticipated effective date of the proposed Rule Change,

- (D) a statement as to whether the proposed Rule Change involves a Rule that the MFDA, its Members or Approved Persons must comply with in order to be exempted from a requirement of securities legislation and any applicable references to such requirement,
- (E) confirmation that the MFDA followed its established internal governance practices in approving the proposed Rule Change and considered the need for consequential amendments, and
- (F) a statement as to whether the proposed Rule Change conflicts with applicable laws or the terms and conditions of the MFDA's recognition.

(c) **Filings for public comment Rule Changes.** The MFDA will file the following information with staff of the RRs for each proposed public comment Rule Change:

- (i) a cover letter that indicates the classification of the proposed Rule Change,
- (ii) the Board resolution, including the date that the proposed Rule Change was approved, and a statement that the Board has determined that the proposed Rule Change is in the public interest,
- (iii) the text of the proposed Rule Change, and, where applicable, a blacklined version showing the changes to an existing Rule, and
- (iv) a notice for publication including:
  - (A) Information that must be included:
    - a. a concise statement, together with supporting analysis (including applicable quantitative analysis), of the nature, purpose and effect (including any regional-specific effect) of the proposed Rule Change,
    - b. an explanation as to how the MFDA has taken the public interest into account when developing the Rule Change and the anticipated effects of the proposed Rule Change on investors, issuers, registrants, the MFDA, the MFDA IPC and the Canadian capital markets generally,
    - c. a description of the Rule Change,

- d. a description of the Rule-making process, including the context in which the MFDA developed the proposed Rule Change, the process followed and the consultation process undertaken when developing the Rule Change,
- e. the anticipated effective date of the proposed Rule Change,
- f. a request for public comment together with details on how to submit comments within the comment period deadline, and a statement that the MFDA will publish all comments received during the comment period on its public website,
- g. the items in subparagraphs 3(b)(iv)(D), (E) and (F).

(B) Information that must be included, if relevant:

- a. where the proposed Rule Change requires investors, issuers, registrants, the MFDA, or the MFDA IPC to make technological systems changes, a description of the implications of the proposed Rule Change and, where possible, a discussion of material implementation issues and plans,
- b. any issues considered and any alternative approaches considered, including the reasons for rejecting those alternative approaches,
- c. a reference to other jurisdictions including an indication as to whether another regulator in Canada, the United States or another jurisdiction has a comparable requirement or is contemplating making a comparable requirement and, if applicable, a comparison of the proposed Rule Change to the requirement of the other jurisdiction,

#### **4. Review criteria**

Without limiting the discretion of the RRs, the RRs agree that the following are factors that staff of the RRs should consider when reviewing proposed Rule Changes:

- (a) whether the MFDA has provided sufficient analysis of the nature, purpose and effect of a proposed Rule Change,
- (b) whether the proposed Rule Change conflicts with applicable laws or the terms and conditions of the MFDA's recognition, and
- (c) whether a proposed Rule Change is in the public interest.

## 5. Review and approval process for housekeeping Rule Changes

- (a) **Confirming receipt.** Upon receipt of the materials filed under subsection 3(b), staff of the PR will, as soon as practicable, send written confirmation of receipt of the proposed housekeeping Rule Change to the MFDA, with a copy to staff of the other RRs.
- (b) **Approval.** Except where a notice of disagreement has been sent to the MFDA in accordance with paragraph 2(d)(iii), the proposed Rule Change will be deemed approved or non-objected to on the eleventh business day following the date of the MFDA's filing under section 3.

## 6. Review process for public comment Rule Changes

- (a) **Confirming receipt.** Upon receipt of the materials filed under subsection 3(c), staff of the PR will, as soon as practicable, send written confirmation of receipt of the proposed public comment Rule Change to the MFDA, with a copy to staff of the other RRs.
- (b) **Publication and public comment period.** As soon as practicable, staff of the PR and the MFDA will, and staff of the other RRs may:
  - (i) coordinate a publication date among themselves, and
  - (ii) publish on their respective public websites or bulletin the materials referred to in paragraphs 3(c)(iii) and (iv) for the comment period recommended by the MFDA, commencing on the date the proposed public comment Rule Change appears on the public website or in the bulletin of the PR.
- (c) **Publishing and responding to public comments.** Within 3 business days of the end of the subsection 6(b) comment period, the MFDA will publish any public comments on its public website, if it has not already done so. The MFDA will also prepare a summary of public comments and responses to those public comments, if any, and send them to staff of the RRs within any timelines established by staff of the RRs.
- (d) **RR review.** After the subsection 6(b) comment period has ended, and, if applicable, the MFDA has provided the summary and responses required by subsection 6(c), staff of the RRs will, in writing, provide any significant comments to staff of the other RRs within any timelines established among themselves.
- (e) **RRs have no comments.** If staff of the PR does not receive or have any significant comments within the period provided for under subsection 6(d), staff of the RRs will be deemed not to have any comments and proceed immediately to the approval or non-objection process in section 8.

