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## Integrated Fee Model

### Executive Summary

The Canadian Securities Administrators (**CSA**) have approved CIRO's proposed integrated fee model (**Fee Model**) and related amendments to the Mutual Fund Dealer Rules (**MFD Rules**), which were originally published for public comment in CIRO Bulletin 24-0154. The new Fee Model will be effective April 1, 2025.

### Background

CIRO currently operates two separate fee models to recover costs from Mutual Fund Dealer Members and from Investment Dealer and Marketplace Members (the **Interim Fee Models**), which are based on the fee models that were in place at the legacy organizations<sup>1</sup> with necessary modifications to align administration of fees. Dealer Members who are registered as both an investment dealer and a mutual fund dealer pay fees under both Interim Fee Models. The Interim Fee Models were to be maintained and administered until such time as an integrated fee model is developed.

On April 25, 2024 CIRO published for comment the Fee Model, which covered changes to the following:

- Annual Dealer Member Fee,
- Membership Application Fees and Fees for Dealer Member Business Changes,
- Qualified Market Maker Discount within the Equity Market Regulation Fee Model.

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<sup>1</sup> The Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA)

## Comments Received

Comments from 15 stakeholders were received in response to the CIRO Bulletin 24-0154. The summary of these comments and our responses are provided in Appendix F to this notice.

## Description of Non-Material Changes

Following the review of comments received, CIRO has made the following non-material revisions to the Fee Model and MFD Rules, which were approved by CIRO's President and Chief Executive Officer:

- Reduced rates and minor terminology revisions for clarity in Section 1 Entrance Fees, and related table regarding the Annual Fee for New Members in Section 7.
- Clarifying update to table in Section 6 Minimum Dealer Regulation Fee Component.
- Reduced rates and simplified structure for fees for business changes in Sections 10 through 12,
- Minor terminology revisions for clarity in the MFD Rules 7.4.8(e), 8.1.5 and 8.6.

Blacklined versions of these non-material changes to the Fee Model published in April 2024 are included in Appendix B.

## Transitional Clarifications

Necessary updates to Frequently Asked Questions will be provided<sup>2</sup>.

The following clarifications are provided for applications and business changes accepted prior to April 1, 2025 under the Interim Fee Models and approved after March 31, 2025, under the new Fee Model.

### New Membership Applications

We will be contacting applicants who have a new membership application in process on April 1, 2025 to explain how the new Fee Model will apply in their circumstances.

### Business Changes

Fees related to business changes will apply to applications accepted after April 1, 2025.

Extraordinary Costs and Expenses, where applicable and charged after March 31, 2025, will be calculated in accordance with Section 19 and rates in related Sections 1, 10, 11 and 12 of the new Fee Model.

## Implementation

The Fee Model will become effective on **April 1, 2025**.

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<sup>2</sup> [Fee Models](#)

## **Appendices**

**Appendix A** – Fee Model (blacklined to existing Interim Fee Model)

**Appendix B** – Fee Model (blacklined to April 25, 2024 proposal publication)

**Appendix C** – Fee Model (clean)

**Appendix D** – MFD Rules 1, 3, 7 & 8 (clean and blacklined to existing)

**Appendix E** – MFD Rules 7 & 8 (clean and blacklined to April 25, 2024 proposal publication)

**Appendix F** – Summary of comments received and CIRO's responses

**INTERIM FEE MODEL GUIDELINES**

**APPLICABLE TO INVESTMENT DEALER MEMBERS AND MARKETPLACE MEMBERS**

**EFFECTIVE ~~JANUARY~~ APRIL 1, 2023 ~~2025~~**

**TABLE OF CONTENTS**

INTRODUCTION .....	1
DEALER MEMBER FEE MODEL.....	1
Entrance Fee .....	1
Annual Fee .....	1
4.— Revenue Component.....	2
5.— Approved Person Fees Component .....	2
6.— Minimum Dealer Regulation Fee Component.....	2
7.— Annual Fee for New Members .....	2
Payment of Annual Fee .....	3
8.— Quarterly Payments .....	3
9.— Payment of Annual Fee on Acquisition of Dealer Member .....	3
Underwriting Levies.....	3
10.— Interpretation.....	3
11.— Levy .....	5
12.— Responsible Dealers.....	6
13.— Discretion of the Board.....	7
General.....	7
14.— Assessment .....	7
15.— Effect of Non-Payment of Fees .....	7
16.— Extraordinary Costs and Expenses .....	8
17.— Additional Fees Payable by Dealer Members.....	8
EQUITY MARKET REGULATION FEE MODEL .....	9
Entrance and Set-Up Fees.....	9
18.— Dealer Member Application Fees .....	9
19.— Regulation Services Agreement Fee .....	9
20.— Information Technology Fee.....	9
21.— Marketplace-Specific Costs .....	10
Monthly Equity Market Regulation Fees.....	10
22.— Message Processing Fee.....	10
23.— Trade Fee .....	11
24.— Minimum Equity Market Regulation Fee .....	11
25.— Administration Fee .....	12
Payment of Monthly Equity Market Regulation Fees.....	12

26.—Monthly Invoices .....	12
DEBT MARKET REGULATION FEE MODEL .....	12
Monthly Debt Market Regulation Fees .....	12
27.—Non-Repo Debt Transaction Fee .....	13
28.—Repo Debt Transaction Fee .....	13
Payment of Monthly Debt Market Regulation Fees .....	13
29.—Monthly Invoices .....	13
Late Filing Fee .....	13
30.—Late Filing Fee .....	13
DEBT INFORMATION PROCESSOR FEE MODEL .....	13
Monthly Debt Information Processor Fees .....	13
31.—Debt Transaction Fee .....	14
Payment of Monthly Debt Information Processor Fees .....	14
32.—Monthly Invoices .....	14
GENERAL PROVISIONS .....	14
33.—Interest .....	14
34.—Change in Fees .....	14
35.—Applicable Taxes .....	14
INTERPRETATION .....	14
APPENDIX A — REVENUE COMPONENT TIERS .....	18
APPENDIX B — ADDITIONAL FEES PAYABLE BY DEALER MEMBERS .....	19

INTRODUCTION .....	1
DEALER MEMBER FEE MODEL .....	1
Entrance Fees .....	1
Annual Fee.....	2
4. Revenue Component.....	3
5. Approved Person Fees Component.....	3
6. Minimum Dealer Regulation Fee Component.....	3
7. Annual Fee for New Members.....	4
Payment of Annual Fee.....	4
8. Quarterly Payments.....	4
9. Payment of Annual Fee on Acquisition of Dealer Member.....	5
Dealer Member Reorganizations or Other Material Changes in Dealer Member Business.....	5
10. Reorganization, transfer, amalgamation or other combination of a Dealer Member..	5
11. Material Changes to Business Activities.....	6
12. Change in the Type of Dealer Member .....	6
Underwriting Levies .....	6
13. Interpretation.....	6
14. Levy.....	9
15. Responsible Dealers.....	10
16. Discretion of the Board.....	10
General .....	10
17. Assessment.....	11
18. Effect of Non-Payment of Fees.....	11
19. Extraordinary Costs and Expenses.....	12
20. Additional Fees Payable by Dealer Members.....	12
EQUITY MARKET REGULATION FEE MODEL .....	13
Entrance and Set-Up Fees .....	13
21. Dealer Member Application Fees.....	13
22. Regulation Services Agreement Fee.....	13
23. Information Technology Fee.....	13
24. Marketplace-Specific Costs.....	14
Monthly Equity Market Regulation Fees.....	14
25. Message Processing Fee.....	14
26. Trade Fee.....	15
27. Minimum Equity Market Regulation Fee.....	15
28. Administration Fee.....	16
Payment of Monthly Equity Market Regulation Fees.....	16
29. Monthly Invoices.....	16
DEBT MARKET REGULATION FEE MODEL.....	17
Monthly Debt Market Regulation Fees.....	17
30. Non-Repo Debt Transaction Fee.....	17

31. Repo Debt Transaction Fee .....	17
Payment of Monthly Debt Market Regulation Fees .....	17
32. Monthly Invoices .....	17
Late Filing Fee .....	17
33. Late Filing Fee .....	18
DEBT INFORMATION PROCESSOR FEE MODEL .....	18
Monthly Debt Information Processor Fees .....	18
34. Debt Transaction Fee .....	18
Payment of Monthly Debt Information Processor Fees .....	18
35. Monthly Invoices .....	18
GENERAL PROVISIONS .....	18
36. Interest .....	18
37. Change in Fees .....	19
38. Applicable Taxes .....	19
INTERPRETATION .....	20
APPENDIX A. REVENUE RATE TIERS .....	24
APPENDIX B: ADDITIONAL FEES PAYABLE BY DEALER MEMBERS .....	25
APPENDIX C: REVENUE CALCULATION FOR TRANSITIONARY PERIOD .....	30

## INTRODUCTION

This ~~Interim~~ Fee Model is applicable to ~~Investment~~ Dealer Members and Marketplace Members of the Corporation. ~~The Corporation is the corporation continuing from the amalgamation effective January 1, 2023 of the Investment Industry Regulatory Organization of Canada and the Mutual Fund Dealers Association of Canada.~~

## DEALER MEMBER FEE MODEL

Applicants to become a member of the Corporation are required to pay an Entrance Fee as part of the application process. On becoming Dealer Members, applicants pay Annual Fees for each Fiscal Year. This Dealer Member Fee Model sets out certain details of the Corporation's administration of fees payable where such details are not provided with the By-laws, Rules or elsewhere (including the provisions identified in Appendix B). The Corporation is engaged in a Rule Consolidation Project aimed at consolidating Investment Dealer and Partially Consolidated (IDPC) Rules and Mutual Fund Dealer (MFD) Rules into one set of Dealer and Consolidated (DC) Rules. References to Rules in the Fee Model will be revised once the DC Rules are approved and put into effect.

### Entrance FeeFees

1. The Entrance ~~FeeFees~~ charged to each new Dealer Member shall be ~~\$25,000~~, payable as follows:

(a) a non-refundable Entrance Fee in an amount dependent upon the type of \$10,000 dealer member application as per the chart below, payable on acceptance of an application for membership as a Dealer Member for review by the Corporation; ~~and. A portion of this fee, the application review deposit, equal to 25% of the minimum dealer regulation fee is to be credited towards the annual fee in the event that the application is approved by the Board.~~

~~(a) — \$15,000 payable on approval of the application for membership as a DealerMember by the Board.~~

<u>Type of Dealer Member Application</u>	<u>Entrance Fee</u>	<u>Application Review Deposit</u>
<u>Mutual Fund Dealer Level 1-3</u>	<u>\$10,000</u>	<u>\$1,250</u>
<u>Mutual Fund Dealer Level 4</u>	<u>\$10,000</u>	<u>\$3,750</u>
<u>Investment Dealer or Dual-Registered Dealer</u>	<u>\$30,000</u>	<u>\$6,250</u>
<u>Investment Dealer - Crypto Asset Trading Platform</u>	<u>\$40,000</u>	<u>\$6,250</u>

In accordance with section 3.5(3) of ~~the By-laws~~ [law No.1](#), if the application for membership as a Dealer Member is not approved by the Board within six months from the date the application was accepted for review by the Corporation for any reason that cannot reasonably be attributed to the Corporation or its staff, the ~~amount paid under Subsection 1(a) above is forfeited to the Corporation~~ [deposit is forfeited to the Corporation. This may occur if the applicant withdraws their application, if CIRO staff consider an application to be abandoned due to the applicant not taking appropriate action to advance their application, including significant delays in responding to requests for information from CIRO staff.](#)

~~(b) any additional costs assessed per Section 19 for excessive time, attention and resources for applications that remain under review by the Corporation for more than six months.~~

2. Each application for membership as a Dealer Member that is approved by the Board shall be accompanied by a payment to the Restricted Fund equal to 0.5% of the applicant's expected initial capital calculated according to the Corporation's Form 1, payable together with the payment in ~~Subsection 1(b).~~ [Section 7.](#)

### **Annual Fee**

When establishing the Annual Fees payable by Dealer Members for a particular year, the Corporation determines what its net annual costs attributable to Dealer Member regulation are expected to be for that year. Such net annual costs are equal to the Corporation's budgeted costs for that year less projected underwriting levies, proceeds from registration fee sharing arrangements with various securities regulatory authorities, continuing education accreditation revenue, interest and other income. The Annual Fee payable by a Dealer Member will be based on its pro-rata share of such costs as determined in accordance with the provisions set out below.

3. The Annual Fee for each Dealer Member shall be determined with reference to the following components:
  - (a) Revenue Component;
  - (b) Approved Person Fees Component; and
  - (c) Minimum Dealer Regulation Fee Component.

The Annual Fee shall be the sum of the Revenue Component calculated in accordance with

Section ~~4-4~~ and the Approved Person Fees Component calculated in accordance with Section ~~5,5~~, unless such sum is less than the applicable Minimum Dealer Regulation Fee Component set out in Section ~~6,6~~, in which case the Annual Fee shall be the applicable Minimum Dealer Regulation Fee.

The amount of the Annual Fee calculated in accordance with the foregoing paragraph shall be reduced pursuant to Section 7 if the applicant is approved for membership by the Board at any time after April 1 in any Fiscal Year.

**4. Revenue Component.** The Revenue Component of the Annual Fee shall be an amount equal to the product of the Total Revenue of the Dealer Member for the previous calendar year as reported to the Corporation or the Adjusted Revenue in the case of certain Mutual Fund Dealers, and the Revenue Rate prescribed by the Board in its discretion for the applicable Revenue Component Tier set out in Appendix A. Revenue Rates will be reviewed and adjusted annually by the Board in its discretion.

Adjusted Revenue is a minimum amount of revenue to be recognized for Mutual Fund Dealer Members with more than \$1 billion of Assets under Administration (AUA), and is an amount equal to the product of the AUA and the normalization factor. AUA is calculated as the two-year average of balances reported to the Corporation at the end of two most recent calendar years. "Normalization factor" means a rate calculated as 10 basis points below the median of the proportion of Form 1 revenues over AUA for all Mutual Fund Dealer Members.

For the calculation of the Revenue Component for the transitional period, please refer to Appendix C.

**5. Approved Person Fees Component.** The Approved Person Fees Component of the Annual Fee shall be an amount equal to the product of the number of Approved Persons of the Dealer Member ~~as~~ at based on the ~~last day~~ 12-month average of the previous ~~Fiscal Year~~ calendar year and \$250.

**6. Minimum Dealer Regulation Fee Component.** If the sum of the Revenue Component and the Approved Person Fees Component of a Dealer Member is less than ~~\$16,000~~, the Minimum Dealer Regulation Fee ~~payable by that~~ below, the Dealer Member ~~is \$16,000~~ shall pay the Minimum Dealer Regulation Fee.

<u>Type of Dealer Member</u>	<u>Minimum Dealer Regulation Fee</u>
<u>Mutual Fund Dealer Level 1-3</u>	<u>\$5,000</u>
<u>Mutual Fund Dealer Level 4</u>	<u>\$15,000</u>
<u>Investment Dealer or Dual Registered Dealer</u>	<u>\$25,000</u>

**7. Annual Fee for New Members.** If an applicant for membership is approved by the Board at any time:

~~(b) In Q1 between April 1 and September 29, both inclusive, the Annual Fee for the balance of the Fiscal Year shall be \$15,000;~~

(a) ~~between September~~ June 30 ~~and December 31~~, both inclusive, the Annual Fee for the balance of the Fiscal Year shall be ~~\$7,500; or~~ 75% of the Minimum Dealer Regulation Fee;

~~(b) In Q2 between July 1 and September 30, both inclusive, the Annual Fee for the balance of the Fiscal Year shall be 50% of the Minimum Dealer Regulation Fee; or~~

~~(b)(c)~~ (c) between ~~January~~ October 1 and March 31, both inclusive, the Annual Fee for the balance of the Fiscal Year shall be ~~\$3,750~~ 25% of the Minimum Dealer Regulation Fee.

The chart below shows the calculated annual fee and balance due upon Board approval after applying the application review deposit per section 1(b):

Type of Dealer Member	Q1 Approval		Q2 Approval		Q3/Q4 Approval	
	Annual Fee	Balance Due	Annual Fee	Balance Due	Annual Fee	Balance Due
Mutual Fund Dealer Level 1-3	\$3,750	\$2,500	\$2,500	\$1,250	\$1,250	-
Mutual Fund Dealer Level 4	\$11,250	\$7,500	\$7,500	\$3,750	\$3,750	-
Investment Dealer or Dual-Registered Dealer	\$18,750	\$12,500	\$12,500	\$6,250	\$6,250	-
Investment Dealer - Crypto Asset Trading Platform						

**Payment of Annual Fee**

**8. Quarterly Payments.** The Annual Fee shall be payable in quarterly instalments by the Dealer Member in each year. Notice of the Annual Fees and quarterly payments shall be communicated to each Dealer Member on or about the first week of April. The first quarterly payment shall be made by each Dealer Member by the first business day of May. Each subsequent quarterly installment will

be communicated at the beginning of the quarter, and payment shall be made by the first business day of the following month.—

**9. Payment of Annual Fee on Acquisition of Dealer Member.** Notwithstanding the foregoing, in the event that:

- (a) an applicant for membership has acquired the whole or a substantial part of the business and assets of a Dealer Member or Members in good standing whose Annual Fee for the then current Fiscal Year has been paid in full and who is or are resigning from membership concurrently with the admission of the applicant to membership; and
- (b) at least a majority in number of the partners of the applicant, in the case of a partnership, or at least a majority in number of the directors and at least a majority in number of the officers of the applicant, in the case of a corporation, are partners, or directors and officers, as the case may be, of the resigning Dealer Member or Members;

then the applicant, if the Board so approves, shall be exempted from payment of the Entrance Fee and from payment of the Annual Fee for the then current Fiscal Year. In no event including the foregoing circumstances shall there be a credit or refund of Annual Fees paid to date where one Dealer Member acquires all or any part of the shares, business or assets of another Dealer Member.

**Dealer Member Reorganizations or Other Material Changes in Dealer Member Business**

Each type of material business change and their associated fees are described below. If a transaction entails more than one type of material business change, the Dealer Member will only be charged the highest applicable fee (as summarized in the tables below), rather than being charged multiple fees.

**10. Reorganization, transfer, amalgamation or other combination of a Dealer Member**

Fees for review and/or approval of a material business change as described in By-law No. 1, section 3.10 wherein the business or ownership of a Member is proposed to be reorganized or transferred, amalgamated or otherwise combined in whole or in part with another person (including another Member) in a manner which the Member or its business will cease to exist in, or will be substantially changed from, its then current form, or a change of control of the Member may occur, are:

<u>Type of Dealer Member</u>	<u>Fee</u>
<u>All Dealer Types</u>	<u>\$5,000</u>

## 11. Material Changes to Business Activities

Fees for any material change to a Dealer Member's business activities as referenced in IDPC Rules, subsection 2246(2) and described in the Corporation Guidance Note GN-2200-21-001 Reporting of material changes to business activities are:

<u>Type of Dealer Member or Business Change</u>	<u>Fee</u>
<u>Investment Dealer or Dual-Registered Dealer</u>	<u>\$5,000</u>
<u>Adding a new Crypto Asset Trading Platform</u>	<u>\$10,000</u>

Any material changes to a Dealer Member's existing Crypto Asset Trading Platform, will fall into the category of a material change in business for an Investment Dealer and charged the applicable fee of \$5,000.

## 12. Change in the Type of Dealer Member

Where a Mutual Fund Dealer Member proposes to change to another type of Dealer Member, the Member will be charged the difference in the entrance fees for the relevant Dealer Member types per Section 1(a). Proposals from Investment Dealer Members to add Mutual Fund Dealer registration alongside their existing Investment Dealer registration (i.e., to become "dual-registered") will be treated as a material change to business activities and subject to a fee per Section 11.

The table below summarizes the fees for a change in the type of Dealer Member:

<u>Change in the Type of Member</u> ID = Investment Dealer MFD = Mutual Fund Dealer Dual-Registered = ID and MFD	<u>Fee for Change in Dealer Type</u>
<u>Change from MFD Level 1-4 to ID or Dual-Registered</u>	<u>\$20,000</u>

## Underwriting Levies

13. Interpretation. In Sections ~~10~~, ~~11~~<sup>13</sup>, ~~14~~ and ~~12~~<sup>15</sup> the following terms have the following meanings:

- (a) **"Canadian Public Offering"** means a Distribution of securities of a corporation, partnership or a trust if a prospectus or similar offering document is required to be filed with any securities regulatory authority in Canada, other than:
  - (i) Private Placement; or

- (ii) Distribution of Government of Canada securities, Provincial Securities, Municipal Securities or Not-for-Profit securities;
- (b) **“Distribution”** means a distribution of securities in Canada by way of Canadian Public Offering or Private Placement, or a distribution of Government of Canada Securities, Provincial Securities, Municipal Securities or Not-for-Profit Securities, whether underwritten on a firm (including bought deals) or best efforts basis by the Dealer Member, as principal or agent, and as a member of the underwriting or selling groups; provided no such distribution shall be a Distribution for the purposes of this definition if the securities are:
- (i) Money market obligations with a term to maturity of one year or less, or greater than one year solely by reason of the term to maturity otherwise ending on a day that is not a business day;
  - (ii) Government of Canada, Provincial and Municipal Securities which are distributed by way of auction by or on behalf of the Government of Canada or a provincial or municipal government;
  - (iii) Rights to acquire securities issued to holders of previously distributed securities;
  - (iv) Securities, other than securities described in subsections ~~1013~~ (c) to ~~1013~~ (g), inclusive, in respect of which the Total Revenue to the underwriters for the offering of such securities is equal to 1% or less of the aggregate principal amount of the offering in the case of debt securities, or the maximum aggregate price at which the securities are offered in the case of any other securities;
  - (v) Debt securities in respect of which the aggregate principal amount is less than \$1,000,000;
  - (vi) Any securities (other than debt securities) in respect of which the maximum aggregate offering price is less than \$1,000,000; or
  - (vii) securities distributed in a block trade conducted on a Marketplace if no prospectus or similar offering document is filed with a securities regulatory authority in respect of the block trade;

- (c) **“Government of Canada Securities”** means securities of, or guaranteed by, the Government of Canada;
- (d) **“Municipal Securities”** means securities of, or guaranteed by, any municipal corporation in Canada;
- (e) **“Not-for-Profit Securities”** means securities of any school or school board, hospital or other not-for-profit organization;
- (f) **“Private Placement”** means a Distribution of securities of a corporation, partnership or trust if a prospectus or similar offering document is not required to be filed with any securities regulatory authority in Canada, provided that a Distribution of Government of Canada securities, Provincial Securities, Municipal Securities or Not-for-Profit Securities shall not be a private placement for the purposes of this definition;
- (g) **“Provincial Securities”** means securities of, or guaranteed by, any province or territory of Canada;
- (h) **“Levy Cap”** means, for any Distribution, an amount equal to 2.5% of the Total Revenue to a Dealer Member for its participation in that Distribution;
- (i) **“Responsible Dealer”** means the Dealer Member, if any, which is responsible on behalf of more than one Dealer Member for the bookkeeping and accounting in a Distribution;
- (j) **“Security”** means any property that is a “security” for the purposes of any securities legislation in Canada, and shall include, without limitation, warrants, debt-like derivatives, structured notes and asset-backed instruments, provided that the Board may from time to time determine whether any particular property is to be included or excluded from such definition, which determination shall be final and conclusive; and
- (k) **“Total Revenue”** means, in respect of an offering, the aggregate of:
  - (i) any commission paid to the Dealer Member; and
  - (ii) any fee paid to the Dealer Member.

14. **Levy.** Each Dealer Member shall pay to the Corporation a levy as follows with respect to its proportionate participation in any Distribution:

- (a) For a Canadian Public Offering, in the case of debt securities, 1/100th of 1% of the aggregate principal amount of the offering or, in any other case 1/100th of 1% of the maximum aggregate price at which the securities are offered;
- (b) For a Private Placement, in the case of debt securities, 1/200th of 1% of the aggregate principal amount of the offering or, in any other case, 1/200th of 1% of the maximum aggregate price at which the securities are offered;
- (c) For a Distribution of Government of Canada securities, 1/300th of 1% of the aggregate principal amount of the offering;
- (d) For a Distribution of Provincial Securities, in the case of debt securities, 1/200th of 1% of the aggregate principal amount of the offering or, in any other case, 1/200th of 1% of the maximum aggregate price at which the securities are offered;
- (e) For a Distribution of Municipal Securities, in the case of debt securities, 1/300th of 1% of the aggregate principal amount of the offering or, in any other case, 1/300th of 1% of the maximum aggregate price at which the securities are offered; and
- (f) For a Distribution of Not-for-Profit Securities, in the case of debt securities, 1/200th of 1% of the aggregate principal amount of the offering or, in any other case, 1/200th of 1% of the maximum aggregate price at which the securities are offered,

provided that the amount of the levy payable by a Dealer Member for a Distribution shall not exceed an amount equal to the Levy Cap for that Dealer Member for that Distribution.

Each levy shall be calculated in Canadian dollars or in the Canadian dollar equivalent of the currency of the Distribution as of the date on which the first closing of the transaction occurs. If the levy for an offering may be calculated according to more than one of paragraphs (a) to (f) above, the levy shall be calculated according to the paragraph which provides the highest levy.