- (f) **RRs have comments.** If staff of the PR receives or has significant comments within the period provided for under subsection 6(d), staff of the RRs and, as applicable, the MFDA will use best efforts to adhere to the following process using timelines established among themselves:
- (i) after the end of the period provided for under subsection 6(d), staff of the PR will prepare and send to staff of the other RRs a draft comment letter that incorporates their own significant comments and the significant comments raised by staff of the other RRs and may, if deemed necessary, identify different views among staff of the RRs,
  - (ii) staff of the RRs will provide any significant comments on the draft comment letter, in writing, to staff of the PR and the other RRs; if staff of the PR does not receive any such comments within the timelines agreed upon, staff of the other RRs will be deemed not to have any comments,
  - (iii) following the other RRs' response (or deemed response), staff of the PR will consolidate all comments received and, when finalized to the satisfaction of staff of the RRs, send the comment letter to the MFDA, with a copy to staff of the other RRs,
  - (iv) the MFDA will respond, in writing, to the comment letter sent by staff of the PR, with a copy to staff of the other RRs,
  - (v) after receiving the MFDA's response, staff of the RRs will provide any significant comments, in writing, to staff of the other RRs; if staff of the PR does not receive or have any such comments within the timelines agreed upon, staff of the RRs will:
    - (A) be deemed not to have any comments, and
    - (B) proceed immediately to the approval or non-objection process in section 8,
  - (vi) staff of the RRs and, as applicable, the MFDA will follow the process in paragraphs 6(f)(i) to (v) when staff of the RRs have significant comments on the MFDA's response to any comment letter,
  - (vii) staff of the PR will attempt to resolve any issues that staff of the RRs have raised on a timely basis and will consult with staff of the other RRs or the MFDA, as needed,
  - (viii) if staff of the RRs disagree about the substantive content of the comment letter in paragraph 6(f)(i) or whether to recommend approval

of or non-objection to the Rule Change, staff of the PR will invoke section 12, and

- (ix) if the MFDA fails to respond to comments of staff of the RRs within 120 days of receipt of the most recent comment letter from staff of the RRs (or such other time agreed upon by staff of the RRs), the MFDA may withdraw the Rule Change in accordance with section 13 or staff of the RRs will, if they agree among themselves to do so in writing, recommend that their respective decision makers object to or not approve the Rule Change.

## 7. **Revising and republishing public comment Rule Changes**

- (a) **Revising Rule Changes.** If, subsequent to its publication for comment, the MFDA revises a public comment Rule Change in a manner that changes the proposed Rule Change's substance or effect in a material way, staff of the PR may, in consultation with the MFDA and staff of the other RRs, require the revised Rule Change to be republished for an additional comment period. Upon republication, the previously published Rule Change will be superseded.
- (b) **Published documents.** If a public comment Rule Change is republished under subsection 7(a), the revised request for comments will include, as applicable, a blacklined version showing the changes to the original published version, the date of Board approval (if different from the original published version), the MFDA's summary of public comments received and responses for the previous request for comments, together with an explanation of the revisions to the Rule Change and the supporting rationale for the revisions.
- (c) **Applicable provisions.** Any republished public comment Rule Change will be subject to all provisions in this Protocol applicable to public comment Rule Changes, except where otherwise provided for in this Protocol.

## 8. **Approval process for public comment Rule Changes**

- (a) **PR seeks approval.** Staff of the PR will use their best efforts to seek approval of or non-objection to the Rule Change within 30 business days of the end of the review process set out in section 6.
- (b) **PR circulates documents.** After the PR makes a decision about a Rule Change, staff of the PR will promptly circulate to staff of the other RRs applicable documentation relating to the PR's decision.
- (c) **Other RRs seek approval.** Staff of the other RRs will use their best efforts to seek approval or non-objection within 30 business days of receipt of applicable documentation from staff of the PR.

- (d) **Other RRs communicate decision to PR.** Staff of each RR will promptly inform staff of the PR in writing after a decision about the Rule Change has been made.
- (e) **PR communicates decision to the MFDA.** Staff of the PR will promptly communicate to the MFDA, in writing, the decision about the Rule Change, including any conditions, upon receipt of notification of the other RRs' decisions.

## 9. **Effective date of Rule Changes**

- (a) **Public comment Rule Changes.** Public comment Rule Changes (other than Rule Changes implemented under section 11) will be effective on the later of:
  - (i) the date the PR publishes the notice of approval or non-objection in accordance with subsection 10(a), and
  - (ii) the date designated by the MFDA under subparagraph 3(c)(iv)(A).
- (b) **Housekeeping Rule Changes.** Housekeeping Rule Changes will be effective on the later of:
  - (i) the date of deemed approval or non-objection in accordance with subsection 5(b), and
  - (ii) the date designated by the MFDA under subparagraph 3(b)(iv)(C).
- (c) **Failing to make a Rule Change effective within one year.** The MFDA will advise staff of the RRs in writing if it has not made a Rule Change effective within one year of receiving approval or non-objection from the RRs, and will include the following information:
  - (i) the reasons it has not yet made the Rule Change effective,
  - (ii) the MFDA's projected timeline for making the Rule Change effective, and
  - (iii) the impact on the public interest of not making the Rule Change effective within one year.

## 10. **Publishing notice of approval**

- (a) **Public comment Rule Changes.** For any public comment Rule Change, staff of the PR and the MFDA will both publish a notice of approval of or non-objection on their respective public websites, together with:

- (i) if applicable, the MFDA's summary of comments received and responses,
- (ii) if changes were made to the version published for public comment, a blacklined version of the revised Rule Change compared to the previously published public comment Rule Change, and
- (iii) if requested, a blacklined version to the existing Rule.

(b) **Housekeeping Rule Changes.** For any housekeeping Rule Change, staff of the PR will prepare a notice of deemed approval or non-objection and both the PR and the MFDA will publish the notice, together with the materials referred to in paragraphs 3(b)(iii) and (iv), on their respective public websites.

## 11. Immediate implementation

(a) **Criteria for immediate implementation.** If the MFDA reasonably thinks there is an urgent need to implement a proposed public comment Rule Change because of a substantial risk of material harm to investors, issuers, registrants, other market participants, the MFDA, the MFDA IPC or the Canadian capital markets generally, the MFDA may make the proposed public comment Rule Change effective immediately, subject to subsection 11(d), and provided that:

- (i) The MFDA provides staff of each RR with written notice of its intention to rely upon this procedure at least 10 business days before the Board considers the proposed public comment Rule Change for approval, and
- (ii) The MFDA's written notice in paragraph 11(a)(i) includes:
  - (A) the date on which the MFDA intends the proposed public comment Rule Change to be effective, and
  - (B) an analysis in support of the need for immediate implementation of the proposed public comment Rule Change.

(b) **Notice of disagreement.** If staff of an RR does not agree that immediate implementation is necessary, staff of the RRs and, as applicable, the MFDA will use best efforts to adhere to the following:

- (i) Staff of the RR which disagrees with the need for immediate implementation will, within 5 business days after the MFDA provides notice under subsection 11(a), advise staff of the other RRs in writing that they disagree and provide the reasons for their disagreement.



- (ii) Staff of the PR will promptly notify the MFDA of the disagreement in writing.
  - (iii) Staff of the MFDA and staff of the RRs will discuss and attempt to resolve any concerns raised on a timely basis but, if the concerns are not resolved to the satisfaction of staff of all RRs, the MFDA cannot immediately implement the proposed public comment Rule Change.
- (c) **Notice of no disagreement.** Where there is no notice of disagreement under and within the timelines set out in paragraph 11(b)(i), or where concerns have been resolved under paragraph 11(b)(iii), staff of the PR will immediately provide written notice of no disagreement to the MFDA, with a copy to staff of the other RRs, indicating that it may now seek Board approval to immediately implement the proposed public comment Rule Change.
- (d) **Effective date.** Proposed public comment Rule Changes that the MFDA immediately implements in accordance with section 11 will be effective on the later of the following:
  - (i) the date the Board approves the Rule Change, and
  - (ii) the date designated by the MFDA in its written notice to staff of the RRs.
- (e) **Subsequent review of Rule Change.** A public comment Rule Change that is implemented immediately will subsequently be published, reviewed, and approved or non-objected to in accordance with the applicable provisions of this Protocol.
- (f) **Subsequent disapproval of Rule Change.** If the RRs subsequently object to or do not approve a public comment Rule Change that the MFDA immediately implemented, the MFDA will promptly repeal the public comment Rule Change and inform its Members of the RRs' decision.