All Distributions are deemed to take place entirely in Canada unless the Dealer Member provides evidence, acceptable to the Corporation in its sole discretion, of the number of securities offered outside Canada, in which case the levy will be calculated on the securities distributed in Canada.

15. **Responsible Dealers.** Each Dealer Member or, if there is a Responsible Dealer in respect of a Distribution involving more than one Dealer Member, the Responsible Dealer shall:

- (a) Complete a new levy form for submission with payment;
- (b) Provide details of the Total Revenue for each Dealer Member, supported by third- party sources such as the Underwriting/Agency Agreement, Financial Post or SEDAR; if such details are not provided, the Levy Cap will not apply;
- (c) Calculate the amount of the levy to be paid by each Dealer Member in respect of the Distribution;
- (d) Pay and, in the case of a Responsible Dealer, collect from the other Dealer Members and remit to the Corporation the amount of the levy within sixty (60) days of the date on which the first closing of the transaction occurs; and
- (e) Deliver to the Corporation on or before the time of payment of the levy pursuant to paragraph (d) copies of any and all forms, notices and calculations relating to the size or amount of the Distribution as are required to be filed with any securities regulatory authority or stock exchange in Canada in respect of the Distribution.

If there are two or more Responsible Dealers who have substantially equal obligations in respect of a Distribution, they shall each be responsible on a proportional basis for the collection and remission of the applicable levy; provided that if one of such Responsible Dealers is not a Dealer Member, the Responsible Dealer(s) which are Dealer Members shall collect and remit the levy on behalf of all Dealer Members.

If there is no Responsible Dealer in respect of a Distribution, or if the Responsible Dealer is not a Dealer Member, each Dealer Member shall complete a new levy form and remit its proportion of the levy.

16. **Discretion of the Board.** The Board may in its discretion impose the levy on an amount which is less than, in the case of debt securities, the aggregate principal amount of the offering and, in any other case, the maximum aggregate price at which the securities are offered and make any other variations in connection with the imposition of the levy as it deems necessary or desirable.

## **General**

17. **Assessment.** Notwithstanding Sections ~~3-3~~ to 6, inclusive, the Board shall have power to make an assessment in any Fiscal Year upon each Dealer Member not to exceed 50% of the Annual Fee payable in such year by such Dealer Member. Each Dealer Member shall pay the amount so assessed upon it within thirty (30) days after receiving written notification thereof from the Secretary.

~~4.~~18. **Effect of Non-Payment of Fees.**

(a) If the Annual Fee payable by a Dealer Member has not been paid:

- (i) in the case of the first quarterly payment, by the first business day of June;
- (ii) in the case of the second quarterly payment, by the first business day of September;
- (iii) in the case of the third quarterly payment, by the first business day of December; or
- (iv) in the case of the fourth quarterly payment, by the first business day of March in any year, or

(b) if the amount assessed upon any Dealer Member pursuant to Section ~~14~~17 or Section ~~16~~19 has not been paid within thirty (30) days after the date specified in the written notification thereof from the Secretary,

the Secretary shall, by registered mail, request the Dealer Member to pay the same and draw the Dealer Member's attention to the provisions of this Section ~~15~~18. If the entire amount owing by the Dealer Member has not been paid within thirty (30) days from the date the Secretary has mailed the request, the Secretary shall notify the Board to this effect and the Board may, in its discretion, terminate the membership of the Dealer Member in default. If the Board decides to terminate the membership of a Dealer Member pursuant to the provisions of this Section ~~15~~18, the Secretary will be requested to notify the Dealer Member, by registered mail, of the decision of the Board. A former Dealer Member whose membership has been terminated pursuant to the provisions of this Section ~~15~~18 shall cease to be entitled to exercise any of the rights and privileges of membership but shall remain liable to the Corporation for all amounts due to the Corporation from the former Dealer Member.

**19. Extraordinary Costs and Expenses.** The extraordinary costs and expenses of the Corporation incurred in connection with, but not limited to, items such as (i) the review and/or approval of a novel or unusual application for membership as a Dealer Member, (ii) the review and/or approval of any reorganization, take over or other substantial change in the business, structure or affairs of a Dealer Member, (iii) travel and accommodation outside Canada for staff to conduct compliance exams for a Dealer Member, or (iv) costs associated with compliance site visits conducted by staff for applicants as Dealer Members, may be assessed to the Dealer Member at the discretion of the Board.

a) If an application or review per Sections 1, 10, 11 or 12 remains under compliance review for any period longer than 6 months, the reimbursement for the additional costs and expenses will be at a rate of one-sixth (1/6) of the application or business change fee for each month and/or partial month that the application remains under review until the compliance review is complete, the firm withdraws its application, or the Corporation staff have suspended their review of the application.

Please refer to the tables below for a summary of the monthly reimbursement rate for each type of Dealer Member application or business change.

<b>Type of Dealer Member Application or Business Change</b>	<b>Monthly Extraordinary Costs</b>
<u>New Dealer Member Application</u>	<u>1/6th of the application fee as per Section 1</u>
<u>Reorganization, transfer, amalgamation or other combination of a Dealer Member</u>	<u>1/6th of the fee as per Section 10</u>
<u>Material Changes to Business Activities</u>	<u>1/6th of the fee as per Section 11</u>
<u>Change in the Type of Dealer Member</u>	<u>1/6th of the fee as per Section 12</u>

**20. Additional Fees Payable by Dealer Members.** The foregoing Dealer Member Fee Model is not an exhaustive list of the fees payable by Dealer Members. Additional fees that are payable by Dealer Members in certain circumstances are contained in the ~~Corporation~~Corporation's Rules and in the By-laws. Appendix B contains a summary of where these additional fees may be found and the nature of such fees. The summary is intended to be a guide only and is not a full reproduction of the applicable Corporation Rules and/or By-laws. Reference should be made to the full text of the Corporation Rules and the By-laws.

## EQUITY MARKET REGULATION FEE MODEL

The Equity Market Regulation Fee Model is applicable to Marketplaces that trade equity securities. Applicants for acceptance as Marketplace Members that are alternative trading systems are required to pay Entrance Fees for their Dealer Member application in addition to the Regulation Services Agreement Fee and an Information Technology Fee, which must be paid by all applicants for acceptance as Marketplace Members. On becoming Marketplace Members, Marketplace-Specific Costs may be payable in certain circumstances. Monthly Equity Market Regulation Fees consisting of Message Processing Fees and Trade Fees (subject to a Minimum Market Regulation Fee) are allocated to Marketplaces and are payable by Dealer Members participating in those Marketplaces. Administration Fees are allocated to Marketplace Members and Dealer Members.

### **Entrance and Set-Up Fees**

**21. Dealer Member Application Fees.** For alternative trading systems, the process for acceptance as a Marketplace Member is concurrent with that to become ~~an Investment~~ Dealer Member. The Entrance Fee described in Section ~~1-1~~ is payable by such applicants at the time an application is made.

### **5-22. Regulation Services Agreement Fee.**

- (a) The minimum fee for the drafting and negotiation of a Regulation Services Agreement between the Corporation and an applicant as a Marketplace Member is \$25,000 and is payable at the time of application.
- (b) If time cost spent by the Corporation staff on the drafting and negotiation of the Regulation Services Agreement is greater than \$25,000, the difference will be invoiced by the Corporation and is payable by the Marketplace Member prior to the Marketplace commencing operations as a Marketplace Member.
- (c) The Corporation may, in its discretion, charge the fees indicated in paragraphs (a) and (b) above in connection with the drafting and negotiation of a revised or amended Regulation Services Agreement in circumstances where there has been a material change in the activities of a Marketplace Member.

**23. Information Technology Fee.** The Information Technology Fee charged to each applicant as a Marketplace Member is \$66,500 payable as follows:

(a) a non-refundable deposit of \$10,000 payable at the time of application for membership as a Marketplace Member; and

(b) the balance of \$56,500 payable when the applicant is authorized to proceed with the testing and development of Surveillance System functionality for the marketplace.

If time cost spent by the Corporation's staff on the connectivity and testing process for the marketplace is greater than \$66,500, the difference will be invoiced by the Corporation and is payable by the Marketplace Member upon launch of the marketplace.

All costs of information technology development, including any third-party costs, for a new marketplace are borne by the Marketplace Member.

24. **Marketplace-Specific Costs.** Each Marketplace Member will pay to the Corporation (i) incremental costs incurred by the Corporation to perform additional work to monitor a Marketplace as a result of unique marketplace features, and (ii) incremental costs incurred by the Corporation as a result of a Marketplace's failure to meet a Corporation regulatory feed standard, testing window or project deadline, including, without limitation, modifications to the Corporation's systems, additional staffing or remedial work. Marketplace-Specific Costs will be determined with respect to each Marketplace Member on a monthly basis and shall be invoiced in accordance with Subsection ~~26(b)~~.29(b).

#### **Monthly Equity Market Regulation Fees**

When determining the Monthly Equity Market Regulation Fees allocated to a Marketplace Member for a particular month, the Corporation first determines its total market regulation costs and then deducts the timely disclosure fees, interest and other income received by the Corporation. The net costs are then allocated to each Marketplace Member on a pro-rata basis and are paid by that Marketplace's participating organizations, members or subscribers, as the case may be, that are Dealer Members as identified by the Marketplace. The allocation is based on the number of messages sent and trades executed by each Dealer Member on each Marketplace, all in accordance with the provisions set out below.

#### **6.25. Message Processing Fee.**

(a) Each Marketplace shall be allocated a fee based on the Marketplace's share of the total number of messages processed by the Corporation's surveillance system during a particular month. The Message Processing Fee is determined with reference to the total information technology costs of the surveillance system.

- (b) The Message Processing Fee shall be paid by Dealer Members based on each Dealer Member's pro-rata share of the messages sent through each Marketplace. The total Message Processing Fee and the applicable unit cost per message shall be disclosed in the monthly invoice delivered to Dealer Members in accordance with Subsection ~~26(a)~~-29(a).

#### 7.26. Trade Fee.

- (a) Each Marketplace shall be allocated a fee based on a particular Marketplace's share of the total number of trades completed during a particular month. The Trade Fee is determined with reference to the net market regulation costs after deduction of the information technology costs of the surveillance system.
- (b) The Trade Fee shall be paid by Dealer Members based on each Dealer Member's pro-rata share of the trades made through each Marketplace. The total Trade Fee shall be specified in the monthly invoice delivered to Dealer Members in accordance with Subsection ~~26(a)~~-29(a).
- ~~(c) — The number of trades executed by a Qualified Market Maker acting in furtherance of its marketplace trading obligations on the listing exchange shall be discounted by 70% for the purposes of calculating the Trade Fee for such Marketplace. The number of trades on the other side of any trade involving a market maker in its stock of responsibility will be included in the calculation of the overall total number of trades. For clarity, the discount will not be applied to trades for securities that are not listed on the listing exchange that has entered into the trading obligations agreement with the Qualified Market Maker.~~

#### 8.27. Minimum Equity Market Regulation Fee.

- (a) If the aggregate of the Message Processing Fee and the Trade Fee allocated to a Marketplace Member is less than \$4,800 in a particular month, such Marketplace Member shall be allocated the Minimum Equity Market Regulation Fee of \$4,800, consisting of \$1,200 allocated to messages and \$3,600 allocated to trades.
- (b) If applicable, the Minimum Equity Market Regulation Fee shall be paid by Dealer Members based on each Dealer Member's pro-rata share of the messages sent and the trades made through a Marketplace subject to the Minimum Equity Market Regulation Fee. The portion of the Minimum Equity Market Regulation Fee, if any, payable by a Dealer Member shall be specified in the monthly invoice delivered to the Dealer Member

in accordance with Subsection ~~26(a)~~-29(a). If a Marketplace Member chooses to pay the difference between the Minimum Equity Market Regulation Fee and the aggregate of the Message Processing Fee and the Trade Fee allocated to the Marketplace Member then Dealer Members shall only be responsible for paying the latter.

- (c) If there are no messages processed or trades completed during a particular month, the Marketplace Member shall be required to pay the Minimum Equity Market Regulation Fee directly.

#### 9-28. Administration Fee.

- (a) A fee of \$400 shall be charged to each Dealer Member and invoiced in accordance with Subsection ~~26~~29(a) each month for the provision of detailed billing information or other information related to market regulation fees requested by the Dealer Member.
- (b) An Administration Fee of \$500 shall be charged to each Marketplace Member and invoiced in accordance with Subsection ~~26(b)~~-29(b) each month for the administration of the invoicing of the fees described in this Equity Market Regulation Fee Model to Dealer Members on behalf of the Marketplace Member.

#### Payment of Monthly Equity Market Regulation Fees

#### 10-29. Monthly Invoices.

- (a) Dealer Members: Dealer Members shall be invoiced on a monthly basis in arrears within the first ten (10) days of any month for the aggregate of the Message Processing Fee and the Trade Fee, or the Minimum Equity Market Regulation Fee, as applicable, and the Administration Fee charged to Dealer Members. Such invoices are due and payable immediately upon receipt.
- (b) Marketplace Members: Marketplace Members shall be invoiced on a monthly basis in arrears within the first ten (10) days of any month for the aggregate of any Marketplace-Specific costs incurred during a particular month as contemplated in Section ~~21~~24, the Administration Fee charged to Marketplace Members and any amount invoiced to a Marketplace Member under Subsection ~~24(b)~~-27(b).

## DEBT MARKET REGULATION FEE MODEL

### **Monthly Debt Market Regulation Fees**

When determining the Monthly Debt Market Regulation Fees allocated to a Dealer Member for a particular month, the Corporation first determines its total debt market regulation costs. These costs are then allocated to each Dealer Member on a pro-rata basis and are paid by those Dealer Members as identified based on the number of Non-Repo Debt Transactions and Repo Debt Transactions submitted by each Dealer Member, all in accordance with the provisions set out below.

#### **11.30. Non-Repo Debt Transaction Fee.**

- (c) Each Dealer Member shall be allocated a fee, based on their pro-rata share of the total number of Non-Repo Debt Transactions received and processed by the Corporation's debt surveillance system during a particular month. The total Non-Repo Debt Transaction Fee and the applicable unit cost per transaction shall be disclosed in the monthly invoice delivered to Dealer Members in accordance with Section [2932](#).

#### **12.31. Repo Debt Transaction Fee.**

- (d) Each Dealer Member shall be allocated a fee, based on their pro-rata share of the total number of Repo Debt Transactions received and processed by the Corporation's debt surveillance system during a particular month. The total Repo Debt Transaction Fee and the applicable unit cost per transaction shall be disclosed in the monthly invoice delivered to Dealer Members in accordance with Section [2932](#).
- (e) The Repo Debt Transaction Fee will be reduced by cost recoveries received from the Bank of Canada.

### **Payment of Monthly Debt Market Regulation Fees**

**32. Monthly Invoices.** Dealer Members shall be invoiced on a monthly basis in arrears within the first ten (10) days of any month for the aggregate of the Non-Repo Debt Transaction Fee and the Repo Debt Transaction Fee, as applicable. Such invoices are due and payable immediately upon receipt.

### **Late Filing Fee**

**33. Late Filing Fee.** Dealer Members may be charged a late filing fee, which will be based on the additional effort required by the Corporation to input the late data, make corrections and perform appropriate surveillance.

## DEBT INFORMATION PROCESSOR FEE MODEL

### **Monthly Debt Information Processor Fees**

When determining the Monthly Debt Information Processor Fees allocated to a Dealer Member for a particular month, the Corporation first determines its total debt information processor costs. These costs are then allocated to each Dealer Member on a pro-rata basis and are paid by those Dealer Members as identified based on the number of Debt Transactions submitted by each Dealer Member, all in accordance with the provisions set out below.

**34. Debt Transaction Fee.** Each Dealer Member shall be allocated a fee, based on their pro-rata share of the total number of Debt Transactions received and processed by the Corporation's debt information processor system during a particular month. The total Debt Transaction Fee and the applicable unit cost per transaction shall be disclosed in the monthly invoice delivered to Dealer Members in accordance with Section ~~32.35~~.

### **Payment of Monthly Debt Information Processor Fees**

**35. Monthly Invoices.** Dealer Members shall be invoiced on a monthly basis in arrears within the first ten (10) days of any month for the Debt Information Processor Fees. Such invoices are due and payable immediately upon receipt.

## GENERAL PROVISIONS

The provisions set out below are of general application to ~~thesethe~~ Fee Model ~~Guidelines~~.

**36. Interest.** Any amount due and owing to the Corporation pursuant to ~~thesethe~~ Fee Model ~~Guidelines~~ by a Dealer Member shall bear interest at a rate per annum, for any month, of one percent above the Canadian Chartered Bank prime lending rate at the end of each preceding month (calculated daily on the basis of a 365-day year, and payable and compounded monthly) from the date the amount is first due until paid, with interest on arrears calculated and payable in the same manner.

37. **Change in Fees.** Any fees specified in ~~these~~the Fee Model ~~Guidelines~~ may be changed on not less than sixty (60) days' notice from the Corporation.

38. **Applicable Taxes.** Any fees specified in ~~these~~the Fee Model ~~Guidelines~~ shall require the payment of any taxes applicable to such fees in addition to the specified amounts.

## INTERPRETATION

The capitalized terms used in ~~these~~the Fee Model ~~Guidelines~~ have the meanings given to such terms in the Corporation Rules and By-laws, unless otherwise defined in ~~these Fee Model Guidelines.~~ the Fee Model. The Corporation is engaged in a Rule Consolidation Project aimed at consolidating Investment Dealer and Partially Consolidated (IDPC) Rules and Mutual Fund Dealer (MFD) Rules into one set of Dealer and Consolidated (DC) Rules. References to Rules in the Fee Model will be revised once the DC Rules are approved and put into effect.

The following terms have the following meanings:

**“Administration Fee”** means the administration fees payable by Dealer Members and Marketplace Members in accordance with ~~Section 25~~Section 28.

**“Annual Fee”** means the annual fee payable by Dealer Members determined with reference to the components set out in Section ~~3-3~~ and calculated in accordance with the provisions of ~~these~~the Fee Model ~~Guidelines~~.

~~“Approved Person” means an individual in respect of a Dealer Member who is required to be approved by the Corporation in one or more of its approval or registration categories in accordance with the Corporation Rules. For purposes of this Interim Fee Model, “Approved Person” shall exclude an individual that is a Registered Representative dealing in mutual funds only who is an employee of a firm registered as both an investment dealer and a mutual fund dealer.~~

“Approved Person” has the same meaning as set out in By-law No. 1, section 1.1.

**“Approved Person Fees Component”** means the levy payable by each Dealer Member determined in accordance with Section ~~5-5~~.

~~“BCC” means the Business Conduct Compliance department of the Corporation.~~

**“Corporation Rule”** ~~means~~ “Rule” has the same meaning as set out in By-law No. 1, section 1.1. This includes but is not limited to that set out in the Corporation Investment Dealer and Partially Consolidated Rules, and Mutual Fund Dealer Rules.

“Crypto Asset Trading Platform” means a platform that facilitates the buying, selling, and holding of crypto assets.

**“Dealer Member”** has the same meaning as set out in ~~General~~ By-law No. 1, section 1.1, ~~except, for the purposes of this Interim Fee Model, Mutual Fund Dealer Members are to be excluded.~~

**“Debt Transactions”** means, for the purpose of the Monthly Debt Information Processor Fees, the aggregate of Repo Debt Transactions and Non-Repo Debt Transactions submitted by a Dealer Member.

**“Dual Registered Dealer”** means a firm that is registered as both an investment dealer and a mutual fund dealer. A Dual Registered Dealer Member is considered an Investment Dealer Member for the purposes of calculating fees.

**“Entrance FeeFees”** means the initial ~~fee~~fees payable by an applicant for membership in the Corporation as a Dealer Member as specified in Section ~~1.1~~.

~~**“FINOPS”** means the Financial and Operations Compliance department of the Corporation.~~

**“Fiscal Year”** means the fiscal year of the Corporation ending on the last day of March in each year.

**“Information Technology Fee”** means the fee payable by an applicant as a Marketplace Member in accordance with ~~Section 20~~Section23.

**“Investment Dealer Member”** has the same meaning as set out in Rule 1201 of the IDPC Rules. For clarity, this would include Dual Registered Dealer Members where not otherwise specified.

**“Marketplace-Specific Costs”** means the incremental costs payable by a Marketplace Member in accordance with ~~Section 21~~Section24.

**“Message Processing Fee”** means the fee allocated to a Marketplace each month determined in accordance with ~~Section 22~~Section25.

**“Minimum Dealer Regulation Fee Component”** means the minimum fee payable by a Dealer Member in each Fiscal Year determined in accordance with Section ~~6.6~~.

**“Minimum Equity Market Regulation Fee”** means the minimum fee allocated to a Marketplace Member in each month determined in accordance with Section ~~24~~27.

**“Monthly Debt Information Processor Fees”** means the monthly fees allocated to Dealer Members in accordance with Section ~~31~~34.

**“Monthly Debt Market Regulation Fees”** means the monthly fees allocated to Dealer Members in accordance with Sections [2730](#) to [2831](#), inclusive.

**“Monthly Equity Market Regulation Fees”** means the monthly fees allocated to Marketplace Members in accordance with Sections [2225](#) to [2528](#), inclusive.

**“Mutual Fund Dealer Member”** has the same meaning as set out in Rule 1A of the MFD Rules.

**“Non-Repo Debt Transaction Fee”** means the fee allocated to a Dealer Member each month determined in accordance with ~~Section 27~~[Section 30](#).

**“Non-Repo Debt Transactions”** means transactions in a Debt Security that are subject to reporting requirements under the Corporation Rule 7200: Transaction Reporting for Debt Securities except Repo Debt Transactions, in relation to that portion of the monthly fees allocated to Dealer Members in accordance with Section [2730](#).

~~**“Qualified Market Maker”** means a person or company that has an obligation with a listing exchange to:~~

- ~~• Maintain a two-sided market for a particular security listed on the listing exchange on a continuous or reasonably continuous basis, and~~
- ~~• Report suspicious order and/or trade activity to the Corporation.~~

~~Provided the listing exchange has adequate policies and procedures to reasonably ensure continued satisfactory performance of these requirements.~~

**“Regulation Services Agreement Fee”** means the fee payable by a Marketplace Member for the negotiation of a Regulation Services Agreement in accordance with ~~Section 19~~[Section 22](#).

**“Repo Debt Transaction Fee”** means the fee allocated to a Dealer Member each month determined in accordance with ~~Section 28~~[Section 31](#).

**“Repo Debt Transactions”** means transactions that involve the simultaneous sale and future repurchase, or simultaneous purchase and future sale (“Reverse Repo”), of any Debt Securities, including transactions arranged as buy/sell-backs and sell/buy-backs, as prescribed in the Corporation Rule 7200: Transaction Reporting for Debt Securities, in relation to that portion monthly fees allocated to Dealer Members in accordance with Section [2831](#).

“**Restricted Fund**” means [the fund for collection and use of](#) monetary sanctions received by the Corporation.

“**Revenue Component**” means the portion of the Annual Fee determined in accordance with Section ~~4.4.~~

“**Revenue Component Tier**” means the tiers of revenue set out in Appendix A used to calculate the Revenue Component.

“**Revenue Rate**” means the rate prescribed annually by the Board for a particular Revenue Component Tier set out in Appendix A.

“**Total Revenue**” means the amount reported as “Total Revenue” in the ~~Monthly Financial Report~~ [IDPC Form 1, Statement E](#), ~~as adjusted for approved items that are not in the normal course of business. For purposes of this Interim Fee Model, where a member firm is registered as both an investment dealer~~ [line 21](#) ~~and a mutual fund dealer, “Total Revenue” shall exclude revenue generated by the mutual fund business division and/or revenue generated from an Approved Person that is a Registered Representative dealing in mutual funds only~~ [MFD Form 1 Statement D, line 13](#).

“**Trade Fee**” means the fee allocated to a Marketplace each month determined in accordance with Section ~~23.26.~~

**APPENDIX A. REVENUE COMPONENT RATE TIERS**

<b>Tier</b>	<b>Revenues for the Previous Calendar Year</b>
Tier 1.....	Under <del>\$500,000</del> <u>2.5M</u>
Tier 2.....	<del>\$500,000</del> <u>up</u> to <del>under \$1 million</del> <u>\$10M</u>
Tier 3.....	<del>\$1 million</del> <u>up</u> to <del>under \$3 million</del> <u>\$50M</u>
Tier 4.....	<del>\$3 million</del> <u>up</u> to <del>under \$5 million</del> <u>\$100M</u>
Tier 5.....	<del>\$5 million</del> <u>up</u> to <del>under \$10 million</del> <u>\$500M</u>
Tier 6.....	<del>\$10 million</del> <u>up</u> to <del>under \$25 million</del> <u>\$1B</u>
Tier 7.....	<del>\$25 million to under \$50 million</del> <u>over \$1B</u>
<del>Tier 8.....</del>	<del>\$50 million to under \$100 million</del>
<del>Tier 9.....</del>	<del>\$100 million to under \$200 million</del>
<del>Tier 10 .....</del>	<del>\$200 million to under \$500 million</del>
<del>Tier 11 .....</del>	<del>\$500 million to under \$1 billion</del>
<del>Tier 12 .....</del>	<del>\$1 billion and over</del>

The rate prescribed to each tier will be provided to the Dealer Member through the Fee Letter.

**APPENDIX B: ADDITIONAL FEES PAYABLE BY DEALER MEMBERS**

**PART 1 – CORPORATION RULES AND BY-LAWS**

The following summary is intended to be a guide only and is not a full reproduction of the applicable Corporation Rules and By-Laws. Reference should be made to the full text of the Corporation Rules and the By-laws. [The Corporation Rules refer to both current and successor Rules, as applicable. The Corporation is currently engaged in a Rule Consolidation Project aimed at consolidating Investment Dealer and Partially Consolidated \(IDPC\) Rules and Mutual Fund Dealer \(MFD\) Rules into one set of Dealer and Consolidated \(DC\) Rules. References to Rules in the Fee Model will be revised once the DC Rules are approved and put into effect.](#)

**Corporation** [Investment Dealer and Partially Consolidated Rules](#)

Rule 2117(32)	Fee payable for approval or exemption required by Rule 2100.
Rule 2224(1)(i)	Responsibility for fees on amalgamation of two or more Dealer Members.
Rule 2227	Payment of Annual Membership fees by resigning, suspended, terminated or surrendering Dealer Member.
Rule 2505(5)	Fee payable for failure to have a qualified Chief Financial Officer (CFO) within 90 days of the cessation date of the previous CFO, or other Corporation specified dates.
Rule 2506(6)	Fee payable for failure to have a qualified Chief Compliance-Officer (CCO) within 90 days of the cessation date of previous CCO, or other Corporation specified dates.
Rule 2552(5)	Fees payable for the failure of the Dealer Member to file within 10 business days after the end month a report specified by the Corporation on the conditions imposed on an Approved person under Rules 8200 or 9200.
Rule 2626(3)	Fees payable for exemption from the requirement to write or rewrite any required course, whole or in part, as per Rule 2600.
Rule 2755(12)	Penalties imposed for the failure of a continuing education participant to complete the continuing education requirements within a continuing education program cycle.

Rule 2803(1)(i)	Payment of National Registration Database (NRD) enrolment fee.
Rule 2806(1)	Annual NRD system fee set by the Corporation payable to the securities regulatory authority in the local jurisdiction.
Rule 2806(2)(i)	Fees payable for making any NRD submission under section 2803.
Rule 2806(2)(ii)	Fees payable for the failure of the Dealer member to file any notification within the time specified.
Rule 2806(3)	Exemption request fees payable for making an application for proficiency exemption of an Approved Person or applicant for approval of pursuant to Rule 2600.
Rule 3704	Administrative fee or other penalties imposed by the Corporation for failure to meet reporting requirements under Rules 3702 and 3703.
Rule 4133(1)	The Corporation may require a Dealer Member to pay reasonable costs and expenses incurred to administer the Dealer Member's early warning situation under Rule 4100.
Rule 4153	Fees payable for the failure of Dealer Member to file any document or information required under Part C of Rule 4100 despite grant of an extension to file such information by the Corporation.
<a href="#">Rule 8214(1)</a>	<a href="#">Costs ordered in a sanction after a hearing under Rule 8200.</a>
<a href="#">Rule 8431(5)</a>	<a href="#">Fees payable for requesting a record of a proceeding.</a>

#### Mutual Fund Dealer Rules

<a href="#">Rule 1.2.6(i)(ii)</a>	<a href="#">Fees payable for failure to comply with the requirements of Rule 1.2.6 or Rule 900.</a>
<a href="#">Rule 1.4(c)</a>	<a href="#">Levies or assessments payable for failure to meet reporting requirements.</a>
<a href="#">Rule 3.5.4(b)</a>	<a href="#">Fees payable for failure of the Member, its auditors or any person acting on its behalf to meet the reporting requirements under Rule 3.</a>
<a href="#">Rule 7.4.2</a>	<a href="#">Costs ordered to be paid by a Hearing Panel pursuant to Rule 7.3, 7.4.1 or Rule 7.4.3.</a>

<a href="#">Rule 7.4.8</a>	<a href="#">Payment of annual fees by suspended members.</a>
<a href="#">Rule 900 Part I 13.5</a>	<a href="#">Fee for failing to meet continuing education credit requirements as per rule 1.2.6 and Rule 900.</a>

[By-Law No.1](#)

Section 3.5(1)	In the case of Dealer Members, an application for membership shall be accompanied by such fees as the Corporation may require.
Section 3.5(3)	An application for membership shall be accompanied by a non-refundable application review deposit in an amount to be determined by the Board, to be credited towards the annual fee paid by the Member in the event that the application is approved by the Board.
Section 3.5(11)(b)	If and when the application has been approved by the Board, and upon payment of the balance of the entrance and annual fees, the applicant shall become and be a Dealer Member.
Section 3.7	If two or more Members propose to amalgamate and continue as one Member, the continuing Member must comply with the payment of Member fees, if applicable.
Section 3.8	A Dealer Member resigning from the Corporation shall make full payment of its annual fee, if applicable, for the financial year in which its resignation becomes effective.

~~By-Laws~~

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## PART 2 – FEES RELATED TO REGISTRATION MATTERS

The following summary is intended to be a guide only and is not a full reproduction of the applicable registration-related fees collected by the Corporation pursuant to delegation orders from the noted securities regulatory authorities. Reference should be made to the applicable instruments of the Canadian Securities Administrators (CSA).

Fee Type	Collection Details	Authority
Initial firm registration fees	The Corporation collects a portion of the CSA fee in New Brunswick and Saskatchewan.	Delegation Orders / Revenue Sharing Agreements
Opening of a business location	The Corporation collects a portion of the CSA fee in New Brunswick and Saskatchewan.	Delegation Orders / Revenue Sharing Agreements
Annual fees pertaining to firms, individuals and business locations	The Corporation collects a portion of the CSA fee in New Brunswick and Saskatchewan.	Delegation Orders / Revenue Sharing Agreements
Initial, reactivation, additional jurisdiction, additional sponsoring firm submissions	<p>The Corporation collects the CSA fee in Ontario and a portion of such fee in New Brunswick and Saskatchewan.</p> <p>The Corporation charges a fee in Manitoba, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Quebec and Yukon.</p>	<p>Delegation Orders / Revenue Sharing Agreements</p> <p><a href="#">IDPC Rule 2806(2)</a></p>
Reinstatements	<p>The Corporation collects a portion of the CSA fee in New Brunswick and Saskatchewan.</p> <p>The Corporation charges a fee in Manitoba, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Quebec and Yukon.</p>	<p>Delegation Orders / Revenue Sharing Agreements</p> <p><a href="#">IDPC Rule 2806(2)</a></p>

Fee Type	Collection Details	Authority
Change or surrender of individual categories	<p>The Corporation collects a CSA fee in Ontario and a portion of such fee in New Brunswick and Saskatchewan.</p> <p>The Corporation charges a fee in Manitoba, Newfoundland and Labrador, Nova Scotia, Northwest Territories, Nunavut, Prince Edward Island, Quebec and Yukon.</p>	<p>Delegation Orders / Revenue Sharing Agreements</p> <p><a href="#">IDPC Rule 2806(2)</a></p>
Notice of Termination	The Corporation charges a fee in Quebec.	<p>Recognition Order / Assumed fee from the Bourse</p>
File copies	The Corporation charges a fee for providing an individual with a copy of their registration file.	Administrative practice

Currently (as of Fiscal Year 20232025), the Corporation receives Registrations fees from Alberta on the basis of direct operating costs for Registration activities.

## APPENDIX C: REVENUE CALCULATION FOR TRANSITIONARY PERIOD

In order to minimize the impact of the new fee model on Mutual Fund Dealer Members, the Corporation will be implementing transitional measures.

The following adjustments would be made to Total Revenues reported by Mutual Fund Dealer Members in Statement D of Form 1 for the purpose of calculating the Revenue Component in Section 4:

- **Quebec Revenues:** Mutual Fund Dealer Members with Quebec revenue will have revenues adjusted to reflect transition of regulation to CIRO as follows:
  - Year 1 – reduce Form 1 revenues for 100% of Quebec Revenue;
  - Year 2 and/or until such time as the transition period is complete - reduce Form 1 revenues for 50% of Quebec Revenues.

When the transition period is complete, there will be no reduction for inclusion of Quebec revenues.

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During this transitional period, the Corporation will compute the value of Quebec Revenues based on the Quebec based Assets under Administration relative to the total Assets Under Administration of the Mutual Fund Dealer Member.

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**FEE MODEL**  
**EFFECTIVE APRIL 1, 2025**  
**TABLE OF CONTENTS**

INTRODUCTION .....	1
DEALER MEMBER FEE MODEL .....	1
Entrance Fees .....	1
Annual Fee.....	2
4. Revenue Component.....	2
5. Approved Person Fees Component.....	3
6. Minimum Dealer Regulation Fee Component.....	3
7. Annual Fee for New Members.....	3
Payment of Annual Fee.....	4
8. Quarterly Payments.....	4
9. Payment of Annual Fee on Acquisition of Dealer Member.....	4
Dealer Member Reorganizations or Other Material Changes in Dealer Member Business.....	4
10. Reorganization, transfer, amalgamation or other combination of a Dealer Member..	4
11. Material Changes to Business Activities .....	5
12. Change in the Type of Dealer Member .....	5
Underwriting Levies .....	5
13. Interpretation.....	6
14. Levy.....	7
15. Responsible Dealers.....	8
16. Discretion of the Board.....	9
General .....	9
17. Assessment.....	9
18. Effect of Non-Payment of Fees.....	9
19. Extraordinary Costs and Expenses.....	10
20. Additional Fees Payable by Dealer Members.....	10
EQUITY MARKET REGULATION FEE MODEL .....	10
Entrance and Set-Up Fees .....	11
21. Dealer Member Application Fees.....	11
22. Regulation Services Agreement Fee.....	11
23. Information Technology Fee.....	11
24. Marketplace-Specific Costs.....	11
Monthly Equity Market Regulation Fees .....	12
25. Message Processing Fee.....	12
26. Trade Fee.....	12
27. Minimum Equity Market Regulation Fee.....	12
28. Administration Fee.....	13
Payment of Monthly Equity Market Regulation Fees.....	13
29. Monthly Invoices.....	13
DEBT MARKET REGULATION FEE MODEL.....	13

Monthly Debt Market Regulation Fees.....	13
30. Non-Repo Debt Transaction Fee.....	14
31. Repo Debt Transaction Fee.....	14
Payment of Monthly Debt Market Regulation Fees.....	14
32. Monthly Invoices.....	14
Late Filing Fee.....	14
33. Late Filing Fee.....	14
DEBT INFORMATION PROCESSOR FEE MODEL.....	14
Monthly Debt Information Processor Fees.....	14
34. Debt Transaction Fee.....	15
Payment of Monthly Debt Information Processor Fees.....	15
35. Monthly Invoices.....	15
GENERAL PROVISIONS.....	15
36. Interest.....	15
37. Change in Fees.....	15
38. Applicable Taxes.....	15
INTERPRETATION.....	16
APPENDIX A. REVENUE RATE TIERS.....	19
APPENDIX B: ADDITIONAL FEES PAYABLE BY DEALER MEMBERS.....	20
APPENDIX C: REVENUE CALCULATION FOR TRANSITIONARY PERIOD.....	25

INTRODUCTION.....	1
DEALER MEMBER FEE MODEL.....	1
Entrance Fees.....	1
Annual Fee.....	2
4. Revenue Component.....	2
5. Approved Person Fees Component.....	3
6. Minimum Dealer Regulation Fee Component.....	3
7. Annual Fee for New Members.....	3
Payment of Annual Fee.....	4
8. Quarterly Payments.....	4
9. Payment of Annual Fee on Acquisition of Dealer Member.....	4
Dealer Member Reorganizations or Other Material Changes in Dealer Member Business.....	4
10. Reorganization, transfer, amalgamation or other combination of a Dealer Member..	4
11. Material Changes to Business Activities.....	5
12. Change in the Type of Dealer Member.....	5
Underwriting Levies.....	5
13. Interpretation.....	6
14. Levy.....	7
15. Responsible Dealers.....	8
16. Discretion of the Board.....	9
General.....	9

17. — Assessment.....	9
18. — Effect of Non-Payment of Fees.....	9
19. — Extraordinary Costs and Expenses.....	10
20. — Additional Fees Payable by Dealer Members.....	10
EQUITY MARKET REGULATION FEE MODEL.....	10
Entrance and Set-Up Fees.....	11
21. — Dealer Member Application Fees.....	11
22. — Regulation Services Agreement Fee.....	11
23. — Information Technology Fee.....	11
24. — Marketplace-Specific Costs.....	11
Monthly Equity Market Regulation Fees.....	12
25. — Message Processing Fee.....	12
26. — Trade Fee.....	12
27. — Minimum Equity Market Regulation Fee.....	12
28. — Administration Fee.....	13
Payment of Monthly Equity Market Regulation Fees.....	13
29. — Monthly Invoices.....	13
DEBT MARKET REGULATION FEE MODEL.....	13
Monthly Debt Market Regulation Fees.....	13
30. — Non-Repo Debt Transaction Fee.....	14
31. — Repo Debt Transaction Fee.....	14
Payment of Monthly Debt Market Regulation Fees.....	14
32. — Monthly Invoices.....	14
Late Filing Fee.....	14
33. — Late Filing Fee.....	14
DEBT INFORMATION PROCESSOR FEE MODEL.....	14
Monthly Debt Information Processor Fees.....	14
34. — Debt Transaction Fee.....	15
Payment of Monthly Debt Information Processor Fees.....	15
35. — Monthly Invoices.....	15
GENERAL PROVISIONS.....	15
36. — Interest.....	15
37. — Change in Fees.....	15
38. — Applicable Taxes.....	15
INTERPRETATION.....	16
APPENDIX A. REVENUE RATE TIERS.....	19
APPENDIX B: ADDITIONAL FEES PAYABLE BY DEALER MEMBERS.....	20
APPENDIX C: REVENUE CALCULATION FOR TRANSITIONARY PERIOD.....	25

## INTRODUCTION

This Fee Model is applicable to Dealer Members and Marketplace Members of the Corporation.

### DEALER MEMBER FEE MODEL

Applicants to become a member of the Corporation are required to pay an Entrance Fee as part of the application process. On becoming Dealer Members, applicants pay Annual Fees for each Fiscal Year. This Dealer Member Fee Model sets out certain details of the Corporation’s administration of fees payable where such details are not provided with the By-laws, Rules or elsewhere (including the provisions identified in Appendix B). The Corporation is engaged in a Rule Consolidation Project aimed at consolidating Investment Dealer and Partially Consolidated (IDPC) Rules and Mutual Fund Dealer (MFD) Rules into one set of Dealer and Consolidated (DC) Rules. References to Rules in the Fee Model will be revised once the DC Rules are approved and put into effect.

#### Entrance Fees

1. The Entrance Fees charged to each new Dealer Member shall be payable as follows:
  - (a) a non-refundable ~~application review deposit~~ Entrance Fee in an amount dependent upon the type of dealer member application as per the chart below, payable on acceptance of an application for membership as a Dealer Member for review by the Corporation. A portion of this fee, ~~the application review deposit~~, equal to 25% of the minimum dealer regulation fee is to be credited towards the annual fee in the event that the application is approved by the Board.

Type of Dealer Member Application	Application Entrance Fee	Portion to be credited to the Annual Fee Application Review Deposit
Mutual Fund Dealer Level 1-3	\$10,000	\$1,250
<del>Mutual Fund Dealer Level 2-3</del>		
Mutual Fund Dealer Level 4	<del>\$20</del> 10,000-	\$3,750
Investment Dealer or Dual-Registered Dealer	<del>\$40</del> 30,000-	\$6,250
Investment Dealer - Crypto Asset Trading Platform	<del>\$60</del> \$40,000	\$6,250

In accordance with section 3.5(3) of By-law No.1, if the application for membership as a Dealer Member is not approved by the Board within six months from the date the application was accepted for review by the Corporation for any reason that cannot reasonably be attributed to the Corporation or its staff, the deposit is forfeited to the Corporation. This may occur if the applicant withdraws their application, if CIRO staff consider an application to be abandoned due to the applicant not taking appropriate action to advance their application, including significant delays in responding to requests for information from CIRO staff.

- (b) any additional costs assessed per Section 19 for excessive time, attention and

resources for applications that remain under review by the Corporation for more than six months.

2. Each application for membership as a Dealer Member that is approved by the Board shall be accompanied by a payment to the Restricted Fund equal to 0.5% of the applicant's expected initial capital calculated according to the Corporation's Form 1, payable together with the payment in Section 7.

### **Annual Fee**

When establishing the Annual Fees payable by Dealer Members for a particular year, the Corporation determines what its net annual costs attributable to Dealer Member regulation are expected to be for that year. Such net annual costs are equal to the Corporation's budgeted costs for that year less projected underwriting levies, proceeds from registration fee sharing arrangements with various securities regulatory authorities, continuing education accreditation revenue, interest and other income. The Annual Fee payable by a Dealer Member will be based on its pro-rata share of such costs as determined in accordance with the provisions set out below.

3. The Annual Fee for each Dealer Member shall be determined with reference to the following components:
  - (a) Revenue Component;
  - (b) Approved Person Fees Component; and
  - (c) Minimum Dealer Regulation Fee Component.

The Annual Fee shall be the sum of the Revenue Component calculated in accordance with Section 4 and the Approved Person Fees Component calculated in accordance with Section 5, unless such sum is less than the applicable Minimum Dealer Regulation Fee Component set out in Section 6, in which case the Annual Fee shall be the applicable Minimum Dealer Regulation Fee.

The amount of the Annual Fee calculated in accordance with the foregoing paragraph shall be reduced pursuant to Section 7 if the applicant is approved for membership by the Board at any time after April 1 in any Fiscal Year.

4. **Revenue Component.** The Revenue Component of the Annual Fee shall be an amount equal to the product of the Total Revenue of the Dealer Member for the previous calendar year as reported to the Corporation or the Adjusted Revenue in the case of certain Mutual Fund Dealers, and the Revenue Rate prescribed by the Board in its discretion for the applicable Revenue Component Tier set out in Appendix A. Revenue Rates will be reviewed and adjusted annually by the Board in its discretion.

Adjusted Revenue is a minimum amount of revenue to be recognized for Mutual Fund Dealer Members with more than \$1 billion of Assets under Administration (AUA), and is an amount equal to the product of the AUA and the normalization factor. AUA is calculated as the two-year average of balances reported to the Corporation at the end of two most recent calendar years. "Normalization factor" means a rate calculated as 10 basis points below the median of the proportion of Form 1 revenues over AUA for all Mutual Fund

Dealer Members.

For the calculation of the Revenue Component for the transitional period, please refer to Appendix C.

5. **Approved Person Fees Component.** The Approved Person Fees Component of the Annual Fee shall be an amount equal to the product of the number of Approved Persons of the Dealer Member based on the 12-month average of the previous calendar year and \$250.
6. **Minimum Dealer Regulation Fee Component.** If the sum of the Revenue Component and the Approved Person Fees Component of a Dealer Member is less than the Minimum Dealer Regulation Fee below, the Dealer Member shall pay the Minimum Dealer Regulation Fee.

Type of Dealer Member	Minimum Dealer Regulation Fee
Mutual Fund Dealer Level 1-3	\$5,000
Mutual Fund Dealer Level 4	\$15,000
Investment Dealer or Dual Registered Dealer	\$25,000
<a href="#">Investment Dealer - Crypto Asset Trading Platform</a>	

7. **Annual Fee for New Members.** If an applicant for membership is approved by the Board at any time:
  - (a) In Q1 between April 1 and June 30, both inclusive, the Annual Fee for the balance of the Fiscal Year shall be 75% of the Minimum Dealer Regulation Fee;
  - (b) In Q2 between July 1 and September 30, both inclusive, the Annual Fee for the balance of the Fiscal Year shall be 50% of the Minimum Dealer Regulation Fee; or
  - (c) between October 1 and March 31, both inclusive, the Annual Fee for the balance of the Fiscal Year shall be 25% of the Minimum Dealer Regulation Fee.

The chart below shows the calculated annual fee and balance due upon Board approval after applying the application review deposit per section 1(b):

Type of Dealer Member	Q1 Approval		Q2 Approval		Q3/Q4 Approval	
	Annual Fee	Balance Due	Annual Fee	Balance Due	Annual Fee	Balance Due
Mutual Fund Dealer Level 1-3	\$3,750	\$2,500	\$2,500	\$1,250	\$1,250	-
<del>Mutual Fund Dealer Level 2-3</del>						
Mutual Fund Dealer Level 4	\$11,250	\$7,500	\$7,500	\$3,750	\$3,750	-

Investment Dealer or Dual-Registered Dealer	<b>\$18,750</b>	<b>\$12,500</b>	<b>\$12,500</b>	<b>\$6,250</b>	<b>\$6,250</b>	<b>-</b>
Investment Dealer - Crypto Asset Trading Platform						

**Payment of Annual Fee**

8. **Quarterly Payments.** The Annual Fee shall be payable in quarterly instalments by the Dealer Member in each year. Notice of the Annual Fees and quarterly payments shall be communicated to each Dealer Member on or about the first week of April. The first quarterly payment shall be made by each Dealer Member by the first business day of May. Each subsequent quarterly installment will be communicated at the beginning of the quarter, and payment shall be made by the first business day of the following month.
9. **Payment of Annual Fee on Acquisition of Dealer Member.** Notwithstanding the foregoing, in the event that:
- (a) an applicant for membership has acquired the whole or a substantial part of the business and assets of a Dealer Member or Members in good standing whose Annual Fee for the then current Fiscal Year has been paid in full and who is or are resigning from membership concurrently with the admission of the applicant to membership; and
  - (b) at least a majority in number of the partners of the applicant, in the case of a partnership, or at least a majority in number of the directors and at least a majority in number of the officers of the applicant, in the case of a corporation, are partners, or directors and officers, as the case may be, of the resigning Dealer Member or Members;

then the applicant, if the Board so approves, shall be exempted from payment of the Entrance Fee and from payment of the Annual Fee for the then current Fiscal Year. In no event including the foregoing circumstances shall there be a credit or refund of Annual Fees paid to date where one Dealer Member acquires all or any part of the shares, business or assets of another Dealer Member.

**Dealer Member Reorganizations or Other Material Changes in Dealer Member Business**

Each type of material business change and their associated fees are described below. If a transaction entails more than one type of material business change, the Dealer Member will only be charged the highest applicable fee (as summarized in the tables below), rather than being charged multiple fees.

10. **Reorganization, transfer, amalgamation or other combination of a Dealer Member**

Fees for review and/or approval of a material business change as described in By-law No. 1, section 3.10 wherein the business or ownership of a Member is proposed to be reorganized or transferred,

amalgamated or otherwise combined in whole or in part with another person (including another Member) in a manner which the Member or its business will cease to exist in, or will be substantially changed from, its then current form, or a change of control of the Member may occur, are:

Type of Dealer Member	Fee
<del>Mutual Fund Dealer Level 1-3</del>	<del>\$5,000</del>
<del>Mutual Fund Dealer Level 4</del>	<del>\$10,000</del>
<del>Investment All Dealer or Dual-Registered Dealer Types</del>	<del>\$155,000</del>

### 11. Material Changes to Business Activities

Fees for any material change to a Dealer Member’s business activities as referenced in IDPC Rules, subsection 2246(2) and described in the Corporation Guidance Note GN-2200-21-001 Reporting of material changes to business activities are:

Type of Dealer Member or Business Change	Fee
Investment Dealer or Dual-Registered Dealer	<del>\$15</del> \$5,000
Adding a new Crypto Asset Trading Platform	<del>\$20</del> \$10,000

Any material changes to a Dealer Member’s existing Crypto Asset Trading Platform, will fall into the category of a material change in business for an Investment Dealer and charged the applicable fee of ~~\$155~~,000.

### 12. Change in the Type of Dealer Member

Where a Mutual Fund Dealer Member proposes to change to another type of Dealer Member, the Member will be charged the difference in the entrance fees for the relevant Dealer Member types per Section 1(a). Proposals from Investment Dealer Members to add Mutual Fund Dealer registration alongside their existing Investment Dealer registration (i.e., to become “dual-registered”) will be treated as a material change to business activities and subject to a fee per Section 11.