## 12. Disagreements

If any disagreement, either among the RRs or between the RRs and the MFDA, about a matter arising out of or relating to this Protocol cannot be resolved through discussions, staff of the RRs will use best efforts to adhere to the following using timelines established among themselves:

- (a) Staff of the PR will arrange for senior staff of the RRs to discuss the issues and attempt to reach a consensus.
- (b) If, following such discussions, a consensus is not reached, staff of the PR will escalate the disagreement as applicable and, ultimately, to the RRs' Chairs or

other senior executives of the RRs or such other process as agreed to by staff of the RRs.

- (c) If, following such escalation, a consensus is not reached, the MFDA may withdraw the Rule Change in accordance with section 13 or staff of the RRs will recommend that their respective decision makers object to or not approve the Rule Change.

### **13. Withdrawing Rule Changes**

- (a) **Filing notice of withdrawal.** If the MFDA withdraws a proposed public comment Rule Change that the RRs have not yet approved or non-objected to, the MFDA will file with staff of the RRs a written notice indicating that it will be withdrawing the Rule Change.
- (b) **Contents of notice of withdrawal.** The written notice in subsection 13(a) must contain:
  - (i) the reason the MFDA submitted the proposed Rule Change,
  - (ii) any date that the Board and, if applicable, Members approved the proposed Rule Change,
  - (iii) any prior publication dates,
  - (iv) the Board resolution supporting the withdrawal of the proposed Rule Change, if applicable,
  - (v) the reasons the MFDA is withdrawing the proposed Rule Change, and
  - (vi) the impact of withdrawing the proposed Rule Change on the public interest.
- (c) **Publishing notice of withdrawal.** Where the proposed Rule Change being withdrawn had previously been published for comment under subsection 6(b), staff of the PR and the MFDA will both publish a notice on their public websites stating that the MFDA will be withdrawing the proposed Rule Change, together with the reasons the MFDA is withdrawing the proposed Rule Change.

### **14. Revoking or rescinding Rule Change approvals**

- (a) **Filing notice.** If the MFDA decides not to make effective a proposed Rule Change that the RRs have approved or non-objected to, the MFDA will file with staff of the RRs a written notice indicating that it will not be making the Rule Change effective, which contains the following:

- (i) the purpose of the current Rule, if applicable,
  - (ii) the reason the MFDA submitted the proposed Rule Change,
  - (iii) the dates that the Board, the RRs and, if applicable, Members approved or non-objectioned to the proposed Rule Change,
  - (iv) the reasons for why the MFDA is not making the proposed Rule Change effective, and
  - (v) the impact on the public interest of not making the proposed Rule Change effective.
- (b) **Revoking approvals.** Staff of the RRs and staff of the MFDA will follow the steps in subsection 6(f) and sections 8 and 12, as needed and as applicable, when revoking or rescinding their approvals of or non-objections to the MFDA's proposed Rule Change.
- (c) **Publishing notice.** After the RRs have revoked or rescinded their approvals or non-objections under subsection 14(b):
- (i) the MFDA will publish a notice on its website indicating that it will not be making the proposed Rule Change effective, which includes a brief history of and the reasons for not making the proposed Rule Change effective, and
  - (ii) staff of the PR will prepare and publish a notice of revocation or rescission of the approval or non-objection to the proposed Rule Change, which refers to the MFDA's notice in paragraph 14(c)(i).

## 15. Reviewing and amending Protocol

Staff of the RRs will, when they agree it is necessary to do so, conduct a joint review of the operation of this Protocol in order to identify issues relating to:

- (a) the effectiveness of this Protocol,
- (b) the continuing appropriateness of the timelines and other requirements set out in this Protocol, and
- (c) any necessary or desirable amendments to this Protocol.

## 16. Waiving or varying Appendix B

- (a) **MFDA request.** The MFDA may file a written request with the RRs to waive or vary any part of this Protocol and, in such a case, the RRs will use best

efforts to adhere to the following using timelines established among themselves:

- (i) an RR who objects to the granting of the waiver or variation will, in writing, notify the other RRs of its objection, together with the reasons for its objection. If the PR does not receive or send any notice of objection within the agreed upon timelines, the other RRs are deemed to not object to the waiver or variation.
  - (ii) the PR will provide written notice to the MFDA as to whether or not the waiver or variation has been granted.
- (b) **RR request.** The RRs may waive or vary any part of this Protocol if all of the RRs agree in writing to such waiver or variation.
- (c) **General.** A waiver or variation may be specific or general and may be made for a time or for all time as mutually agreed to by the RRs.

## **17. Publishing materials**

If staff of the PR publishes any materials under this Protocol, staff of the other RRs may also publish the same materials, and in such a case, staff of the PR will coordinate the publication date with staff of the other RRs.