The table below summarizes the fees for a change in the type of Dealer Member:

Change in the Type of Member ID = Investment Dealer MFD = Mutual Fund Dealer Dual-Registered = ID and MFD	Fee for Change in Dealer Type
Change from MFD Level 1, <del>2 or 3</del> <u>4</u> to ID or Dual-Registered	<del>\$30</del> \$20,000
<del>Change from MFD Level 4 to ID or Dual-Registered</del>	<del>\$20,000</del>

### Underwriting Levies

13. **Interpretation.** In Sections 13, 14 and 15 the following terms have the following meanings:

- (a) **“Canadian Public Offering”** means a Distribution of securities of a corporation, partnership or a trust if a prospectus or similar offering document is required to be filed with any securities regulatory authority in Canada, other than:
- (i) Private Placement; or
  - (ii) Distribution of Government of Canada securities, Provincial Securities, Municipal Securities or Not-for-Profit securities;
- (b) **“Distribution”** means a distribution of securities in Canada by way of Canadian Public Offering or Private Placement, or a distribution of Government of Canada Securities, Provincial Securities, Municipal Securities or Not-for-Profit Securities, whether underwritten on a firm (including bought deals) or best efforts basis by the Dealer Member, as principal or agent, and as a member of the underwriting or selling groups; provided no such distribution shall be a Distribution for the purposes of this definition if the securities are:
- (i) Money market obligations with a term to maturity of one year or less, or greater than one year solely by reason of the term to maturity otherwise ending on a day that is not a business day;
  - (ii) Government of Canada, Provincial and Municipal Securities which are distributed by way of auction by or on behalf of the Government of Canada or a provincial or municipal government;
  - (iii) Rights to acquire securities issued to holders of previously distributed securities;
  - (iv) Securities, other than securities described in subsections 13 (c) to 13 (g), inclusive, in respect of which the Total Revenue to the underwriters for the offering of such securities is equal to 1% or less of the aggregate principal amount of the offering in the case of debt securities, or the maximum aggregate price at which the securities are offered in the case of any other securities;
  - (v) Debt securities in respect of which the aggregate principal amount is less than \$1,000,000;
  - (vi) Any securities (other than debt securities) in respect of which the maximum aggregate offering price is less than \$1,000,000; or
  - (vii) securities distributed in a block trade conducted on a Marketplace if no prospectus or similar offering document is filed with a securities regulatory authority in respect of the block trade;
- (c) **“Government of Canada Securities”** means securities of, or guaranteed by, the

Government of Canada;

- (d) “**Municipal Securities**” means securities of, or guaranteed by, any municipal corporation in Canada;
- (e) “**Not-for-Profit Securities**” means securities of any school or school board, hospital or other not-for-profit organization;
- (f) “**Private Placement**” means a Distribution of securities of a corporation, partnership or trust if a prospectus or similar offering document is not required to be filed with any securities regulatory authority in Canada, provided that a Distribution of Government of Canada securities, Provincial Securities, Municipal Securities or Not-for-Profit Securities shall not be a private placement for the purposes of this definition;
- (g) “**Provincial Securities**” means securities of, or guaranteed by, any province or territory of Canada;
- (h) “**Levy Cap**” means, for any Distribution, an amount equal to 2.5% of the Total Revenue to a Dealer Member for its participation in that Distribution;
- (i) “**Responsible Dealer**” means the Dealer Member, if any, which is responsible on behalf of more than one Dealer Member for the bookkeeping and accounting in a Distribution;
- (j) “**Security**” means any property that is a “security” for the purposes of any securities legislation in Canada, and shall include, without limitation, warrants, debt-like derivatives, structured notes and asset-backed instruments, provided that the Board may from time to time determine whether any particular property is to be included or excluded from such definition, which determination shall be final and conclusive; and
- (k) “**Total Revenue**” means, in respect of an offering, the aggregate of:
  - (i) any commission paid to the Dealer Member; and
  - (ii) any fee paid to the Dealer Member.

14. **Levy.** Each Dealer Member shall pay to the Corporation a levy as follows with respect to its proportionate participation in any Distribution:

- (a) For a Canadian Public Offering, in the case of debt securities, 1/100th of 1% of the aggregate principal amount of the offering or, in any other case 1/100th of 1% of the maximum aggregate price at which the securities are offered;
- (b) For a Private Placement, in the case of debt securities, 1/200th of 1% of the aggregate principal amount of the offering or, in any other case, 1/200th of 1% of the maximum aggregate price at which the securities are offered;
- (c) For a Distribution of Government of Canada securities, 1/300th of 1% of the aggregate principal amount of the offering;

- (d) For a Distribution of Provincial Securities, in the case of debt securities, 1/200th of 1% of the aggregate principal amount of the offering or, in any other case, 1/200th of 1% of the maximum aggregate price at which the securities are offered;
- (e) For a Distribution of Municipal Securities, in the case of debt securities, 1/300th of 1% of the aggregate principal amount of the offering or, in any other case, 1/300th of 1% of the maximum aggregate price at which the securities are offered; and
- (f) For a Distribution of Not-for-Profit Securities, in the case of debt securities, 1/200th of 1% of the aggregate principal amount of the offering or, in any other case, 1/200th of 1% of the maximum aggregate price at which the securities are offered,

provided that the amount of the levy payable by a Dealer Member for a Distribution shall not exceed an amount equal to the Levy Cap for that Dealer Member for that Distribution.

Each levy shall be calculated in Canadian dollars or in the Canadian dollar equivalent of the currency of the Distribution as of the date on which the first closing of the transaction occurs. If the levy for an offering may be calculated according to more than one of paragraphs (a) to (f) above, the levy shall be calculated according to the paragraph which provides the highest levy.

All Distributions are deemed to take place entirely in Canada unless the Dealer Member provides evidence, acceptable to the Corporation in its sole discretion, of the number of securities offered outside Canada, in which case the levy will be calculated on the securities distributed in Canada.

15. **Responsible Dealers.** Each Dealer Member or, if there is a Responsible Dealer in respect of a Distribution involving more than one Dealer Member, the Responsible Dealer shall:

- (a) Complete a new levy form for submission with payment;
- (b) Provide details of the Total Revenue for each Dealer Member, supported by third- party sources such as the Underwriting/Agency Agreement, Financial Post or SEDAR; if such details are not provided, the Levy Cap will not apply;
- (c) Calculate the amount of the levy to be paid by each Dealer Member in respect of the Distribution;
- (d) Pay and, in the case of a Responsible Dealer, collect from the other Dealer Members and remit to the Corporation the amount of the levy within sixty (60) days of the date on which the first closing of the transaction occurs; and
- (e) Deliver to the Corporation on or before the time of payment of the levy pursuant to paragraph (d) copies of any and all forms, notices and calculations relating to the size or amount of the Distribution as are required to be filed with any securities regulatory authority or stock exchange in Canada in respect of the Distribution.

If there are two or more Responsible Dealers who have substantially equal obligations in

respect of a Distribution, they shall each be responsible on a proportional basis for the collection and remission of the applicable levy; provided that if one of such Responsible Dealers is not a Dealer Member, the Responsible Dealer(s) which are Dealer Members shall collect and remit the levy on behalf of all Dealer Members.

If there is no Responsible Dealer in respect of a Distribution, or if the Responsible Dealer is not a Dealer Member, each Dealer Member shall complete a new levy form and remit its proportion of the levy.

16. **Discretion of the Board.** The Board may in its discretion impose the levy on an amount which is less than, in the case of debt securities, the aggregate principal amount of the offering and, in any other case, the maximum aggregate price at which the securities are offered and make any other variations in connection with the imposition of the levy as it deems necessary or desirable.

### **General**

17. **Assessment.** Notwithstanding Sections 3 to 6, inclusive, the Board shall have power to make an assessment in any Fiscal Year upon each Dealer Member not to exceed 50% of the Annual Fee payable in such year by such Dealer Member. Each Dealer Member shall pay the amount so assessed upon it within thirty (30) days after receiving written notification thereof from the Secretary.

18. **Effect of Non-Payment of Fees.**

(a) If the Annual Fee payable by a Dealer Member has not been paid:

- (i) in the case of the first quarterly payment, by the first business day of June;
- (ii) in the case of the second quarterly payment, by the first business day of September;
- (iii) in the case of the third quarterly payment, by the first business day of December; or
- (iv) in the case of the fourth quarterly payment, by the first business day of March in any year, or

(b) if the amount assessed upon any Dealer Member pursuant to Section 17 or Section 19 has not been paid within thirty (30) days after the date specified in the written notification thereof from the Secretary,

the Secretary shall, by registered mail, request the Dealer Member to pay the same and draw the Dealer Member's attention to the provisions of this Section 18. If the entire amount owing by the Dealer Member has not been paid within thirty (30) days from the date the Secretary has mailed the request, the Secretary shall notify the Board to this effect and the Board may, in its discretion, terminate the membership of the Dealer Member in default. If

the Board decides to terminate the membership of a Dealer Member pursuant to the provisions of this Section 18, the Secretary will be requested to notify the Dealer Member, by registered mail, of the decision of the Board. A former Dealer Member whose membership has been terminated pursuant to the provisions of this Section 18 shall cease to be entitled to exercise any of the rights and privileges of membership but shall remain liable to the Corporation for all amounts due to the Corporation from the former Dealer Member.

19. **Extraordinary Costs and Expenses.** The extraordinary costs and expenses of the Corporation incurred in connection with, but not limited to, items such as (i) the review and/or approval of a novel or unusual application for membership as a Dealer Member, (ii) the review and/or approval of any reorganization, take over or other substantial change in the business, structure or affairs of a Dealer Member, (iii) travel and accommodation outside Canada for staff to conduct compliance exams for a Dealer Member, or (iv) costs associated with compliance site visits conducted by staff for applicants as Dealer Members, may be assessed to the Dealer Member at the discretion of the Board.

- a) If an application or review per Sections 1, 10, 11 or 12 remains under compliance review for any period longer than 6 months, the reimbursement for the additional costs and expenses will be at a rate of one-sixth (1/6) of the application or business change fee for each month and/or partial month that the application remains under review until the compliance review is complete, the firm withdraws its application, or the Corporation staff have suspended their review of the application.

Please refer to the tables below for a summary of the monthly reimbursement rate for each type of Dealer Member application or business change.

Type of Dealer Member Application or Business Change	Monthly Extraordinary Costs
New Dealer Member Application	1/6th of the application fee as per Section 1
Reorganization, transfer, amalgamation or other combination of a Dealer Member	1/6th of the fee as per Section 10
Material Changes to Business Activities	1/6th of the fee as per Section 11
Change in the Type of Dealer Member	1/6th of the fee as per Section 12

20. **Additional Fees Payable by Dealer Members.** The foregoing Dealer Member Fee Model is not an exhaustive list of the fees payable by Dealer Members. Additional fees that are payable by Dealer Members in certain circumstances are contained in the Corporation’s Rules and in the By-laws. Appendix B contains a summary of where these additional fees may be found and the nature of such fees. The summary is intended to be a guide only and is not a full reproduction of the applicable Corporation Rules and/or By-laws. Reference should be made to the full text of the Corporation Rules and the By-laws.

### EQUITY MARKET REGULATION FEE MODEL

The Equity Market Regulation Fee Model is applicable to Marketplaces that trade equity securities. Applicants for acceptance as Marketplace Members that are alternative trading systems are

required to pay Entrance Fees for their Dealer Member application in addition to the Regulation Services Agreement Fee and an Information Technology Fee, which must be paid by all applicants for acceptance as Marketplace Members. On becoming Marketplace Members, Marketplace-Specific Costs may be payable in certain circumstances. Monthly Equity Market Regulation Fees consisting of Message Processing Fees and Trade Fees (subject to a Minimum Market Regulation Fee) are allocated to Marketplaces and are payable by Dealer Members participating in those Marketplaces. Administration Fees are allocated to Marketplace Members and Dealer Members.

### **Entrance and Set-Up Fees**

21. **Dealer Member Application Fees.** For alternative trading systems, the process for acceptance as a Marketplace Member is concurrent with that to become an Investment Dealer Member. The Entrance Fee described in Section 1 is payable by such applicants at the time an application is made.
22. **Regulation Services Agreement Fee.**
  - (a) The minimum fee for the drafting and negotiation of a Regulation Services Agreement between the Corporation and an applicant as a Marketplace Member is \$25,000 and is payable at the time of application.
  - (b) If time cost spent by the Corporation staff on the drafting and negotiation of the Regulation Services Agreement is greater than \$25,000, the difference will be invoiced by the Corporation and is payable by the Marketplace Member prior to the Marketplace commencing operations as a Marketplace Member.
  - (c) The Corporation may, in its discretion, charge the fees indicated in paragraphs (a) and (b) above in connection with the drafting and negotiation of a revised or amended Regulation Services Agreement in circumstances where there has been a material change in the activities of a Marketplace Member.
23. **Information Technology Fee.** The Information Technology Fee charged to each applicant as a Marketplace Member is \$66,500 payable as follows:
  - (a) a non-refundable deposit of \$10,000 payable at the time of application for membership as a Marketplace Member; and
  - (b) the balance of \$56,500 payable when the applicant is authorized to proceed with the testing and development of Surveillance System functionality for the marketplace.

If time cost spent by the Corporation's staff on the connectivity and testing process for the marketplace is greater than \$66,500, the difference will be invoiced by the Corporation and is payable by the Marketplace Member upon launch of the marketplace.

All costs of information technology development, including any third-party costs, for a new marketplace are borne by the Marketplace Member.
24. **Marketplace-Specific Costs.** Each Marketplace Member will pay to the Corporation (i) incremental costs incurred by the Corporation to perform additional work to monitor a Marketplace as a result of unique marketplace features, and (ii) incremental costs incurred by

the Corporation as a result of a Marketplace's failure to meet a Corporation regulatory feed standard, testing window or project deadline, including, without limitation, modifications to the Corporation's systems, additional staffing or remedial work. Marketplace-Specific Costs will be determined with respect to each Marketplace Member on a monthly basis and shall be invoiced in accordance with Subsection 29(b).

### **Monthly Equity Market Regulation Fees**

When determining the Monthly Equity Market Regulation Fees allocated to a Marketplace Member for a particular month, the Corporation first determines its total market regulation costs and then deducts the timely disclosure fees, interest and other income received by the Corporation. The net costs are then allocated to each Marketplace Member on a pro-rata basis and are paid by that Marketplace's participating organizations, members or subscribers, as the case may be, that are Dealer Members as identified by the Marketplace. The allocation is based on the number of messages sent and trades executed by each Dealer Member on each Marketplace, all in accordance with the provisions set out below.

#### **25. Message Processing Fee.**

- (a) Each Marketplace shall be allocated a fee based on the Marketplace's share of the total number of messages processed by the Corporation's surveillance system during a particular month. The Message Processing Fee is determined with reference to the total information technology costs of the surveillance system.
- (b) The Message Processing Fee shall be paid by Dealer Members based on each Dealer Member's pro-rata share of the messages sent through each Marketplace. The total Message Processing Fee and the applicable unit cost per message shall be disclosed in the monthly invoice delivered to Dealer Members in accordance with Subsection 29(a).

#### **26. Trade Fee.**

- (a) Each Marketplace shall be allocated a fee based on a particular Marketplace's share of the total number of trades completed during a particular month. The Trade Fee is determined with reference to the net market regulation costs after deduction of the information technology costs of the surveillance system.
- (b) The Trade Fee shall be paid by Dealer Members based on each Dealer Member's pro-rata share of the trades made through each Marketplace. The total Trade Fee shall be specified in the monthly invoice delivered to Dealer Members in accordance with Subsection 29(a).

#### **27. Minimum Equity Market Regulation Fee.**

- (a) If the aggregate of the Message Processing Fee and the Trade Fee allocated to a Marketplace Member is less than \$4,800 in a particular month, such Marketplace Member shall be allocated the Minimum Equity Market Regulation Fee of \$4,800, consisting of \$1,200 allocated to messages and \$3,600 allocated to trades.
- (b) If applicable, the Minimum Equity Market Regulation Fee shall be paid by Dealer

Members based on each Dealer Member's pro-rata share of the messages sent and the trades made through a Marketplace subject to the Minimum Equity Market Regulation Fee. The portion of the Minimum Equity Market Regulation Fee, if any, payable by a Dealer Member shall be specified in the monthly invoice delivered to the Dealer Member in accordance with Subsection 29(a). If a Marketplace Member chooses to pay the difference between the Minimum Equity Market Regulation Fee and the aggregate of the Message Processing Fee and the Trade Fee allocated to the Marketplace Member then Dealer Members shall only be responsible for paying the latter.

- (c) If there are no messages processed or trades completed during a particular month, the Marketplace Member shall be required to pay the Minimum Equity Market Regulation Fee directly.

**28. Administration Fee.**

- (a) A fee of \$400 shall be charged to each Dealer Member and invoiced in accordance with Subsection 29(a) each month for the provision of detailed billing information or other information related to market regulation fees requested by the Dealer Member.
- (b) An Administration Fee of \$500 shall be charged to each Marketplace Member and invoiced in accordance with Subsection 29(b) each month for the administration of the invoicing of the fees described in this Equity Market Regulation Fee Model to Dealer Members on behalf of the Marketplace Member.

**Payment of Monthly Equity Market Regulation Fees**

**29. Monthly Invoices.**

- (a) Dealer Members: Dealer Members shall be invoiced on a monthly basis in arrears within the first ten (10) days of any month for the aggregate of the Message Processing Fee and the Trade Fee, or the Minimum Equity Market Regulation Fee, as applicable, and the Administration Fee charged to Dealer Members. Such invoices are due and payable immediately upon receipt.
- (b) Marketplace Members: Marketplace Members shall be invoiced on a monthly basis in arrears within the first ten (10) days of any month for the aggregate of any Marketplace-Specific costs incurred during a particular month as contemplated in Section 24, the Administration Fee charged to Marketplace Members and any amount invoiced to a Marketplace Member under Subsection 27(b).

**DEBT MARKET REGULATION FEE MODEL**

**Monthly Debt Market Regulation Fees**

When determining the Monthly Debt Market Regulation Fees allocated to a Dealer Member for a particular month, the Corporation first determines its total debt market regulation costs. These costs are then allocated to each Dealer Member on a pro-rata basis and are paid by those Dealer

Members as identified based on the number of Non-Repo Debt Transactions and Repo Debt Transactions submitted by each Dealer Member, all in accordance with the provisions set out below.

**30. Non-Repo Debt Transaction Fee.**

- (c) Each Dealer Member shall be allocated a fee, based on their pro-rata share of the total number of Non-Repo Debt Transactions received and processed by the Corporation's debt surveillance system during a particular month. The total Non- Repo Debt Transaction Fee and the applicable unit cost per transaction shall be disclosed in the monthly invoice delivered to Dealer Members in accordance with Section 32.

**31. Repo Debt Transaction Fee.**

- (d) Each Dealer Member shall be allocated a fee, based on their pro-rata share of the total number of Repo Debt Transactions received and processed by the Corporation's debt surveillance system during a particular month. The total Repo Debt Transaction Fee and the applicable unit cost per transaction shall be disclosed in the monthly invoice delivered to Dealer Members in accordance with Section 32.

- (e) The Repo Debt Transaction Fee will be reduced by cost recoveries received from the Bank of Canada.

**Payment of Monthly Debt Market Regulation Fees**

- 32. Monthly Invoices.** Dealer Members shall be invoiced on a monthly basis in arrears within the first ten (10) days of any month for the aggregate of the Non-Repo Debt Transaction Fee and the Repo Debt Transaction Fee, as applicable. Such invoices are due and payable immediately upon receipt.

**Late Filing Fee**

- 33. Late Filing Fee.** Dealer Members may be charged a late filing fee, which will be based on the additional effort required by the Corporation to input the late data, make corrections and perform appropriate surveillance.

**DEBT INFORMATION PROCESSOR FEE MODEL**

**Monthly Debt Information Processor Fees**

When determining the Monthly Debt Information Processor Fees allocated to a Dealer Member for a particular month, the Corporation first determines its total debt information processor costs. These costs are then allocated to each Dealer Member on a pro-rata basis and are paid by those Dealer Members as identified based on the number of Debt Transactions submitted by each Dealer Member, all in accordance with the provisions set out below.

34. **Debt Transaction Fee.** Each Dealer Member shall be allocated a fee, based on their pro- rata share of the total number of Debt Transactions received and processed by the Corporation's debt information processor system during a particular month. The total Debt Transaction Fee and the applicable unit cost per transaction shall be disclosed in the monthly invoice delivered to Dealer Members in accordance with Section 35

**Payment of Monthly Debt Information Processor Fees**

35. **Monthly Invoices.** Dealer Members shall be invoiced on a monthly basis in arrears within the first ten (10) days of any month for the Debt Information Processor Fees. Such invoices are due and payable immediately upon receipt.

**GENERAL PROVISIONS**

The provisions set out below are of general application to the Fee Model.

36. **Interest.** Any amount due and owing to the Corporation pursuant to the Fee Model by a Dealer Member shall bear interest at a rate per annum, for any month, of one percent above the Canadian Chartered Bank prime lending rate at the end of each preceding month (calculated daily on the basis of a 365-day year, and payable and compounded monthly) from the date the amount is first due until paid, with interest on arrears calculated and payable in the same manner.
37. **Change in Fees.** Any fees specified in the Fee Model may be changed on not less than sixty (60) days' notice from the Corporation.
38. **Applicable Taxes.** Any fees specified in the Fee Model shall require the payment of any taxes applicable to such fees in addition to the specified amounts.

## INTERPRETATION

The capitalized terms used in the Fee Model have the meanings given to such terms in the Corporation Rules and By-laws, unless otherwise defined in the Fee Model. The Corporation is engaged in a Rule Consolidation Project aimed at consolidating Investment Dealer and Partially Consolidated (IDPC) Rules and Mutual Fund Dealer (MFD) Rules into one set of Dealer and Consolidated (DC) Rules. References to Rules in the Fee Model will be revised once the DC Rules are approved and put into effect.

The following terms have the following meanings:

**“Administration Fee”** means the administration fees payable by Dealer Members and Marketplace Members in accordance with Section 28.

**“Annual Fee”** means the annual fee payable by Dealer Members determined with reference to the components set out in Section 3 and calculated in accordance with the provisions of the Fee Model.

**“Approved Person”** has the same meaning as set out in By-law No. 1, section 1.1.

**“Approved Person Fees Component”** means the levy payable by each Dealer Member determined in accordance with Section 5.

**“Corporation Rule”** or **“Rule”** has the same meaning as set out in By-law No. 1, section 1.1. This includes but is not limited to that set out in the Corporation Investment Dealer and Partially Consolidated Rules, and Mutual Fund Dealer Rules.

**“Crypto Asset Trading Platform”** means a platform that facilitates the buying, selling, and holding of crypto assets.

**“Dealer Member”** has the same meaning as set out in By-law No. 1, section 1.1.

**“Debt Transactions”** means, for the purpose of the Monthly Debt Information Processor Fees, the aggregate of Repo Debt Transactions and Non-Repo Debt Transactions submitted by a Dealer Member.

**“Dual Registered Dealer”** means a firm that is registered as both an investment dealer and a mutual fund dealer. A Dual Registered Dealer Member is considered an Investment Dealer Member for the purposes of calculating fees.

**“Entrance Fees”** means the initial fees payable by an applicant for membership in the Corporation as a Dealer Member as specified in Section 1.

**“Fiscal Year”** means the fiscal year of the Corporation ending on the last day of March in each year.

**“Information Technology Fee”** means the fee payable by an applicant as a Marketplace Member in accordance with Section 23.

**“Investment Dealer Member”** has the same meaning as set out in Rule 1201 of the IDPC Rules. For

clarity, this would include Dual Registered Dealer Members where not otherwise specified.

**“Marketplace-Specific Costs”** means the incremental costs payable by a Marketplace Member in accordance with Section 24.

**“Message Processing Fee”** means the fee allocated to a Marketplace each month determined in accordance with Section 25.

**“Minimum Dealer Regulation Fee Component”** means the minimum fee payable by a Dealer Member in each Fiscal Year determined in accordance with Section 6.

**“Minimum Equity Market Regulation Fee”** means the minimum fee allocated to a Marketplace Member in each month determined in accordance with Section 27.

**“Monthly Debt Information Processor Fees”** means the monthly fees allocated to Dealer Members in accordance with Section 34.

**“Monthly Debt Market Regulation Fees”** means the monthly fees allocated to Dealer Members in accordance with Sections 30 to 31, inclusive.

**“Monthly Equity Market Regulation Fees”** means the monthly fees allocated to Marketplace Members in accordance with Sections 25 to 28, inclusive.

**“Mutual Fund Dealer Member”** has the same meaning as set out in Rule 1A of the MFD Rules.

**“Non-Repo Debt Transaction Fee”** means the fee allocated to a Dealer Member each month determined in accordance with Section 30.

**“Non-Repo Debt Transactions”** means transactions in a Debt Security that are subject to reporting requirements under the Corporation Rule 7200: Transaction Reporting for Debt Securities except Repo Debt Transactions, in relation to that portion of the monthly fees allocated to Dealer Members in accordance with Section 30.

**“Regulation Services Agreement Fee”** means the fee payable by a Marketplace Member for the negotiation of a Regulation Services Agreement in accordance with Section 22.

**“Repo Debt Transaction Fee”** means the fee allocated to a Dealer Member each month determined in accordance with Section 31.

**“Repo Debt Transactions”** means transactions that involve the simultaneous sale and future repurchase, or simultaneous purchase and future sale (“Reverse Repo”), of any Debt Securities, including transactions arranged as buy/sell-backs and sell/buy-backs, as prescribed in the Corporation Rule 7200: Transaction Reporting for Debt Securities, in relation to that portion monthly fees allocated to Dealer Members in accordance with Section 31.

**“Restricted Fund”** means the fund for collection and use of monetary sanctions received by the Corporation.

**“Revenue Component”** means the portion of the Annual Fee determined in accordance with Section 4.

**“Revenue Component Tier”** means the tiers of revenue set out in Appendix A used to calculate the Revenue Component.

**“Revenue Rate”** means the rate prescribed annually by the Board for a particular Revenue Component Tier set out in Appendix A.

**“Total Revenue”** means the amount reported as “Total Revenue” in the IDPC Form 1, Statement E, line 21 and MFD Form 1 Statement D, line 13.

**“Trade Fee”** means the fee allocated to a Marketplace each month determined in accordance with Section 26.

**APPENDIX A. REVENUE RATE TIERS**

<b>Tier</b>	<b>Revenues for the Previous Calendar Year</b>
Tier 1.....	Under \$2.5M
Tier 2.....	up to \$10M
Tier 3.....	up to \$50M
Tier 4.....	up to \$100M
Tier 5.....	up to \$500M
Tier 6.....	up to \$1B
Tier 7.....	over \$1B

The rate prescribed to each tier will be provided to the Dealer Member through the Fee Letter.

## APPENDIX B: ADDITIONAL FEES PAYABLE BY DEALER MEMBERS

### PART 1 – CORPORATION RULES AND BY-LAWS

The following summary is intended to be a guide only and is not a full reproduction of the applicable Corporation Rules and By-Laws. Reference should be made to the full text of the Corporation Rules and the By-laws. The Corporation Rules refer to both current and successor Rules, as applicable. The Corporation is currently engaged in a Rule Consolidation Project aimed at consolidating Investment Dealer and Partially Consolidated (IDPC) Rules and Mutual Fund Dealer (MFD) Rules into one set of Dealer and Consolidated (DC) Rules. References to Rules in the Fee Model will be revised once the DC Rules are approved and put into effect.

#### Investment Dealer and Partially Consolidated Rules

Rule 2117(2)	Fee payable for approval or exemption required by Rule 2100.
Rule 2224(1)(i)	Responsibility for fees on amalgamation of two or more Dealer Members.
Rule 2227	Payment of Annual Membership fees by resigning, suspended, terminated or surrendering Dealer Member.
Rule 2505(5)	Fee payable for failure to have a qualified Chief Financial Officer (CFO) within 90 days of the cessation date of the previous CFO, or other Corporation specified dates.
Rule 2506(6)	Fee payable for failure to have a qualified Chief Compliance Officer (CCO) within 90 days of the cessation date of previous CCO, or other Corporation specified dates.
Rule 2552(5)	Fees payable for the failure of the Dealer Member to file within 10 business days after the end month a report specified by the Corporation on the conditions imposed on an Approved person under Rules 8200 or 9200.
Rule 2626(3)	Fees payable for exemption from the requirement to write or rewrite any required course, whole or in part, as per Rule 2600.
Rule 2755(2)	Penalties imposed for the failure of a continuing education participant to complete the continuing education requirements within a continuing education program cycle.
Rule 2803(1)(i)	Payment of National Registration Database (NRD) enrolment fee.
Rule 2806(1)	Annual NRD system fee set by the Corporation payable to the securities regulatory authority in the local jurisdiction.

Rule 2806(2)(i)	Fees payable for making any NRD submission under section 2803.
Rule 2806(2)(ii)	Fees payable for the failure of the Dealer member to file any notification within the time specified.
Rule 2806(3)	Exemption request fees payable for making an application for proficiency exemption of an Approved Person or applicant for approval of pursuant to Rule 2600.
Rule 3704	Administrative fee or other penalties imposed by the Corporation for failure to meet reporting requirements under Rules 3702 and 3703.
Rule 4133(1)	The Corporation may require a Dealer Member to pay reasonable costs and expenses incurred to administer the Dealer Member's early warning situation under Rule 4100.
Rule 4153	Fees payable for the failure of Dealer Member to file any document or information required under Part C of Rule 4100 despite grant of an extension to file such information by the Corporation.
Rule 8214(1)	Costs ordered in a sanction after a hearing under Rule 8200.
Rule 8431(5)	Fees payable for requesting a record of a proceeding.

#### Mutual Fund Dealer Rules

Rule 1.2.6(i)(ii)	Fees payable for failure to comply with the requirements of Rule 1.2.6 or Rule 900.
Rule 1.4(c)	Levies or assessments payable for failure to meet reporting requirements.
Rule 3.5.4(b)	Fees payable for failure of the Member, its auditors or any person acting on its behalf to meet the reporting requirements under Rule 3.
Rule 7.4.2	Costs ordered to be paid by a Hearing Panel pursuant to Rule 7.3, 7.4.1 or Rule 7.4.3.
Rule 7.4.8	Payment of annual fees by suspended members.
Rule 900 Part I 13.5	Fee for failing to meet continuing education credit requirements as per rule 1.2.6 and Rule 900.

By-Law No.1

Section 3.5(1)	In the case of Dealer Members, an application for membership shall be accompanied by such fees as the Corporation may require.
Section 3.5(3)	An application for membership shall be accompanied by a non- refundable application review deposit in an amount to be determined by the Board, to be credited towards the annual fee paid by the Member in the event that the application is approved by the Board.
Section 3.5(11)(b)	If and when the application has been approved by the Board, and upon payment of the balance of the entrance and annual fees, the applicant shall become and be a Dealer Member.
Section 3.7	If two or more Members propose to amalgamate and continue as one Member, the continuing Member must comply with the payment of Member fees, if applicable.
Section 3.8	A Dealer Member resigning from the Corporation shall make full payment of its annual fee, if applicable, for the financial year in which its resignation becomes effective.

## PART 2 – FEES RELATED TO REGISTRATION MATTERS

The following summary is intended to be a guide only and is not a full reproduction of the applicable registration-related fees collected by the Corporation pursuant to delegation orders from the noted securities regulatory authorities. Reference should be made to the applicable instruments of the Canadian Securities Administrators (CSA).

Fee Type	Collection Details	Authority
Initial firm registration fees	The Corporation collects a portion of the CSA fee in New Brunswick and Saskatchewan.	Delegation Orders / Revenue Sharing Agreements
Opening of a business location	The Corporation collects a portion of the CSA fee in New Brunswick and Saskatchewan.	Delegation Orders / Revenue Sharing Agreements
Annual fees pertaining to firms, individuals and business locations	The Corporation collects a portion of the CSA fee in New Brunswick and Saskatchewan.	Delegation Orders / Revenue Sharing Agreements
Initial, reactivation, additional jurisdiction, additional sponsoring firm submissions	<p>The Corporation collects the CSA fee in Ontario and a portion of such fee in New Brunswick and Saskatchewan.</p> <p>The Corporation charges a fee in Manitoba, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Quebec and Yukon.</p>	<p>Delegation Orders / Revenue Sharing Agreements</p> <p>IDPC Rule 2806(2)</p>
Reinstatements	<p>The Corporation collects a portion of the CSA fee in New Brunswick and Saskatchewan.</p> <p>The Corporation charges a fee in Manitoba, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Quebec and Yukon.</p>	<p>Delegation Orders / Revenue Sharing Agreements</p> <p>IDPC Rule 2806(2)</p>

Fee Type	Collection Details	Authority
Change or surrender of individual categories	<p>The Corporation collects a CSA fee in Ontario and a portion of such fee in New Brunswick and Saskatchewan.</p> <p>The Corporation charges a fee in Manitoba, Newfoundland and Labrador, Nova Scotia, Northwest Territories, Nunavut, Prince Edward Island, Quebec and Yukon.</p>	<p>Delegation Orders / Revenue Sharing Agreements</p> <p>IDPC Rule 2806(2)</p>
Notice of Termination	The Corporation charges a fee in Quebec.	Recognition Order / Assumed fee from the Bourse
File copies	The Corporation charges a fee for providing an individual with a copy of their registration file.	Administrative practice

*Currently (as of Fiscal Year 2025), the Corporation receives Registrations fees from Alberta on the basis of direct operating costs for Registration activities.*

## APPENDIX C: REVENUE CALCULATION FOR TRANSITIONARY PERIOD

In order to minimize the impact of the new fee model on Mutual Fund Dealer Members, the Corporation will be implementing transitional measures.

The following adjustments would be made to Total Revenues reported by Mutual Fund Dealer Members in Statement D of Form 1 for the purpose of calculating the Revenue Component in Section 4:

- **Quebec Revenues:** Mutual Fund Dealer Members with Quebec revenue will have revenues adjusted to reflect transition of regulation to CIRO as follows:
  - Year 1 – reduce Form 1 revenues for 100% of Quebec Revenue;
  - Year 2 and/or until such time as the transition period is complete - reduce Form 1 revenues for 50% of Quebec Revenues.

When the transition period is complete, there will be no reduction for inclusion of Quebec revenues.

During this transitional period, the Corporation will compute the value of Quebec Revenues based on the Quebec based Assets under Administration relative to the total Assets Under Administration of the Mutual Fund Dealer Member.

**FEE MODEL**  
**EFFECTIVE APRIL 1, 2025**  
**TABLE OF CONTENTS**

INTRODUCTION .....	1
DEALER MEMBER FEE MODEL.....	1
Entrance Fees.....	1
Annual Fee.....	2
4. Revenue Component.....	2
5. Approved Person Fees Component.....	3
6. Minimum Dealer Regulation Fee Component. ....	3
7. Annual Fee for New Members.....	3
Payment of Annual Fee .....	4
8. Quarterly Payments. ....	4
9. Payment of Annual Fee on Acquisition of Dealer Member. ....	4
Dealer Member Reorganizations or Other Material Changes in Dealer Member Business.....	4
10. Reorganization, transfer, amalgamation or other combination of a Dealer Member	4
11. Material Changes to Business Activities .....	5
12. Change in the Type of Dealer Member .....	5
Underwriting Levies .....	5
13. Interpretation. ....	5
14. Levy.....	7
15. Responsible Dealers.....	8
16. Discretion of the Board.....	8
General .....	9
17. Assessment.....	9
18. Effect of Non-Payment of Fees.....	9
19. Extraordinary Costs and Expenses. ....	9
20. Additional Fees Payable by Dealer Members.....	10
EQUITY MARKET REGULATION FEE MODEL .....	10
Entrance and Set-Up Fees.....	11
21. Dealer Member Application Fees.....	11
22. Regulation Services Agreement Fee. ....	11
23. Information Technology Fee.....	11
24. Marketplace-Specific Costs. ....	11
Monthly Equity Market Regulation Fees.....	12
25. Message Processing Fee.....	12
26. Trade Fee. ....	12
27. Minimum Equity Market Regulation Fee. ....	12
28. Administration Fee.....	13
Payment of Monthly Equity Market Regulation Fees.....	13
29. Monthly Invoices. ....	13
DEBT MARKET REGULATION FEE MODEL.....	13

Monthly Debt Market Regulation Fees .....	13
30.    Non-Repo Debt Transaction Fee. ....	14
31.    Repo Debt Transaction Fee.....	14
Payment of Monthly Debt Market Regulation Fees.....	14
32.    Monthly Invoices.....	14
Late Filing Fee.....	14
33.    Late Filing Fee.....	14
DEBT INFORMATION PROCESSOR FEE MODEL .....	14
Monthly Debt Information Processor Fees .....	14
34.    Debt Transaction Fee.....	14
Payment of Monthly Debt Information Processor Fees .....	15
35.    Monthly Invoices.....	15
GENERAL PROVISIONS.....	15
36.    Interest.....	15
37.    Change in Fees.....	15
38.    Applicable Taxes.....	15
INTERPRETATION .....	15
APPENDIX A. REVENUE RATE TIERS.....	18
APPENDIX B: ADDITIONAL FEES PAYABLE BY DEALER MEMBERS.....	19
APPENDIX C: REVENUE CALCULATION FOR TRANSITIONARY PERIOD.....	24

## INTRODUCTION

This Fee Model is applicable to Dealer Members and Marketplace Members of the Corporation.

### DEALER MEMBER FEE MODEL

Applicants to become a member of the Corporation are required to pay an Entrance Fee as part of the application process. On becoming Dealer Members, applicants pay Annual Fees for each Fiscal Year. This Dealer Member Fee Model sets out certain details of the Corporation's administration of fees payable where such details are not provided with the By-laws, Rules or elsewhere (including the provisions identified in Appendix B). The Corporation is engaged in a Rule Consolidation Project aimed at consolidating Investment Dealer and Partially Consolidated (IDPC) Rules and Mutual Fund Dealer (MFD) Rules into one set of Dealer and Consolidated (DC) Rules. References to Rules in the Fee Model will be revised once the DC Rules are approved and put into effect.

#### Entrance Fees

1. The Entrance Fees charged to each new Dealer Member shall be payable as follows:
  - (a) a non-refundable Entrance Fee in an amount dependent upon the type of dealer member application as per the chart below, payable on acceptance of an application for membership as a Dealer Member for review by the Corporation. A portion of this fee, the application review deposit, equal to 25% of the minimum dealer regulation fee is to be credited towards the annual fee in the event that the application is approved by the Board.

Type of Dealer Member Application	Entrance Fee	Application Review Deposit
Mutual Fund Dealer Level 1-3	\$10,000	\$1,250
Mutual Fund Dealer Level 4	\$10,000	\$3,750
Investment Dealer or Dual-Registered Dealer	\$30,000	\$6,250
Investment Dealer - Crypto Asset Trading Platform	\$40,000	\$6,250

In accordance with section 3.5(3) of By-law No.1, if the application for membership as a Dealer Member is not approved by the Board within six months from the date the application was accepted for review by the Corporation for any reason that cannot reasonably be attributed to the Corporation or its staff, the deposit is forfeited to the Corporation. This may occur if the applicant withdraws their application, if CIRO staff consider an application to be abandoned due to the applicant not taking appropriate action to advance their application, including significant delays in responding to requests for information from CIRO staff.

- (b) any additional costs assessed per Section 19 for excessive time, attention and resources for applications that remain under review by the Corporation for more than six months.
2. Each application for membership as a Dealer Member that is approved by the Board shall be accompanied by a payment to the Restricted Fund equal to 0.5% of the applicant's

expected initial capital calculated according to the Corporation's Form 1, payable together with the payment in Section 7.

### **Annual Fee**

When establishing the Annual Fees payable by Dealer Members for a particular year, the Corporation determines what its net annual costs attributable to Dealer Member regulation are expected to be for that year. Such net annual costs are equal to the Corporation's budgeted costs for that year less projected underwriting levies, proceeds from registration fee sharing arrangements with various securities regulatory authorities, continuing education accreditation revenue, interest and other income. The Annual Fee payable by a Dealer Member will be based on its pro-rata share of such costs as determined in accordance with the provisions set out below.

3. The Annual Fee for each Dealer Member shall be determined with reference to the following components:
  - (a) Revenue Component;
  - (b) Approved Person Fees Component; and
  - (c) Minimum Dealer Regulation Fee Component.

The Annual Fee shall be the sum of the Revenue Component calculated in accordance with Section 4 and the Approved Person Fees Component calculated in accordance with Section 5, unless such sum is less than the applicable Minimum Dealer Regulation Fee Component set out in Section 6, in which case the Annual Fee shall be the applicable Minimum Dealer Regulation Fee.

The amount of the Annual Fee calculated in accordance with the foregoing paragraph shall be reduced pursuant to Section 7 if the applicant is approved for membership by the Board at any time after April 1 in any Fiscal Year.

4. **Revenue Component.** The Revenue Component of the Annual Fee shall be an amount equal to the product of the Total Revenue of the Dealer Member for the previous calendar year as reported to the Corporation or the Adjusted Revenue in the case of certain Mutual Fund Dealers, and the Revenue Rate prescribed by the Board in its discretion for the applicable Revenue Component Tier set out in Appendix A. Revenue Rates will be reviewed and adjusted annually by the Board in its discretion.

Adjusted Revenue is a minimum amount of revenue to be recognized for Mutual Fund Dealer Members with more than \$1 billion of Assets under Administration (AUA), and is an amount equal to the product of the AUA and the normalization factor. AUA is calculated as the two-year average of balances reported to the Corporation at the end of two most recent calendar years. "Normalization factor" means a rate calculated as 10 basis points below the median of the proportion of Form 1 revenues over AUA for all Mutual Fund Dealer Members.

For the calculation of the Revenue Component for the transitional period, please refer to Appendix C.

5. **Approved Person Fees Component.** The Approved Person Fees Component of the Annual Fee shall be an amount equal to the product of the number of Approved Persons of the Dealer Member based on the 12-month average of the previous calendar year and \$250.
6. **Minimum Dealer Regulation Fee Component.** If the sum of the Revenue Component and the Approved Person Fees Component of a Dealer Member is less than the Minimum Dealer Regulation Fee below, the Dealer Member shall pay the Minimum Dealer Regulation Fee.

Type of Dealer Member	Minimum Dealer Regulation Fee
Mutual Fund Dealer Level 1-3	\$5,000
Mutual Fund Dealer Level 4	\$15,000
Investment Dealer or Dual Registered Dealer	\$25,000
Investment Dealer - Crypto Asset Trading Platform	

7. **Annual Fee for New Members.** If an applicant for membership is approved by the Board at any time:
  - (a) In Q1 between April 1 and June 30, both inclusive, the Annual Fee for the balance of the Fiscal Year shall be 75% of the Minimum Dealer Regulation Fee;
  - (b) In Q2 between July 1 and September 30, both inclusive, the Annual Fee for the balance of the Fiscal Year shall be 50% of the Minimum Dealer Regulation Fee; or
  - (c) between October 1 and March 31, both inclusive, the Annual Fee for the balance of the Fiscal Year shall be 25% of the Minimum Dealer Regulation Fee.

The chart below shows the calculated annual fee and balance due upon Board approval after applying the application review deposit per section 1(b):

Type of Dealer Member	Q1 Approval		Q2 Approval		Q3/Q4 Approval	
	Annual Fee	Balance Due	Annual Fee	Balance Due	Annual Fee	Balance Due
Mutual Fund Dealer Level 1-3	\$3,750	\$2,500	\$2,500	\$1,250	\$1,250	-
Mutual Fund Dealer Level 4	\$11,250	\$7,500	\$7,500	\$3,750	\$3,750	-
Investment Dealer or Dual-Registered Dealer	\$18,750	\$12,500	\$12,500	\$6,250	\$6,250	-
Investment Dealer - Crypto Asset Trading Platform						

**Payment of Annual Fee**

- 8. **Quarterly Payments.** The Annual Fee shall be payable in quarterly instalments by the Dealer Member in each year. Notice of the Annual Fees and quarterly payments shall be communicated to each Dealer Member on or about the first week of April. The first quarterly payment shall be made by each Dealer Member by the first business day of May. Each subsequent quarterly installment will be communicated at the beginning of the quarter, and payment shall be made by the first business day of the following month.
  
- 9. **Payment of Annual Fee on Acquisition of Dealer Member.** Notwithstanding the foregoing, in the event that:
  - (a) an applicant for membership has acquired the whole or a substantial part of the business and assets of a Dealer Member or Members in good standing whose Annual Fee for the then current Fiscal Year has been paid in full and who is or are resigning from membership concurrently with the admission of the applicant to membership; and
  
  - (b) at least a majority in number of the partners of the applicant, in the case of a partnership, or at least a majority in number of the directors and at least a majority in number of the officers of the applicant, in the case of a corporation, are partners, or directors and officers, as the case may be, of the resigning Dealer Member or Members;

then the applicant, if the Board so approves, shall be exempted from payment of the Entrance Fee and from payment of the Annual Fee for the then current Fiscal Year. In no event including the foregoing circumstances shall there be a credit or refund of Annual Fees paid to date where one Dealer Member acquires all or any part of the shares, business or assets of another Dealer Member.

**Dealer Member Reorganizations or Other Material Changes in Dealer Member Business**

Each type of material business change and their associated fees are described below. If a transaction entails more than one type of material business change, the Dealer Member will only be charged the highest applicable fee (as summarized in the tables below), rather than being charged multiple fees.

10. **Reorganization, transfer, amalgamation or other combination of a Dealer Member**

Fees for review and/or approval of a material business change as described in By-law No. 1, section 3.10 wherein the business or ownership of a Member is proposed to be reorganized or transferred, amalgamated or otherwise combined in whole or in part with another person (including another Member) in a manner which the Member or its business will cease to exist in, or will be substantially changed from, its then current form, or a change of control of the Member may occur, are:

Type of Dealer Member	Fee
All Dealer Types	\$5,000

## 11. Material Changes to Business Activities

Fees for any material change to a Dealer Member's business activities as referenced in IDPC Rules, subsection 2246(2) and described in the Corporation Guidance Note GN-2200-21-001 Reporting of material changes to business activities are:

Type of Dealer Member or Business Change	Fee
Investment Dealer or Dual-Registered Dealer	\$5,000
Adding a new Crypto Asset Trading Platform	\$10,000

Any material changes to a Dealer Member's existing Crypto Asset Trading Platform, will fall into the category of a material change in business for an Investment Dealer and charged the applicable fee of \$5,000.

## 12. Change in the Type of Dealer Member

Where a Mutual Fund Dealer Member proposes to change to another type of Dealer Member, the Member will be charged the difference in the entrance fees for the relevant Dealer Member types per Section 1(a). Proposals from Investment Dealer Members to add Mutual Fund Dealer registration alongside their existing Investment Dealer registration (i.e., to become "dual-registered") will be treated as a material change to business activities and subject to a fee per Section 11.

The table below summarizes the fees for a change in the type of Dealer Member:

Change in the Type of Member ID = Investment Dealer MFD = Mutual Fund Dealer Dual-Registered = ID and MFD	Fee for Change in Dealer Type
Change from MFD Level 1-4 to ID or Dual-Registered	\$20,000

## Underwriting Levies

13. **Interpretation.** In Sections 13, 14 and 15 the following terms have the following meanings:

- (a) "**Canadian Public Offering**" means a Distribution of securities of a corporation, partnership or a trust if a prospectus or similar offering document is required to be filed with any securities regulatory authority in Canada, other than:
- (i) Private Placement; or
  - (ii) Distribution of Government of Canada securities, Provincial Securities, Municipal Securities or Not-for-Profit securities;
- (b) "**Distribution**" means a distribution of securities in Canada by way of Canadian Public Offering or Private Placement, or a distribution of Government of Canada Securities, Provincial Securities, Municipal Securities or Not-for-Profit Securities, whether underwritten on a firm (including bought deals) or best efforts basis by the Dealer

Member, as principal or agent, and as a member of the underwriting or selling groups; provided no such distribution shall be a Distribution for the purposes of this definition if the securities are:

- (i) Money market obligations with a term to maturity of one year or less, or greater than one year solely by reason of the term to maturity otherwise ending on a day that is not a business day;
  - (ii) Government of Canada, Provincial and Municipal Securities which are distributed by way of auction by or on behalf of the Government of Canada or a provincial or municipal government;
  - (iii) Rights to acquire securities issued to holders of previously distributed securities;
  - (iv) Securities, other than securities described in subsections 13 (c) to 13 (g), inclusive, in respect of which the Total Revenue to the underwriters for the offering of such securities is equal to 1% or less of the aggregate principal amount of the offering in the case of debt securities, or the maximum aggregate price at which the securities are offered in the case of any other securities;
  - (v) Debt securities in respect of which the aggregate principal amount is less than \$1,000,000;
  - (vi) Any securities (other than debt securities) in respect of which the maximum aggregate offering price is less than \$1,000,000; or
  - (vii) securities distributed in a block trade conducted on a Marketplace if no prospectus or similar offering document is filed with a securities regulatory authority in respect of the block trade;
- (c) **“Government of Canada Securities”** means securities of, or guaranteed by, the Government of Canada;
- (d) **“Municipal Securities”** means securities of, or guaranteed by, any municipal corporation in Canada;
- (e) **“Not-for-Profit Securities”** means securities of any school or school board, hospital or other not-for-profit organization;
- (f) **“Private Placement”** means a Distribution of securities of a corporation, partnership or trust if a prospectus or similar offering document is not required to be filed with any securities regulatory authority in Canada, provided that a Distribution of Government of Canada securities, Provincial Securities, Municipal Securities or Not-for-Profit Securities shall not be a private placement for the purposes of this definition;

- (g) “**Provincial Securities**” means securities of, or guaranteed by, any province or territory of Canada;
- (h) “**Levy Cap**” means, for any Distribution, an amount equal to 2.5% of the Total Revenue to a Dealer Member for its participation in that Distribution;
- (i) “**Responsible Dealer**” means the Dealer Member, if any, which is responsible on behalf of more than one Dealer Member for the bookkeeping and accounting in a Distribution;
- (j) “**Security**” means any property that is a “security” for the purposes of any securities legislation in Canada, and shall include, without limitation, warrants, debt-like derivatives, structured notes and asset-backed instruments, provided that the Board may from time to time determine whether any particular property is to be included or excluded from such definition, which determination shall be final and conclusive; and
- (k) “**Total Revenue**” means, in respect of an offering, the aggregate of:
  - (i) any commission paid to the Dealer Member; and
  - (ii) any fee paid to the Dealer Member.

14. **Levy.** Each Dealer Member shall pay to the Corporation a levy as follows with respect to its proportionate participation in any Distribution:

- (a) For a Canadian Public Offering, in the case of debt securities, 1/100th of 1% of the aggregate principal amount of the offering or, in any other case 1/100th of 1% of the maximum aggregate price at which the securities are offered;
- (b) For a Private Placement, in the case of debt securities, 1/200th of 1% of the aggregate principal amount of the offering or, in any other case, 1/200th of 1% of the maximum aggregate price at which the securities are offered;
- (c) For a Distribution of Government of Canada securities, 1/300th of 1% of the aggregate principal amount of the offering;
- (d) For a Distribution of Provincial Securities, in the case of debt securities, 1/200th of 1% of the aggregate principal amount of the offering or, in any other case, 1/200th of 1% of the maximum aggregate price at which the securities are offered;
- (e) For a Distribution of Municipal Securities, in the case of debt securities, 1/300th of 1% of the aggregate principal amount of the offering or, in any other case, 1/300th of 1% of the maximum aggregate price at which the securities are offered; and
- (f) For a Distribution of Not-for-Profit Securities, in the case of debt securities, 1/200th of 1% of the aggregate principal amount of the offering or, in any other case, 1/200th of 1% of the maximum aggregate price at which the securities are offered,

provided that the amount of the levy payable by a Dealer Member for a Distribution shall not exceed an amount equal to the Levy Cap for that Dealer Member for that Distribution.

Each levy shall be calculated in Canadian dollars or in the Canadian dollar equivalent of the currency of the Distribution as of the date on which the first closing of the transaction occurs. If the levy for an offering may be calculated according to more than one of paragraphs (a) to (f) above, the levy shall be calculated according to the paragraph which provides the highest levy.

All Distributions are deemed to take place entirely in Canada unless the Dealer Member provides evidence, acceptable to the Corporation in its sole discretion, of the number of securities offered outside Canada, in which case the levy will be calculated on the securities distributed in Canada.

15. **Responsible Dealers.** Each Dealer Member or, if there is a Responsible Dealer in respect of a Distribution involving more than one Dealer Member, the Responsible Dealer shall:

- (a) Complete a new levy form for submission with payment;
- (b) Provide details of the Total Revenue for each Dealer Member, supported by third-party sources such as the Underwriting/Agency Agreement, Financial Post or SEDAR; if such details are not provided, the Levy Cap will not apply;
- (c) Calculate the amount of the levy to be paid by each Dealer Member in respect of the Distribution;
- (d) Pay and, in the case of a Responsible Dealer, collect from the other Dealer Members and remit to the Corporation the amount of the levy within sixty (60) days of the date on which the first closing of the transaction occurs; and
- (e) Deliver to the Corporation on or before the time of payment of the levy pursuant to paragraph (d) copies of any and all forms, notices and calculations relating to the size or amount of the Distribution as are required to be filed with any securities regulatory authority or stock exchange in Canada in respect of the Distribution.

If there are two or more Responsible Dealers who have substantially equal obligations in respect of a Distribution, they shall each be responsible on a proportional basis for the collection and remission of the applicable levy; provided that if one of such Responsible Dealers is not a Dealer Member, the Responsible Dealer(s) which are Dealer Members shall collect and remit the levy on behalf of all Dealer Members.

If there is no Responsible Dealer in respect of a Distribution, or if the Responsible Dealer is not a Dealer Member, each Dealer Member shall complete a new levy form and remit its proportion of the levy.

16. **Discretion of the Board.** The Board may in its discretion impose the levy on an amount which is less than, in the case of debt securities, the aggregate principal amount of the offering and, in any other case, the maximum aggregate price at which the securities are offered and make

any other variations in connection with the imposition of the levy as it deems necessary or desirable.

### **General**

17. **Assessment.** Notwithstanding Sections 3 to 6, inclusive, the Board shall have power to make an assessment in any Fiscal Year upon each Dealer Member not to exceed 50% of the Annual Fee payable in such year by such Dealer Member. Each Dealer Member shall pay the amount so assessed upon it within thirty (30) days after receiving written notification thereof from the Secretary.

18. **Effect of Non-Payment of Fees.**

(a) If the Annual Fee payable by a Dealer Member has not been paid:

- (i) in the case of the first quarterly payment, by the first business day of June;
- (ii) in the case of the second quarterly payment, by the first business day of September;
- (iii) in the case of the third quarterly payment, by the first business day of December; or
- (iv) in the case of the fourth quarterly payment, by the first business day of March in any year, or

(b) if the amount assessed upon any Dealer Member pursuant to Section 17 or Section 19 has not been paid within thirty (30) days after the date specified in the written notification thereof from the Secretary,

the Secretary shall, by registered mail, request the Dealer Member to pay the same and draw the Dealer Member's attention to the provisions of this Section 18. If the entire amount owing by the Dealer Member has not been paid within thirty (30) days from the date the Secretary has mailed the request, the Secretary shall notify the Board to this effect and the Board may, in its discretion, terminate the membership of the Dealer Member in default. If the Board decides to terminate the membership of a Dealer Member pursuant to the provisions of this Section 18, the Secretary will be requested to notify the Dealer Member, by registered mail, of the decision of the Board. A former Dealer Member whose membership has been terminated pursuant to the provisions of this Section 18 shall cease to be entitled to exercise any of the rights and privileges of membership but shall remain liable to the Corporation for all amounts due to the Corporation from the former Dealer Member.

19. **Extraordinary Costs and Expenses.** The extraordinary costs and expenses of the Corporation incurred in connection with, but not limited to, items such as (i) the review and/or approval of a novel or unusual application for membership as a Dealer Member, (ii) the review and/or

approval of any reorganization, take over or other substantial change in the business, structure or affairs of a Dealer Member, (iii) travel and accommodation outside Canada for staff to conduct compliance exams for a Dealer Member, or (iv) costs associated with compliance site visits conducted by staff for applicants as Dealer Members, may be assessed to the Dealer Member at the discretion of the Board.

- a) If an application or review per Sections 1, 10, 11 or 12 remains under compliance review for any period longer than 6 months, the reimbursement for the additional costs and expenses will be at a rate of one-sixth (1/6) of the application or business change fee for each month and/or partial month that the application remains under review until the compliance review is complete, the firm withdraws its application, or the Corporation staff have suspended their review of the application.

Please refer to the tables below for a summary of the monthly reimbursement rate for each type of Dealer Member application or business change.

Type of Dealer Member Application or Business Change	Monthly Extraordinary Costs
New Dealer Member Application	1/6th of the application fee as per Section 1
Reorganization, transfer, amalgamation or other combination of a Dealer Member	1/6th of the fee as per Section 10
Material Changes to Business Activities	1/6th of the fee as per Section 11
Change in the Type of Dealer Member	1/6th of the fee as per Section 12

- 20. **Additional Fees Payable by Dealer Members.** The foregoing Dealer Member Fee Model is not an exhaustive list of the fees payable by Dealer Members. Additional fees that are payable by Dealer Members in certain circumstances are contained in the Corporation’s Rules and in the By-laws. Appendix B contains a summary of where these additional fees may be found and the nature of such fees. The summary is intended to be a guide only and is not a full reproduction of the applicable Corporation Rules and/or By-laws. Reference should be made to the full text of the Corporation Rules and the By-laws.

### EQUITY MARKET REGULATION FEE MODEL

The Equity Market Regulation Fee Model is applicable to Marketplaces that trade equity securities. Applicants for acceptance as Marketplace Members that are alternative trading systems are required to pay Entrance Fees for their Dealer Member application in addition to the Regulation Services Agreement Fee and an Information Technology Fee, which must be paid by all applicants for acceptance as Marketplace Members. On becoming Marketplace Members, Marketplace-Specific Costs may be payable in certain circumstances. Monthly Equity Market Regulation Fees consisting of Message Processing Fees and Trade Fees (subject to a Minimum Market Regulation Fee) are allocated to Marketplaces and are payable by Dealer Members participating in those Marketplaces. Administration Fees are allocated to Marketplace Members and Dealer Members.

### **Entrance and Set-Up Fees**

21. **Dealer Member Application Fees.** For alternative trading systems, the process for acceptance as a Marketplace Member is concurrent with that to become an Investment Dealer Member. The Entrance Fee described in Section 1 is payable by such applicants at the time an application is made.

22. **Regulation Services Agreement Fee.**

(a) The minimum fee for the drafting and negotiation of a Regulation Services Agreement between the Corporation and an applicant as a Marketplace Member is \$25,000 and is payable at the time of application.

(b) If time cost spent by the Corporation staff on the drafting and negotiation of the Regulation Services Agreement is greater than \$25,000, the difference will be invoiced by the Corporation and is payable by the Marketplace Member prior to the Marketplace commencing operations as a Marketplace Member.

(c) The Corporation may, in its discretion, charge the fees indicated in paragraphs (a) and (b) above in connection with the drafting and negotiation of a revised or amended Regulation Services Agreement in circumstances where there has been a material change in the activities of a Marketplace Member.

23. **Information Technology Fee.** The Information Technology Fee charged to each applicant as a Marketplace Member is \$66,500 payable as follows:

(a) a non-refundable deposit of \$10,000 payable at the time of application for membership as a Marketplace Member; and

(b) the balance of \$56,500 payable when the applicant is authorized to proceed with the testing and development of Surveillance System functionality for the marketplace.

If time cost spent by the Corporation's staff on the connectivity and testing process for the marketplace is greater than \$66,500, the difference will be invoiced by the Corporation and is payable by the Marketplace Member upon launch of the marketplace.

All costs of information technology development, including any third-party costs, for a new marketplace are borne by the Marketplace Member.

24. **Marketplace-Specific Costs.** Each Marketplace Member will pay to the Corporation (i) incremental costs incurred by the Corporation to perform additional work to monitor a Marketplace as a result of unique marketplace features, and (ii) incremental costs incurred by the Corporation as a result of a Marketplace's failure to meet a Corporation regulatory feed standard, testing window or project deadline, including, without limitation, modifications to the Corporation's systems, additional staffing or remedial work. Marketplace-Specific Costs will be

determined with respect to each Marketplace Member on a monthly basis and shall be invoiced in accordance with Subsection 29(b).

### **Monthly Equity Market Regulation Fees**

When determining the Monthly Equity Market Regulation Fees allocated to a Marketplace Member for a particular month, the Corporation first determines its total market regulation costs and then deducts the timely disclosure fees, interest and other income received by the Corporation. The net costs are then allocated to each Marketplace Member on a pro-rata basis and are paid by that Marketplace's participating organizations, members or subscribers, as the case may be, that are Dealer Members as identified by the Marketplace. The allocation is based on the number of messages sent and trades executed by each Dealer Member on each Marketplace, all in accordance with the provisions set out below.

#### **25. Message Processing Fee.**

- (a) Each Marketplace shall be allocated a fee based on the Marketplace's share of the total number of messages processed by the Corporation's surveillance system during a particular month. The Message Processing Fee is determined with reference to the total information technology costs of the surveillance system.
- (b) The Message Processing Fee shall be paid by Dealer Members based on each Dealer Member's pro-rata share of the messages sent through each Marketplace. The total Message Processing Fee and the applicable unit cost per message shall be disclosed in the monthly invoice delivered to Dealer Members in accordance with Subsection 29(a).

#### **26. Trade Fee.**

- (a) Each Marketplace shall be allocated a fee based on a particular Marketplace's share of the total number of trades completed during a particular month. The Trade Fee is determined with reference to the net market regulation costs after deduction of the information technology costs of the surveillance system.
- (b) The Trade Fee shall be paid by Dealer Members based on each Dealer Member's pro-rata share of the trades made through each Marketplace. The total Trade Fee shall be specified in the monthly invoice delivered to Dealer Members in accordance with Subsection 29(a).

#### **27. Minimum Equity Market Regulation Fee.**

- (a) If the aggregate of the Message Processing Fee and the Trade Fee allocated to a Marketplace Member is less than \$4,800 in a particular month, such Marketplace Member shall be allocated the Minimum Equity Market Regulation Fee of \$4,800, consisting of \$1,200 allocated to messages and \$3,600 allocated to trades.
- (b) If applicable, the Minimum Equity Market Regulation Fee shall be paid by Dealer Members based on each Dealer Member's pro-rata share of the messages sent and the trades made through a Marketplace subject to the Minimum Equity Market Regulation Fee. The portion of the Minimum Equity Market Regulation Fee, if any,

payable by a Dealer Member shall be specified in the monthly invoice delivered to the Dealer Member in accordance with Subsection 29(a). If a Marketplace Member chooses to pay the difference between the Minimum Equity Market Regulation Fee and the aggregate of the Message Processing Fee and the Trade Fee allocated to the Marketplace Member then Dealer Members shall only be responsible for paying the latter.

- (c) If there are no messages processed or trades completed during a particular month, the Marketplace Member shall be required to pay the Minimum Equity Market Regulation Fee directly.

**28. Administration Fee.**

- (a) A fee of \$400 shall be charged to each Dealer Member and invoiced in accordance with Subsection 29(a) each month for the provision of detailed billing information or other information related to market regulation fees requested by the Dealer Member.
- (b) An Administration Fee of \$500 shall be charged to each Marketplace Member and invoiced in accordance with Subsection 29(b) each month for the administration of the invoicing of the fees described in this Equity Market Regulation Fee Model to Dealer Members on behalf of the Marketplace Member.

**Payment of Monthly Equity Market Regulation Fees**

**29. Monthly Invoices.**

- (a) Dealer Members: Dealer Members shall be invoiced on a monthly basis in arrears within the first ten (10) days of any month for the aggregate of the Message Processing Fee and the Trade Fee, or the Minimum Equity Market Regulation Fee, as applicable, and the Administration Fee charged to Dealer Members. Such invoices are due and payable immediately upon receipt.
- (b) Marketplace Members: Marketplace Members shall be invoiced on a monthly basis in arrears within the first ten (10) days of any month for the aggregate of any Marketplace-Specific costs incurred during a particular month as contemplated in Section 24, the Administration Fee charged to Marketplace Members and any amount invoiced to a Marketplace Member under Subsection 27(b).

**DEBT MARKET REGULATION FEE MODEL**

**Monthly Debt Market Regulation Fees**

When determining the Monthly Debt Market Regulation Fees allocated to a Dealer Member for a particular month, the Corporation first determines its total debt market regulation costs. These costs are then allocated to each Dealer Member on a pro-rata basis and are paid by those Dealer Members as identified based on the number of Non-Repo Debt Transactions and Repo Debt Transactions submitted by each Dealer Member, all in accordance with the provisions set out below.

30. **Non-Repo Debt Transaction Fee.**

(c) Each Dealer Member shall be allocated a fee, based on their pro-rata share of the total number of Non-Repo Debt Transactions received and processed by the Corporation's debt surveillance system during a particular month. The total Non- Repo Debt Transaction Fee and the applicable unit cost per transaction shall be disclosed in the monthly invoice delivered to Dealer Members in accordance with Section 32.

31. **Repo Debt Transaction Fee.**

(d) Each Dealer Member shall be allocated a fee, based on their pro-rata share of the total number of Repo Debt Transactions received and processed by the Corporation's debt surveillance system during a particular month. The total Repo Debt Transaction Fee and the applicable unit cost per transaction shall be disclosed in the monthly invoice delivered to Dealer Members in accordance with Section 32.

(e) The Repo Debt Transaction Fee will be reduced by cost recoveries received from the Bank of Canada.

**Payment of Monthly Debt Market Regulation Fees**

32. **Monthly Invoices.** Dealer Members shall be invoiced on a monthly basis in arrears within the first ten (10) days of any month for the aggregate of the Non-Repo Debt Transaction Fee and the Repo Debt Transaction Fee, as applicable. Such invoices are due and payable immediately upon receipt.

**Late Filing Fee**

33. **Late Filing Fee.** Dealer Members may be charged a late filing fee, which will be based on the additional effort required by the Corporation to input the late data, make corrections and perform appropriate surveillance.

**DEBT INFORMATION PROCESSOR FEE MODEL**

**Monthly Debt Information Processor Fees**

When determining the Monthly Debt Information Processor Fees allocated to a Dealer Member for a particular month, the Corporation first determines its total debt information processor costs. These costs are then allocated to each Dealer Member on a pro-rata basis and are paid by those Dealer Members as identified based on the number of Debt Transactions submitted by each Dealer Member, all in accordance with the provisions set out below.

34. **Debt Transaction Fee.** Each Dealer Member shall be allocated a fee, based on their pro- rata share of the total number of Debt Transactions received and processed by the Corporation's debt information processor system during a particular month. The total Debt Transaction Fee

and the applicable unit cost per transaction shall be disclosed in the monthly invoice delivered to Dealer Members in accordance with Section 35

#### **Payment of Monthly Debt Information Processor Fees**

35. **Monthly Invoices.** Dealer Members shall be invoiced on a monthly basis in arrears within the first ten (10) days of any month for the Debt Information Processor Fees. Such invoices are due and payable immediately upon receipt.

#### **GENERAL PROVISIONS**

The provisions set out below are of general application to the Fee Model.

36. **Interest.** Any amount due and owing to the Corporation pursuant to the Fee Model by a Dealer Member shall bear interest at a rate per annum, for any month, of one percent above the Canadian Chartered Bank prime lending rate at the end of each preceding month (calculated daily on the basis of a 365-day year, and payable and compounded monthly) from the date the amount is first due until paid, with interest on arrears calculated and payable in the same manner.
37. **Change in Fees.** Any fees specified in the Fee Model may be changed on not less than sixty (60) days' notice from the Corporation.
38. **Applicable Taxes.** Any fees specified in the Fee Model shall require the payment of any taxes applicable to such fees in addition to the specified amounts.

#### **INTERPRETATION**

The capitalized terms used in the Fee Model have the meanings given to such terms in the Corporation Rules and By-laws, unless otherwise defined in the Fee Model. The Corporation is engaged in a Rule Consolidation Project aimed at consolidating Investment Dealer and Partially Consolidated (IDPC) Rules and Mutual Fund Dealer (MFD) Rules into one set of Dealer and Consolidated (DC) Rules. References to Rules in the Fee Model will be revised once the DC Rules are approved and put into effect.

The following terms have the following meanings:

**“Administration Fee”** means the administration fees payable by Dealer Members and Marketplace Members in accordance with Section 28.

**“Annual Fee”** means the annual fee payable by Dealer Members determined with reference to the components set out in Section 3 and calculated in accordance with the provisions of the Fee Model.

**“Approved Person”** has the same meaning as set out in By-law No. 1, section 1.1.

**“Approved Person Fees Component”** means the levy payable by each Dealer Member determined in accordance with Section 5.

**“Corporation Rule”** or **“Rule”** has the same meaning as set out in By-law No. 1, section 1.1. This includes but is not limited to that set out in the Corporation Investment Dealer and Partially Consolidated Rules, and Mutual Fund Dealer Rules.

**“Crypto Asset Trading Platform”** means a platform that facilitates the buying, selling, and holding of crypto assets.

**“Dealer Member”** has the same meaning as set out in By-law No. 1, section 1.1.

**“Debt Transactions”** means, for the purpose of the Monthly Debt Information Processor Fees, the aggregate of Repo Debt Transactions and Non-Repo Debt Transactions submitted by a Dealer Member.

**“Dual Registered Dealer”** means a firm that is registered as both an investment dealer and a mutual fund dealer. A Dual Registered Dealer Member is considered an Investment Dealer Member for the purposes of calculating fees.

**“Entrance Fees”** means the initial fees payable by an applicant for membership in the Corporation as a Dealer Member as specified in Section 1.

**“Fiscal Year”** means the fiscal year of the Corporation ending on the last day of March in each year.

**“Information Technology Fee”** means the fee payable by an applicant as a Marketplace Member in accordance with Section 23.

**“Investment Dealer Member”** has the same meaning as set out in Rule 1201 of the IDPC Rules. For clarity, this would include Dual Registered Dealer Members where not otherwise specified.

**“Marketplace-Specific Costs”** means the incremental costs payable by a Marketplace Member in accordance with Section 24.

**“Message Processing Fee”** means the fee allocated to a Marketplace each month determined in accordance with Section 25.

**“Minimum Dealer Regulation Fee Component”** means the minimum fee payable by a Dealer Member in each Fiscal Year determined in accordance with Section 6.

**“Minimum Equity Market Regulation Fee”** means the minimum fee allocated to a Marketplace Member in each month determined in accordance with Section 27.

**“Monthly Debt Information Processor Fees”** means the monthly fees allocated to Dealer Members in accordance with Section 34.

**“Monthly Debt Market Regulation Fees”** means the monthly fees allocated to Dealer Members in accordance with Sections 30 to 31, inclusive.

**“Monthly Equity Market Regulation Fees”** means the monthly fees allocated to Marketplace

Members in accordance with Sections 25 to 28, inclusive.

**"Mutual Fund Dealer Member"** has the same meaning as set out in Rule 1A of the MFD Rules.

**"Non-Repo Debt Transaction Fee"** means the fee allocated to a Dealer Member each month determined in accordance with Section 30.

**"Non-Repo Debt Transactions"** means transactions in a Debt Security that are subject to reporting requirements under the Corporation Rule 7200: Transaction Reporting for Debt Securities except Repo Debt Transactions, in relation to that portion of the monthly fees allocated to Dealer Members in accordance with Section 30.

**"Regulation Services Agreement Fee"** means the fee payable by a Marketplace Member for the negotiation of a Regulation Services Agreement in accordance with Section 22.

**"Repo Debt Transaction Fee"** means the fee allocated to a Dealer Member each month determined in accordance with Section 31.

**"Repo Debt Transactions"** means transactions that involve the simultaneous sale and future repurchase, or simultaneous purchase and future sale ("Reverse Repo"), of any Debt Securities, including transactions arranged as buy/sell-backs and sell/buy-backs, as prescribed in the Corporation Rule 7200: Transaction Reporting for Debt Securities, in relation to that portion monthly fees allocated to Dealer Members in accordance with Section 31.

**"Restricted Fund"** means the fund for collection and use of monetary sanctions received by the Corporation.

**"Revenue Component"** means the portion of the Annual Fee determined in accordance with Section 4.

**"Revenue Component Tier"** means the tiers of revenue set out in Appendix A used to calculate the Revenue Component.

**"Revenue Rate"** means the rate prescribed annually by the Board for a particular Revenue Component Tier set out in Appendix A.

**"Total Revenue"** means the amount reported as "Total Revenue" in the IDPC Form 1, Statement E, line 21 and MFD Form 1 Statement D, line 13.

**"Trade Fee"** means the fee allocated to a Marketplace each month determined in accordance with Section 26.

**APPENDIX A. REVENUE RATE TIERS**

<b>Tier</b>	<b>Revenues for the Previous Calendar Year</b>
Tier 1.....	Under \$2.5M
Tier 2.....	up to \$10M
Tier 3.....	up to \$50M
Tier 4.....	up to \$100M
Tier 5.....	up to \$500M
Tier 6.....	up to \$1B
Tier 7.....	over \$1B

The rate prescribed to each tier will be provided to the Dealer Member through the Fee Letter.

## APPENDIX B: ADDITIONAL FEES PAYABLE BY DEALER MEMBERS

### PART 1 – CORPORATION RULES AND BY-LAWS

The following summary is intended to be a guide only and is not a full reproduction of the applicable Corporation Rules and By-Laws. Reference should be made to the full text of the Corporation Rules and the By-laws. The Corporation Rules refer to both current and successor Rules, as applicable. The Corporation is currently engaged in a Rule Consolidation Project aimed at consolidating Investment Dealer and Partially Consolidated (IDPC) Rules and Mutual Fund Dealer (MFD) Rules into one set of Dealer and Consolidated (DC) Rules. References to Rules in the Fee Model will be revised once the DC Rules are approved and put into effect.

#### Investment Dealer and Partially Consolidated Rules

Rule 2117(2)	Fee payable for approval or exemption required by Rule 2100.
Rule 2224(1)(i)	Responsibility for fees on amalgamation of two or more Dealer Members.
Rule 2227	Payment of Annual Membership fees by resigning, suspended, terminated or surrendering Dealer Member.
Rule 2505(5)	Fee payable for failure to have a qualified Chief Financial Officer (CFO) within 90 days of the cessation date of the previous CFO, or other Corporation specified dates.
Rule 2506(6)	Fee payable for failure to have a qualified Chief Compliance Officer (CCO) within 90 days of the cessation date of previous CCO, or other Corporation specified dates.
Rule 2552(5)	Fees payable for the failure of the Dealer Member to file within 10 business days after the end month a report specified by the Corporation on the conditions imposed on an Approved person under Rules 8200 or 9200.
Rule 2626(3)	Fees payable for exemption from the requirement to write or rewrite any required course, whole or in part, as per Rule 2600.
Rule 2755(2)	Penalties imposed for the failure of a continuing education participant to complete the continuing education requirements within a continuing education program cycle.
Rule 2803(1)(i)	Payment of National Registration Database (NRD) enrolment fee.
Rule 2806(1)	Annual NRD system fee set by the Corporation payable to the securities regulatory authority in the local jurisdiction.

Rule 2806(2)(i)	Fees payable for making any NRD submission under section 2803.
Rule 2806(2)(ii)	Fees payable for the failure of the Dealer member to file any notification within the time specified.
Rule 2806(3)	Exemption request fees payable for making an application for proficiency exemption of an Approved Person or applicant for approval of pursuant to Rule 2600.
Rule 3704	Administrative fee or other penalties imposed by the Corporation for failure to meet reporting requirements under Rules 3702 and 3703.
Rule 4133(1)	The Corporation may require a Dealer Member to pay reasonable costs and expenses incurred to administer the Dealer Member's early warning situation under Rule 4100.
Rule 4153	Fees payable for the failure of Dealer Member to file any document or information required under Part C of Rule 4100 despite grant of an extension to file such information by the Corporation.
Rule 8214(1)	Costs ordered in a sanction after a hearing under Rule 8200.
Rule 8431(5)	Fees payable for requesting a record of a proceeding.

#### Mutual Fund Dealer Rules

Rule 1.2.6(i)(ii)	Fees payable for failure to comply with the requirements of Rule 1.2.6 or Rule 900.
Rule 1.4(c)	Levies or assessments payable for failure to meet reporting requirements.
Rule 3.5.4(b)	Fees payable for failure of the Member, its auditors or any person acting on its behalf to meet the reporting requirements under Rule 3.
Rule 7.4.2	Costs ordered to be paid by a Hearing Panel pursuant to Rule 7.3, 7.4.1 or Rule 7.4.3.
Rule 7.4.8	Payment of annual fees by suspended members.
Rule 900 Part I 13.5	Fee for failing to meet continuing education credit requirements as per rule 1.2.6 and Rule 900.

By-Law No.1

Section 3.5(1)	In the case of Dealer Members, an application for membership shall be accompanied by such fees as the Corporation may require.
Section 3.5(3)	An application for membership shall be accompanied by a non-refundable application review deposit in an amount to be determined by the Board, to be credited towards the annual fee paid by the Member in the event that the application is approved by the Board.
Section 3.5(11)(b)	If and when the application has been approved by the Board, and upon payment of the balance of the entrance and annual fees, the applicant shall become and be a Dealer Member.
Section 3.7	If two or more Members propose to amalgamate and continue as one Member, the continuing Member must comply with the payment of Member fees, if applicable.
Section 3.8	A Dealer Member resigning from the Corporation shall make full payment of its annual fee, if applicable, for the financial year in which its resignation becomes effective.

## PART 2 – FEES RELATED TO REGISTRATION MATTERS

The following summary is intended to be a guide only and is not a full reproduction of the applicable registration-related fees collected by the Corporation pursuant to delegation orders from the noted securities regulatory authorities. Reference should be made to the applicable instruments of the Canadian Securities Administrators (CSA).

Fee Type	Collection Details	Authority
Initial firm registration fees	The Corporation collects a portion of the CSA fee in New Brunswick and Saskatchewan.	Delegation Orders / Revenue Sharing Agreements
Opening of a business location	The Corporation collects a portion of the CSA fee in New Brunswick and Saskatchewan.	Delegation Orders / Revenue Sharing Agreements
Annual fees pertaining to firms, individuals and business locations	The Corporation collects a portion of the CSA fee in New Brunswick and Saskatchewan.	Delegation Orders / Revenue Sharing Agreements
Initial, reactivation, additional jurisdiction, additional sponsoring firm submissions	<p>The Corporation collects the CSA fee in Ontario and a portion of such fee in New Brunswick and Saskatchewan.</p> <p>The Corporation charges a fee in Manitoba, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Quebec and Yukon.</p>	<p>Delegation Orders / Revenue Sharing Agreements</p> <p>IDPC Rule 2806(2)</p>
Reinstatements	<p>The Corporation collects a portion of the CSA fee in New Brunswick and Saskatchewan.</p> <p>The Corporation charges a fee in Manitoba, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Quebec and Yukon.</p>	<p>Delegation Orders / Revenue Sharing Agreements</p> <p>IDPC Rule 2806(2)</p>

Fee Type	Collection Details	Authority
Change or surrender of individual categories	<p>The Corporation collects a CSA fee in Ontario and a portion of such fee in New Brunswick and Saskatchewan.</p> <p>The Corporation charges a fee in Manitoba, Newfoundland and Labrador, Nova Scotia, Northwest Territories, Nunavut, Prince Edward Island, Quebec and Yukon.</p>	<p>Delegation Orders / Revenue Sharing Agreements</p> <p>IDPC Rule 2806(2)</p>
Notice of Termination	The Corporation charges a fee in Quebec.	Recognition Order / Assumed fee from the Bourse
File copies	The Corporation charges a fee for providing an individual with a copy of their registration file.	Administrative practice

Currently (as of Fiscal Year 2025), the Corporation receives Registrations fees from Alberta on the basis of direct operating costs for Registration activities.

## APPENDIX C: REVENUE CALCULATION FOR TRANSITIONARY PERIOD

In order to minimize the impact of the new fee model on Mutual Fund Dealer Members, the Corporation will be implementing transitional measures.

The following adjustments would be made to Total Revenues reported by Mutual Fund Dealer Members in Statement D of Form 1 for the purpose of calculating the Revenue Component in Section 4:

- **Quebec Revenues:** Mutual Fund Dealer Members with Quebec revenue will have revenues adjusted to reflect transition of regulation to CIRO as follows:
  - o Year 1 – reduce Form 1 revenues for 100% of Quebec Revenue;
  - o Year 2 and/or until such time as the transition period is complete - reduce Form 1 revenues for 50% of Quebec Revenues.

When the transition period is complete, there will be no reduction for inclusion of Quebec revenues.

During this transitional period, the Corporation will compute the value of Quebec Revenues based on the Quebec based Assets under Administration relative to the total Assets Under Administration of the Mutual Fund Dealer Member.

Appendix D - Text of MFD Rules to Reflect MFD Rules Amendments  
Respecting the Integrated Fee Model

Text of Provision Following Adoption of the Proposed MFD Rules Amendments	Text of Current Provisions Marked to Reflect Adoption of the Proposed MFD Rules Amendments
<p>1(ii) Notwithstanding paragraph (i), where a Dealer Member is registered under securities legislation as a mutual fund dealer and an investment dealer, the Dealer Member and its Approved Persons are exempt from these Rules, provided they are in compliance with corresponding requirements established by the Corporation that are applicable to Investment Dealer Members.</p>	<p>1(ii) Notwithstanding paragraph (i), where a Dealer Member is registered under securities legislation as a mutual fund dealer and an investment dealer, the Dealer Member and its Approved Persons are exempt from these Rules, <del>except for Rules 8.5 (Annual Fees), 8.6 (Other Fees) and 8.7 (Effect of Non-Payment of Fees)</del>, provided they are in compliance with corresponding requirements established by the Corporation that are applicable to Investment Dealer Members.</p>
<p>3.5.4(a) Repealed.</p>	<p>3.5.4(a) <u>Repealed</u>. <del>Excessive Attention. If at any time the Corporation is of the opinion that the financial condition or conduct of the business of any Member has required excessive attention from the Corporation and that it would be in the interests of the Corporation that the Corporation be reimbursed by such Member, the Corporation shall have the power to impose an assessment against such Member.</del></p>
<p>7.4.8(e) shall continue to be liable for the payment of its annual fees and any other fees, levies or assessments pursuant to any By-law or Rules of the Corporation inclusive of fee models.</p>	<p>7.4.8(e) shall continue to be liable for the payment of its <u>Annual Fees</u> pursuant to <del>Rule 8.5</del> and any other fees, levies or assessments pursuant to any By-law or Rules of the Corporation <u>inclusive of fee models</u>.</p>
<p>8.1 Applications – Submission of Financial Information</p> <p>An application submitted under section 3.5(1) of General By-law No.1 shall be accompanied by: 8.1.1 financial statements of the applicant as of a date not more than 90 days prior to the date of application for</p>	<p>8.1 Applications – Submission of Financial Information</p> <p>An application submitted under section 3.5(1) of General By-law No.1 shall be accompanied by: 8.1.1 financial statements of the applicant as of a date not more than 90 days prior to the date of application for</p>

Text of Provision Following Adoption of the Proposed MFD Rules Amendments	Text of Current Provisions Marked to Reflect Adoption of the Proposed MFD Rules Amendments
<p>Membership (or as of such other date as the Corporation may require), prepared in accordance with Form 1 and audited by an auditor acceptable to the Corporation;</p> <p>8.1.2 interim unaudited monthly financial statements, prepared in accordance with Form 1, for the period following the date of the audited financial statement submitted under Rule 8.1.1 up to the most recent month prior to the date of the Membership application;</p> <p>8.1.3 a report by the applicant's auditor to the effect that, based on his examination of the affairs of the applicant, the applicant keeps a proper system of books and records</p> <p>8.1.4 such additional financial information, if any, relating to the applicant as the Corporation may in its discretion request; and</p> <p>8.1.5 fees as prescribed.</p>	<p>Membership (or as of such other date as the Corporation may require), prepared in accordance with Form 1 and audited by an auditor acceptable to the Corporation;</p> <p>8.1.2 interim unaudited monthly financial statements, prepared in accordance with Form 1, for the period following the date of the audited financial statement submitted under Rule 8.1.1 up to the most recent month prior to the date of the Membership application;</p> <p>8.1.3 a report by the applicant's auditor to the effect that, based on his examination of the affairs of the applicant, the applicant keeps a proper system of books and records</p> <p>8.1.4 such additional financial information, if any, relating to the applicant as the Corporation may in its discretion request; and</p> <p><a href="#">8.1.5 fees as prescribed.</a></p>
<p>8.5 Repealed.</p>	<p>8.5 <a href="#">Repealed</a>. <b>Annual Fee</b></p> <p><del>8.5.1 Calculation of Annual Fee</del></p> <p><del>The Annual Fee for each Member shall be such amount, not less than \$1,500 for Members designated as being in Level 1, 2 or 3 under Rule 3.1.1, and not less than \$10,000 for Members designated as being in Level 4, determined in accordance with a formula which is based upon the assets under administration of the business of the Member. The Board of Directors in its discretion shall from time to time prescribe such formula and the basis on which the assets under administration of a business are to be determined.</del></p> <p><del>8.5.2 Re-determination of Annual Fee The Board of Directors may from time to time re-determine the Annual Fee to be payable by any Member. Before any such determination</del></p>

Text of Provision Following Adoption of the Proposed MFD Rules Amendments	Text of Current Provisions Marked to Reflect Adoption of the Proposed MFD Rules Amendments
	<p><del>or re-determination is made, the Board of Directors shall obtain, but shall not be obliged to act upon, the recommendation of the Corporation.</del></p> <p><del>8.5.3 Timing of Payment The Annual Fee shall be paid in quarterly instalments on a due date established by the Corporation by each Member beginning not later than the first quarter after admission to Membership of such Member and any additional or redetermined Annual Fee shall be paid in its entirety on or before April 30th in each year.</del></p> <p><del>8.5.4 Exemption from Payment Notwithstanding the foregoing, in the event that:</del></p> <p><del>8.5.4.1 an applicant for Membership has acquired the whole or a substantial part of the business and assets of a Member or Members in good standing whose Annual Fee for the then current fiscal year has been paid in full and who is or are resigning from Membership concurrently with the admission of the applicant to Membership; and</del></p> <p><del>8.5.4.2 at least a majority in number of the partners of the applicant, in the case of a firm, or at least a majority in number of the directors and at least a majority in number of the officers of the applicant, in the case of a corporation, are partners, or directors and officers, as the case may be, of the retiring Member or Members; then the applicant, if the Board of Directors so approves, shall be exempted from payment of the Annual Fee for the then current fiscal year.</del></p>
<p>8.6 Other Fees</p> <p>Power to Make Assessment</p> <p>Notwithstanding other Rules inclusive of fee models, the Board of Directors shall have</p>	<p>8.6 Other Fees</p> <p>Power to Make Assessment</p> <p>Notwithstanding <u>other Rules inclusive of fee models</u><del>Rule 8.5</del>, the Board of Directors shall</p>

Text of Provision Following Adoption of the Proposed MFD Rules Amendments	Text of Current Provisions Marked to Reflect Adoption of the Proposed MFD Rules Amendments
<p>power to make an assessment in any fiscal year upon each Member on account of:</p> <p>(a) exemption application filings or any other such filing fees which the Board of Directors in its discretion may determine from time to time;</p> <p>(b) a Member changing its name from that which is shown on the most recent Membership List; or</p> <p>(c) assessments or levies in respect of Members of the Corporation made by the Ombudservice approved by the Board of Directors.</p>	<p>have power to make an assessment in any fiscal year upon each Member on account of:</p> <p><del>8.6.1.1 any extraordinary costs and expenses of the Corporation incurred in connection with the review and/or approval of any reorganization, takeover or other substantial change in the business, structure or affairs of a Member;</del></p> <p><del>8.6.1.2 fees levied by the Corporation in connection with:</del></p> <p>(a) exemption application filings or any other such filing fees which the Board of Directors in its discretion may determine from time to time;</p> <p>(b) a Member changing its name from that which is shown on the most recent Membership List; or</p> <p>(c) <del>an application for Membership under Section 3.5 of General By-law No. 1; or</del></p> <p><del>8.6.1.3 assessments or levies made by any customer or investor protection or compensation fund or plan in respect of which Members of the Corporation are required to participate.</del></p> <p><del>8.6.1.4 assessments or levies in respect of Members of the Corporation made by the Ombudservice approved by the Board of Directors.</del></p> <p><del>Timing of Payment</del></p> <p><del>Each Member shall pay the amount so assessed upon it within thirty days after receiving written notification thereof from the Corporation.</del></p>

Text of Provision Following Adoption of the Proposed MFD Rules Amendments	Text of Current Provisions Marked to Reflect Adoption of the Proposed MFD Rules Amendments
<p>8.7 Repealed.</p>	<p>8.7 <u>Repealed</u>. Effect of Non-Payment of Fees</p> <p><del>If the amount assessed upon any Member pursuant to Rule 8.5 or 8.6.1.1 has not been paid within 30 days after the date specified in the written notification thereof received from the Corporation, the Corporation shall, by registered mail, request the Member pay the same and draw the Member's attention to the provisions of this Rule 8.7. If the entire amount owing by the Member has not been paid within 30 days from the date the Corporation has mailed the request, the Corporation shall notify the Board of Directors to this effect and the Board of Directors may, in its discretion, terminate the Membership of the Member in default. If the Board of Directors decides to terminate</del></p> <p><del>the Membership of a Member pursuant to the provisions of this Rule 8.7, the Corporation will</del></p> <p><del>notify the Member, by registered mail, of the decision of the Board of Directors. A former Member whose Membership has been terminated pursuant to the provisions of this Rule 8.7 shall cease to be entitled to exercise any of the rights and privileges of Membership but shall remain liable to the Corporation for all amounts due to the Corporation from the former Member.</del></p>

Appendix E - Text of MFD Rules to Reflect MFD Rules Amendments  
Respecting the Integrated Fee Model

Text of Provision Following Adoption of the Proposed MFD Rules Amendments	Revised Proposed MFD Rules Amendments Compared to April 2024 Publication
<p>7.4.8(e) shall continue to be liable for the payment of its annual fees and any other fees, levies or assessments pursuant to any By-law or Rules of the Corporation inclusive of fee models.</p>	<p>7.4.8(e) shall continue to be liable for the payment of its <del>Annual Fees pursuant to the Fee Model</del> and any other fees, levies or assessments pursuant to any By-law or Rules of the Corporation <u>inclusive of fee models</u>.</p>
<p>8.1 Applications – Submission of Financial Information</p> <p>An application submitted under section 3.5(1) of General By-law No.1 shall be accompanied by:</p> <p>8.1.1 financial statements of the applicant as of a date not more than 90 days prior to the date of application for Membership (or as of such other date as the Corporation may require), prepared in accordance with Form 1 and audited by an auditor acceptable to the Corporation;</p> <p>8.1.2 interim unaudited monthly financial statements, prepared in accordance with Form 1, for the period following the date of the audited financial statement submitted under Rule 8.1.1 up to the most recent month prior to the date of the Membership application;</p> <p>8.1.3 a report by the applicant's auditor to the effect that, based on his examination of the affairs of the applicant, the applicant keeps a proper system of books and records</p> <p>8.1.4 such additional financial information, if any, relating to the applicant as the Corporation may in its discretion request; and</p> <p>8.1.5 fees as prescribed.</p>	<p>8.1 Applications – Submission of Financial Information</p> <p>An application submitted under section 3.5(1) of General By-law No.1 shall be accompanied by:</p> <p>8.1.1 financial statements of the applicant as of a date not more than 90 days prior to the date of application for Membership (or as of such other date as the Corporation may require), prepared in accordance with Form 1 and audited by an auditor acceptable to the Corporation;</p> <p>8.1.2 interim unaudited monthly financial statements, prepared in accordance with Form 1, for the period following the date of the audited financial statement submitted under Rule 8.1.1 up to the most recent month prior to the date of the Membership application;</p> <p>8.1.3 a report by the applicant's auditor to the effect that, based on his examination of the affairs of the applicant, the applicant keeps a proper system of books and records</p> <p>8.1.4 such additional financial information, if any, relating to the applicant as the Corporation may in its discretion request; and</p> <p>8.1.5 fees as prescribed <del>in the Fee Model</del>.</p>

Text of Provision Following Adoption of the Proposed MFD Rules Amendments	Revised Proposed MFD Rules Amendments Compared to April 2024 Publication
<p>8.6 Other Fees</p> <p>Power to Make Assessment</p> <p>Notwithstanding other Rules inclusive of fee models, the Board of Directors shall have power to make an assessment in any fiscal year upon each Member on account of:</p> <p>(a) exemption application filings or any other such filing fees which the Board of Directors in its discretion may determine from time to time;</p> <p>(b) a Member changing its name from that which is shown on the most recent Membership List; or</p> <p>(c) assessments or levies in respect of Members of the Corporation made by the Ombudservice approved by the Board of Directors.</p>	<p>8.6 Other Fees</p> <p>Power to Make Assessment</p> <p>Notwithstanding other Rules <u>inclusive of fee models</u> <del>and the Fee Model</del>, the Board of Directors shall have power to make an assessment in any fiscal year upon each Member on account of:</p> <p>(a) exemption application filings or any other such filing fees which the Board of Directors in its discretion may determine from time to time;</p> <p>(b) a Member changing its name from that which is shown on the most recent Membership List; or</p> <p>(c) assessments or levies in respect of Members of the Corporation made by the Ombudservice approved by the Board of Directors.</p>

**Comments Received in Response to Rules Bulletin 24-0154 – Request for Comments – re: Publication of Proposed Integrated Fee Model**

On April 25, 2024, CIRO issued Notice 24-0154 requesting comments on the Proposed Integrated Fee Model. Comments were due by June 24, 2024. CIRO received 15 comment letters from:

Canada Life  
 Canadian Bankers' Association  
 Canadian Independent Finance and Innovation Counsel  
 Federation of Independent Dealers  
 Groupe Cloutier Investissements Inc.  
 Investment Funds Institute of Canada  
 Investment Industry Association of Canada  
 Investors Group Inc.  
 Le Mouvement Desjardins  
 Mérici Financial Services  
 MICA Capital Inc.  
 PEAK Financial Group  
 PFSL Investments Canada Ltd.  
 PlanMar Financial  
 Renno & Co. Inc.

These comments are publicly available on CIRO’s website ([www.ciro.ca](http://www.ciro.ca)). We have summarized these comments and provided our responses in the table below.

Summary of Comment	CIRO Response
<b>General</b>	
<i>Guiding principles</i>	



Summary of Comment	CIRO Response
<p>1. One comment received proposed that Fairness should be explicitly added as a Guiding Principle so that aspects of the Fee Model are assessed to minimize inequity between stakeholders and avoid negative unintended consequences.</p> <p>Another comment noted that Fairness would acknowledge differentiation of members with similar models and realities making similar contributions, whereas Consistency is a one-size-fits-all approach and should not be used as a principle. To differentiate members and determine Fair contributions, the following should be considered:</p> <ul style="list-style-type: none"> <li>• Risk of the business model</li> <li>• Complexity of the business model</li> <li>• Disciplinary history (of member and registrants)</li> <li>• Market segment targeted by the members</li> <li>• CIRO resources consumed by the member</li> <li>• Member’s non-financial contribution to CIRO</li> </ul>	<p>CIRO agrees that the process for setting fees must be fair and transparent, as per our Recognition Order requirements. Our principles of Proportionality, consistency, and serving the public interest all relate to means of defining what is fair.</p> <p>The principle of Consistency is not meant to be interpreted as a one-size-fits-all approach. The rules and principles should be consistently applied to all Dealer Members, and we recognize and have addressed certain nuances to achieve Proportionality and to Serve the public interest.</p> <p>While there are a variety of measures that could be contemplated to support fee allocation, to adhere to the principles of Practicality and Sustainability, the measures of Total Revenue and Approved Persons were chosen as they can consistently apply to all members. They are practical as they are already reported and available, whereas the process to collect and administer numerous other factors may have a higher cost than benefit. They meet the principle of sustainable as these measures will continue to be relevant and result in a fair allocation of costs even as the industry and Dealer Members’ business models evolve and transform.</p> <p>Furthermore, we recognize that not all elements of the proposed integrated Fee Model will meet the Guiding Principles equally, and some may conflict.</p>



Summary of Comment		CIRO Response
		For example, if we were to charge all fees based on Proportionality of consumption of regulatory resources this may place an undue burden of fees on smaller Members that would not Serve the Public Interest as it may prevent them from joining or remaining in the industry. Thus fairness has also been taken into consideration in balancing the application of the Guiding Principles with a proposal that best meets the Principles as a whole while minimizing the impact to members upon implementation
<i>Increased Costs</i>		
2.	<p>A number of comments expressed concern over total fees being charged to Members increasing as a result of the proposed integrated Fee Model, particularly pointing to the percentage of firms that will see fee increases being higher than those that see fee decreases.</p> <p>The expectation was expressed that all firms will see some fee decreases from efficiencies, synergies, and the avoidance of duplication predicted to be experienced by both CIRO and the registrants as a result of the creation of CIRO.</p>	<p>The integrated Fee Model is the methodology for allocating cost recovery to Members and is not proposing nor indicative of increases in operating costs to be recovered by CIRO.</p> <p>The Fee Model is being changed in order to have a consistent and harmonized approach to collecting fees for cost recovery to all Members, regardless of size or business model. The methodology proposed is not substantially different from the current Fee Model applicable to Investment Dealers. The reference to fee increases and decreases provided in the analysis are the estimated reallocation of costs with a zero-sum net impact. These estimates are based on historical 2021 and 2022 data, equivalent to that used for fiscal year 2024 fee calculations.</p>



Summary of Comment		CIRO Response
		<p>There is an unavoidable redistribution of fees upon combining the historical costs of regulation for Investment Dealer and Mutual Fund Dealer Members and due to the change in methodology to a harmonized approach applicable to all Dealer Members.</p> <p>The increases in the Minimum Fee Component of the Annual Fee is marginal over the pre-integration levels and supports a more proportionate distribution of costs.</p> <p>New fees are proposed for material changes in business to support proportionate cost recovery for Dealer Members that make use of this regulatory service. These new fees will result in fewer costs being recovered through the Annual Fees for Dealer Members, but such was not quantified in the estimates of the reallocation of costs as it is not expected to be material.</p> <p>CIRO will continue to operate on a cost recovery basis.</p> <p>Please refer to FAQ 6, 19, 20 and 21 in Appendix E of the publication.</p>
<i>Consultation period</i>		
3.	A few commentators expressed the desire for a 90-day public comment period, also highlighting the fact that Phase 3 of the Rules book also being	Thank you for the comment. We recognize that there are a number of integration and strategic plan related items that CIRO has asked for public



Summary of Comment		CIRO Response
	reviewed at the same time as the fee model (which had a 90-day comment period)	comment on. We will take this into consideration as we move forward.
<b>Annual Dues</b>		
<i>Revenue used for fee purposes for the Revenue Component</i>		
4.	<p>There were 7 respondents that commented on the definition of revenue used for the Revenue Component of the annual fee calculation. Responses challenged whether Total Revenue was the best measure to achieve proportionality and questioned if it was practical to use. It was suggested to consider options such as</p> <ul style="list-style-type: none"> <li>• net revenue,</li> <li>• allow specific deductions from revenue such as interest income, financing costs, foreign exchange gains,</li> <li>• revenue from regulated activities only,</li> <li>• revenue earned by the business activity of the Dealer Member in question, excluding revenue generated by another registration category integrated into the same legal entity (such as an Investment Fund Manager)</li> </ul>	<p>Total Revenues reported by CIRO members, which is based on IFRS reporting principles, is the most consistent factor to determine proportionality given the diversity in sizes and business models of CIRO Members. The Total Revenues amount is also auditable and verifiable. Any consideration of adjustments to the Total Revenue number would not be practical as it would add inconsistency, complexity, opaqueness and costs, for the following reasons:</p> <p>* There is no reasonable basis to state that deducting certain expenses from Total Revenues increases "proportionality of cost recovery" relative to other expenses. For example, there is no reason to deduct interest and repo costs from Total Revenues but not syndicate/underwriting expenses or commissions paid. Determining which items to include and which to exclude could therefore lead to further confusion and inequities in cost allocation.</p> <p>* Current reporting to CIRO does not require Members to separately quantify the items proposed to be deducted (for example, interest costs are currently reported gross with financing</p>



Summary of Comment	CIRO Response
	<p>costs in the Form 1). Therefore, additional reporting requirements would need to be implemented solely for purposes of determining the CIRO annual fee, which will require resources and costs - both at CIRO and at the Member firms - for the additional review and validation.</p> <p>In addition to the points noted above, CIRO is of the view that any revenue that is earned by a CIRO Member is considered Revenues for purposes of determining the fee allocation. The presumption is that the Dealer Member is benefitting by structuring its operations to include revenues from "non regulatory" activities that doesn't need to be conducted within the Dealer Member, for e.g. they may have done so to streamline business lines and costs, or the firm may want to include the income from such activities in calculating the Member's compliance with early warning profitability tests and capital adequacy.</p> <p>Further, we recognize that there are structural changes Members may take in an effort to reduce their fees. CIRO will monitor for significant shifts in fee distribution. Maintaining and harmonizing a tiered structure for rates is proposed to enable the organization to reassess or rebalance the distribution of costs should there be a significant shift. The basis of the tiers would be determined based on the best solution that meets the guiding principles.</p>



Summary of Comment		CIRO Response
5.	We received two comments on the normalization factor used to determine Total Revenue for fee purposes, which suggest that implementing the Normalization Factor may augment opportunities for channel arbitrage, while firms are launching dual-platform dealers. One comment also mentions that applying normalization to Mutual Fund Dealer Members only would be unfair and suggested addressing the transfer pricing directly instead.	The normalization factor is being proposed to add equity to the allocation of costs and maintain a degree of Proportionality. Please refer to FAQ 12 and 13 in Appendix E of the Integrated Fee Model Publication.
<i>Revenue rates for the Revenue Component</i>		
6.	CIRO received comments asking for clarifications on how the revenue rate is determined, when it will be available, if it can be communicated in advance, and if the same rates and tiers apply to Investment Dealer (ID) and Mutual Fund Dealer (MFD) Members.	CIRO is a cost-recovery, not-for-profit organization that recovers its operating costs primarily from its fee models. As outlined in the Dealer Member Fee Model section of the proposed Fee Model, when establishing the Annual Fees payable by Dealer Members for a particular year, the Corporation determines what its net annual costs attributable to Dealer Member regulation are expected to be for that year. Such net annual costs are equal to the Corporation's budgeted costs for that year less projected underwriting levies, proceeds from registration fee sharing arrangement, continuing education accreditation revenue, interest and other income. The revenue rate is calculated to achieve the net annual cost recovery after considering that calculated for the Approved Person (AP) Fees Component, and adjusted after determining the Minimum Dealer Regulation Fee component.



Summary of Comment		CIRO Response
		<p>Furthermore, in determining the fees for each fee model annually, management considers several factors including relative fee changes per model, yearly trends, extent of any fee increases and fee stability year over year, as well as adequacy of the reserves. This may include minor rebalancing between fee models. If there are large one-time operating expense increases in a particular year due to strategic initiatives or fluctuations in non-controllable revenue, we may reduce the impact to members where possible in any given year and/or moderate fee increases over several years to provide fee stability.</p> <p>As the net costs to be recovered are approved annually by the Board, and the Member reference data for revenues, Assets Under Administration and APs are updated annually, all of which impact the revenue rate calculations, these rates cannot be communicated in advance. The rates apply to all Dealer Members, except Deemed Members during the period of transition.</p>
7.	One comment expressed an understanding that more than one revenue rate was communicated to members and requested clarity and disclosure on the rates.	Letters sent to active members to support their understanding of the proposed fee model provided a restatement of the fiscal 2024 fees as a reference and directional impact estimate. The calculations represented Year 1 equivalent of the fee model and thus excluded Québec-based Mutual Fund Dealer revenues. For newer Members where sufficient information was not available to



Summary of Comment		CIRO Response
		<p>calculate a restated fiscal 2024 fee, the revenue rates were provided consistent to that given to active members, to enable them to calculate their own estimates.</p> <p>For Deemed Members, who will not be charged fees under the proposed Fee Model until the transition period is complete, a separate rate was calculated using revenue estimates including Québec-based Mutual Fund Dealer revenues, as a proxy for a post transition period equivalent rate.</p> <p>In all cases, revenue rates and actual fees charged under the proposed Fee Model will differ based on updated Member reference data for the calculations and net costs to be recovered in the year.</p> <p>Please refer to the response above in #6 regarding setting of the revenue rate.</p>
<i>Revenue Tiers for the Revenue Component</i>		
8.	<p>CIRO received comments asking for clarity on how the revenue tiers will apply, when we will apply different rates by tier and/or what event would trigger CIRO to apply different revenue rates by tier.</p> <p>Comments expressed different preference for declining rates, increasing rates, and/or for the tiers to be applied from first dollar (akin to the current approach for Investment Dealers Annual Fees).</p>	<p>Upon implementation of the proposed Fee Model, a single revenue rate will apply to all tiers. A single rate was chosen based on the analysis of multiple tiered rate approaches against the principles, including being proportionate. By using a single revenue rate for all tiers at implementation, the impact of fee redistribution, particularly from the Mutual Fund Dealer Members to the Investment Dealer Members, was lessened.</p>



Summary of Comment		CIRO Response
		<p>Please see Appendix 1 for Summary Tables of Fee Analysis provided after the Summary of Comments.</p> <p>Maintaining and harmonizing a tiered structure for rates is proposed to enable the organization to reassess or rebalance the distribution of costs should there be a significant shift. The basis of the tiers would be determined based on the best solution that meets the guiding principles.</p> <p>We will endeavour to provide guidance to members as we gain experience with the Fee Model and how it is being applied to ensure the Fee Model continues to meet the guiding principles.</p> <p>Implementation of the tiered rates will depend on materiality of the change.</p>
9.	<p>A few comments included a concern that Members (particularly MFD Members), considering becoming dual-registered, will benefit from declining rate by tier. Commentators were interested if this has been taken into consideration. They highlighted that without transparency on tiers, it is not possible to know if the fees paid by single combined entity will be the same or lower than the sum of fees paid by related entities.</p>	<p>We recognize that there are structural changes Members may take in an effort to reduce their fees. CIRO will monitor for significant shifts in fee distribution.</p> <p>Please refer to response #8 above for more details on the tiered revenue rate structure application.</p>
10.	<p>One comment was about the rationale for selecting a single revenue rate (as opposed to tiered rates) and expressed the interest to see more data on why it was better than the declining rates by tier.</p>	<p>CIRO explored different tiered revenue rate structures as part of its analysis, seeking to substantially meet the guiding principles while</p>



Summary of Comment		CIRO Response
		<p>minimizing the impact of the change. Analysis included review of the impact of redistribution between ID and MFD Members, by size of firm (small, medium, large), and single vs. affiliated/dual-platform.</p> <p>As compared to the proposed flat rate structure, a declining rate tiered structure did not have a material impact on the redistribution of fees from MFD to ID Members, but did have a negative impact on medium sized Members as well as single platform Members (both ID &amp; MFD) as they would see a higher proportion of fees from the redistribution.</p> <p>Please see the Summary Tables of Fee Analysis provided after the Summary of Comments.</p> <p>The flat rate scenario at implementation was deemed the optimal scenario to minimize the impact of fee redistribution while meeting the guiding principles.</p>
<i>Approved Person (AP) Fee Component</i>		
11.	<p>A few comments consider a \$250 fee per AP for MFD to be a significant barrier to entry (if considered in conjunction with APs' costs).</p> <p>Comments expressed concerns about potential adverse impact on the industry in the form of reduced access to advice, especially for small and remote communities, as well as for niche markets with special considerations for cultural and other diversity.</p>	<p>Both revenue and number of APs are factors that reflect the size of a Member firm and therefore are drivers of regulatory costs. Small MFD Members are already subject to a smaller proportionate cost allocation than large and more complex IDs.</p> <p>The inclusion of APs in the fee methodology is new to MFD Members and there will be a few who will</p>



Summary of Comment	CIRO Response
<p>It was also noted that APs at smaller MFD Members with more simple business models are approved for limited activities and therefore should consume fewer regulatory resources compared to large and more complex ID members.</p> <p>Comments included suggestions to</p> <ul style="list-style-type: none"> <li>• eliminate the per AP fee,</li> <li>• apply a lower rate per AP fee either for all MFD Members, for MFD Members with high number of APs, for MFD Members below a revenue threshold</li> <li>• apply a reduced per AP fee for the first 2 years after obtaining a license,</li> <li>• only charge \$250 per AP for those with assets above certain threshold,</li> <li>• apply a cap to the AP Fee Component, and/or</li> <li>• allocate a portion of the AP fees to support the movement of advisors from MFD to ID firms.</li> </ul>	<p>be negatively impacted. However, the elimination of APs from the fee methodology or a reduction in the per AP rate will shift costs to the remaining Dealer Members and have a much more significant negative impact on many more firms. The use of APs as a factor in the fee methodology is Practical, and necessary to meet the principles of Consistency and Proportionality.</p> <p>Including additional criteria as suggested would shift even more costs on to other Members and increase complexity, effort to implement and subjectivity to the model.</p>
<p>12. A few comments suggested that fee per AP should not apply to the APs without books of business, as well as to the following categories of APs:</p> <ul style="list-style-type: none"> <li>• licensed assistants,</li> <li>• compliance staff,</li> <li>• some branch managers.</li> </ul>	<p>As a conduct regulator, CIRO performs oversight of all APs. APs who do not have books of business but who are registered still conduct activity subject to CIRO oversight.</p> <p>The use of APs is meant as one of the indicators of size to Proportionately allocate costs. The elimination of certain APs across the membership would increase complexity and effort in applying the fee methodology but would not materially change the allocation of costs.</p>



Summary of Comment		CIRO Response
Cap on Fees		
13.	<p>Two comments proposed options for a fee cap, either on</p> <ul style="list-style-type: none"> <li>the Revenue Component or on the</li> <li>the AP Fee Component, or</li> <li>by maintaining a tiered revenue fee and implement a cap as a percentage of revenue.</li> </ul>	<p>Both revenue and number of APs are factors that reflect the size of a Member firm and therefore are drivers of regulatory costs. Implementing a cap as a percentage of revenue is equivalent to introducing a cap pertaining to the AP count, which is more likely to impact certain Mutual Fund Dealer Member firms.</p> <p>Alternatives were considered such as a reduced rate for APs or setting different rates for ID and MFD Members. However, this resulted in a much larger weighting on the Revenue Component of the Annual Fee calculation, which further increased the fee redistribution from MFD to ID Members.</p> <p>By using a single revenue rate for all tiers at implementation, and a consistent per AP fee, the impact of fee redistribution, particularly from the MFD to ID Members, was lessened.</p> <p>Please see the Summary Tables of Fee Analysis provided after the Summary of Comments.</p>
Minimum Fee		
14.	<p>A few comments noted concern that the increase to minimum fees may become a barrier to entry. At the other end of the spectrum, we also receive one comment indicating the opinion that the minimum fees were too low and recommended to increase above the proposed levels.</p>	<p>The minimum fee payers are subject to fee increases at or over 50%, due to the decrease in minimum fees that were implemented for the Interim Fee Model. The reduction to minimum fees started in fiscal year 2024 and was committed to</p>



Summary of Comment		CIRO Response
		<p>for a minimum of two years or until the final integrated fee model was determined. The minimum fee amounts are not materially different from the amounts prescribed by IIROC and the MFDA prior to the amalgamation.</p> <p>The minimum fee is intended to address minimum regulatory oversight costs, ensure a proportionate distribution of costs across membership overall, and not unreasonably prevent smaller dealer members from entering or remaining in the industry.</p> <p>Please refer to FAQ 19 and 20 in the Integrated Fee Model proposal publication.</p>
<i>Fee distribution between Investment Dealer and Mutual Fund Dealer Members</i>		
15.	<p>A number of comments noted that the Proportionality of fee allocation between ID and MFD Members cannot be adequately assessed due to the lack of data on consumption of regulatory resources. Some comments noted an expectation that ID and MFD Members consume similar levels of resources. The use of Total Revenue as a fee driver may unfairly allocate more fees to ID Members, which are impacted by interest rate fluctuations.</p>	<p>The consumption of regulatory resources is expected to shift over time due to the harmonization of rules, systems and regulatory resources to carry out CIRO's mandate, and as Member firms continue to evolve. Therefore, maintaining a model that continues to separately allocate costs between ID and MFD members will not meet the guiding principles.</p> <p>There is an unavoidable redistribution of fees upon combining the historical costs of regulation for ID and MFD Members and due to the change in methodology to a harmonized approach applicable to all Dealer Members.</p>



Summary of Comment		CIRO Response
		<p>Cost recovery by size of firm is relatively stable when comparing the reallocation of total costs under the integrated Fee Model vs. the Interim Fee Model. The redistribution of fees between ID and MFD is also not significantly different than the composition of total membership. ID Members represent 66% of the population and will represent an estimated 71% of the fees collected under the integrated Fee Model post transition period, while MFD Members account for 34% of the Member population and will be an estimated 29% of fees post transition period.</p> <p>Please refer to the tables in section 3.1.1(b) and (c) of the proposal and the Summary Tables of Fee Analysis attached after the Summary of Comments.</p>
<i>Integration Costs</i>		
16.	Two comments we received expressed a concern that the Integration cost recovery fees charged to dual-registered members will increase if the overall annual dues will increase.	Integration cost recovery fees are outside of the scope of the Integrated Fee Model, as these temporary fees are defined in a separate fee model. The fees are set as a percentage of annual dealer member fees for dual-registered and affiliated Dealer Members to recover the costs incurred until March 31, 2024, related to integration activities. It is estimated based on the remaining integration cost balance that integration costs will be recovered by the end of fiscal year 2027 or earlier. There may be an impact on



Summary of Comment		CIRO Response
		distribution of the remaining integration cost recovery fees over the next two fiscal years depending on the relative change in fees to the affiliated and dual registered members, but the total integration costs to be recovered will not increase.
17.	One comment we received sought fee relief measures on Annual Fees for Dealer Members incurring rules consolidation costs.	As a not-for-profit organization under section 149(1)(l) of the Income Tax Act, no part of CIRO's income of the organization can be payable to, or otherwise available, for the personal benefit of any member. Therefore, to maintain our not-for-profit status, CIRO cannot provide a benefit of fee relief to members for their costs incurred, including that pertaining to rules consolidation costs.
<i>More transparency on the process and changes to fee structure</i>		
18.	A few comments articulated the request for additional insights, that would help evaluate the appropriateness of the solution chosen. The additional aspects included explanation of fee increases, use of funds from the increased fees, benchmarking to similar regulators, the approach to determining the revenue rate as well as the projection of revenue rates for future periods. Also, the commentators expressed the desire to see additional fee statistics: by firm size, dealer type (including amounts, in addition to percentages we shared).	<p>The integrated Fee Model is not proposing nor indicative of increases in operating costs to be recovered by CIRO. It is the methodology for allocating cost recovery to Members. The increases and decreases noted in the analysis reflect reallocation of fees with a zero-sum net impact. Please see response #2 above.</p> <p>The revenue rates are established annually based on cost recovery. Please see response #6 above.</p> <p>Additional information on estimated fee reallocation impacts by Member type and size are</p>



Summary of Comment		CIRO Response
		attached in the Summary Tables of Fee Analysis provided after the Summary of Comments.
<i>Mutual Fund Dealer Members in Québec</i>		
19.	<p>A number of comments were focused on the coordination of fees and services between the three regulators in Québec post-transition – Autorité des marchés financiers (AMF), Chambre de la sécurité financière (CSF) and CIRO. This included concern on potential fee duplication and overlapping regulatory scope that could result in Québec-based MFD Members being at a competitive disadvantage in terms of regulatory costs compared to members operating in other provinces. One comment pointed out challenges from Year-2 of the transition period onwards.</p>	<p>Costs arising from the responsibilities of the AMF and CSF are the responsibility of these regulatory bodies according to their enabling legislation.</p> <p>We recognize that Mutual Fund dealers in Québec are in a distinct situation from the rest of Canada, as they are subject to the Québec mutual fund regulatory regime and, at the end of the transition period, will be subject to CIRO rules and fees. In recognition of this reality, fees under the Integrated Fee Model do not apply to Québec MFD Members who are registered only in Québec (“Deemed Members”) during the transition period. For these firms, the fees charged will be proportionate to the services offered.</p> <p>During the transition period, MFD Members registered in Québec and other provinces will have reduced fees on an estimated basis of proportionality of the services offered to them by having the Revenue Component of the Annual Fee based on Total Revenues that are reduced for Québec-based revenues.</p> <p>CIRO maintains communication with the AMF and the CSF to identify how to address any duplication in our shared responsibilities and related costs. We</p>



Summary of Comment		CIRO Response
		acknowledge that a subset of regulatory services may not be provided by CIRO in Québec post transition period. In Québec, the solution to account for regulatory services not provided by CIRO post transition period will be dependent upon the final scope of services as determined by the AMF and CIRO, and the assessment of proportionality determined at that time. As the Fee Model is not service specific to the regulatory services in question, options to achieve broad proportionality would need to be reassessed and may include a reduction to the per AP rate, <u>and/or a continued reduced revenue rate.</u>
20.	One comment suggested a longer transition period of at least five years for Québec-based Mutual Fund Dealer firms.	The duration of the transition period is not fixed. As stated in the recognition decision issued by the AMF on November 14, 2022, MFD Deemed Members are to benefit from a transition period. The duration of this transition period must be agreed with the AMF.
21.	One comment noted an understanding that that the MFD Members will also pay \$250 per AP for all APs registered only in Québec during the transition period.	No - as noted in sub-section 2.2 of the Notice published April 25th, the AP Fee Component will exclude MFD dealing representatives who are only registered in Québec until the transition period is complete. The AP Fee Component is intended to include representatives under CIRO regulation.  Furthermore, the proposed Fee Model will apply to all CIRO Dealer Members except Deemed Members registered only in Québec. The proposed integrated



Summary of Comment		CIRO Response
		fee model will apply to Deemed Members after the end of the transition period, the duration of which is to be agreed with the AMF.
22.	One comment point out that it is challenging to assess the potential costs of the duplication of contributions to the compensation funds if Québec Members were to continue to have to contribute to both the funds - Fonds d'indemnisation des services financiers (FISF) and the Canadian Investor Protection Fund( CIPF).	First and foremost, it's important to remember that CIPF and FISF cover different areas. The former covers the eligible clients in case of insolvency of CIRO Dealer Members, while the latter offers specific coverage to protect investors in the event of fraud, fraudulent tactics or embezzlement for which a firm, or independent representative of certain categories of financial services is responsible when offering a financial product or service, committed by representatives of certain categories of financial services. These funds are independent of CIRO, and any questions relating to coverage should be addressed to either of them.
<b>Application and Business Changes Fees</b>		
New Member Application Fees		
23.	One comment noted that the application fee for Crypto Asset Trading Platforms (CTP) is significantly more than for other categories. There is an expectation that as time progresses and the industry matures, the time required for regulatory reviews of CTPs will lessen, and the cadence of CTP membership applications should slow down.	Historically, CTP applications have taken significantly more CIRO resources than other types of Investment Dealer applications, which is why CIRO is proposing a specific fee for CTP applications. In light of the comments received regarding the increase in New Member Application fees, we have decided to reduce the CTP New Member Application Fee to \$40,000 from the initial



Summary of Comment		CIRO Response
		proposal of \$60,000. As a result, there is only a difference of \$10,000 between the fee for a CTP New Member application and other Investment Dealer applications, which is still considerably less than the added cost of reviewing CTP applications. Going forward, we will continue to monitor our costs of reviewing applications and the appropriateness of the associated fees.
24.	There were various stakeholder comments about the increase in minimum fees, coupled with the higher new member application fees putting a strain on small Dealer Members and potentially becoming a barrier to entry for smaller firms.	<p>CIRO has proposed an increase to New Member Application fees for all categories of Members to reflect increasing regulatory costs. Note that the application fees have not changed in over 20 years. In light of the comments received and concerns with respect to the impact on small Members in particular, CIRO is proposing to reduce the New Member Application fees as follows:</p> <ul style="list-style-type: none"> <li>▪ The New Member Application fee for an MFD Member (Level 4) will be reduced to what CIRO considers as the minimum New Member Application fee of \$10,000 (from the initial proposal of \$20,000).</li> <li>▪ The New Member Application fee for an ID Member will be reduced to \$30,000 (from the initial proposal of \$40,000).</li> <li>▪ The New Member Application fee for an ID Member that proposes to operate a CTP will be</li> </ul>



Summary of Comment		CIRO Response
		reduced to \$40,000 (from the initial proposal of \$60,000).
Material Business Change Fees		
25.	<p>We received several comments related to material business change fees, which highlighted the following points:</p> <ul style="list-style-type: none"> <li>• Dealer Members will be incentivized to seek permission for several business changes in a single application to avoid paying multiple fees. This will increase the length and complexity of each application.</li> <li>• The Business Change fee will be proportionately more significant for smaller Dealer Members, and therefore, may serve as a disincentive to innovation &amp; growth.</li> <li>• Consideration to scaled fees according to Member size or scale of activities to achieve Proportionality, or based on revenue</li> <li>• Regulatory costs to support innovation and competition across the industry should continue to be shared among all members. This is interpreted as not having fees for the review of material business changes.</li> </ul>	<p>The proposed fees are intended to recover some of CIRO’s costs associated with our review of material business changes and recover those costs from the Dealer Members that make use of this regulatory service. Historically, material business changes are submitted by only a portion of our membership. In fairness to CIRO members that do not submit material business changes, CIRO proposes to recover some of its costs from the members that use those regulatory resources. In light of the comments received, and concerns with respect to the impact on smaller Members in particular, CIRO is proposing to reduce the fees for material business changes to \$5,000. The flat fee structure will simplify the administration of the new fee.</p> <p>Furthermore, based on the reductions to Dealer Member Application Fees noted in #24 above,</p> <ul style="list-style-type: none"> <li>▪ for MFD Members applying to become an ID or Dual-Registered Member, the fee will be \$20,000 (which is reduced for MFD Levels 1 to 3 from \$30,000), and</li> </ul>



Summary of Comment		CIRO Response
		<ul style="list-style-type: none"> <li>for ID or Dual-Registered Members adding a CTP the fee will be reduced to \$10,000 (from the initial proposed \$20,000).</li> </ul> <p>Both of these changes align to the difference in Dealer Member Application Fees by type.</p> <p>Going forward, we will continue to monitor our costs of reviewing material business changes and the appropriateness of the associated fees.</p>
Reimbursement for Extraordinary Costs		
26.	<p>One comment noted that the proposed model would establish new additional fees for applications/transactions remaining under compliance review for longer than 6 months is not fair as Dealer Members would not be in a position to control the length of the review period.</p>	<p>The reimbursement of extraordinary costs is not a new concept. The ability to require reimbursement is currently provided under CIRO By-laws (and was in the predecessor SROs' By-laws). Adding it to the Integrated Fee Model provides transparency to Members on how the reimbursements, if required, will be calculated. CIRO will charge the fee where a firm is unable to demonstrate it has met CIRO requirements for membership within 6 months. This occurs when a firm is not sufficiently prepared, is delayed in responding to CIRO staff requests, or the information and materials provided to CIRO are incomplete or inadequate. Although the structure of the reimbursement will not change, as the fees for member transactions are being reduced from the initial proposal, the reimbursement amounts will also be lower since</p>



Summary of Comment		CIRO Response
		the monthly reimbursement is 1/6 of the applicable application/transaction fee.
Duplicate fees for introducing and carrying brokers		
27.	<p>One comment noted that there should not be duplicate fees charged if material business changes are initiated by the introducing broker and supported by changes implemented at the carrying broker. Adequate consideration should be given to compliance levels required of Carrying Brokers, and Type 1 to 4 Introducing Brokers and Introducing Dealers.</p>	<p>Whether a fee will be charged depends on which Dealer Member will be undergoing a material change of business. If the material change in business is only for the Introducing Broker and not the Carrying Broker, then only the Introducing Broker would be charged a fee. However, if both the Introducing Broker and Carrying Broker are making material changes to their respective business activities, then the fee would be applicable to each material change.</p>
<b>Market Equity Regulation fees – Market-maker discount</b>		
28.	<p>One comment noted that removing the market-maker discount signals a lack of recognition for the firms that are willing to make markets and take on the associated additional obligations. The comment also mentions that it is not clear whether the proposed corresponding reduction in the per trade fee applied to all other equity security trades executed on a Marketplace by Investment Dealer Members would be significant.</p> <p>Finally, it suggests considering other incentives for qualified market makers who are willing to perform these obligations.</p>	<p>The discount for Qualified Market Makers (QMMs) is not intended to be an incentive for QMMs to perform their role as a market maker. The incentives (and corresponding obligations) of QMMs are provided through the structure of the market making program of the listing exchange. The purpose of the QMM discount is a regulatory discount in return for performing a regulatory function that assists CIRO in monitoring for anomalous trading activity.</p>



Summary of Comment	CIRI Response
	<p>Whether the reduced per trade fee associated with a removal of the QMM discount would be significant would depend on the individual firm and associated trading activity. From a fairness perspective, CIRI's view is that Dealer Members should not pay a higher per trade fee (regardless of the significance) to compensate QMMs for a regulatory role that is not being performed.</p>



## Appendix 1. Summary Tables of Fee Analysis

### Estimated Fee Allocation post-transition period

(\$ in 000's)

	# of Members	Current Interim Fee Model		Proposed Fee Model		Declining Revenue Rate Tier Structure	
		\$	%	\$	%	\$	%
<b>ID</b>	168	58,990	61%	67,923	71%	66,705	69%
<b>MFD</b>	85	37,235	39%	28,302	29%	29,520	31%
<b>Total</b>	<b>253</b>	<b>96,225</b>	<b>100%</b>	<b>96,225</b>	<b>100%</b>	<b>96,225</b>	<b>100%</b>

	# of Members	Current Interim Fee Model		Proposed Fee Model		Declining rate Revenue Fee Tier	
		\$	%	\$	%	\$	%
<b>Small</b>	128	1,693	2%	2,815	3%	2,946	3%
<b>Medium</b>	101	20,457	21%	21,291	22%	24,247	25%
<b>Large</b>	24	74,075	77%	72,119	75%	69,032	72%
<b>Total</b>	<b>253</b>	<b>96,225</b>	<b>100%</b>	<b>96,225</b>	<b>100%</b>	<b>96,225</b>	<b>100%</b>

	# of Members	Current Interim Fee Model		Proposed Fee Model		Declining rate Revenue Fee Tier	
		\$	%	\$	%	\$	%
<b>Single Platform</b>	198	17,056	18%	18,094	19%	20,258	21%
<b>Dual-Platform/Affiliated</b>	55	79,169	82%	78,131	81%	75,967	79%
<b>Total</b>	<b>253</b>	<b>96,225</b>	<b>100%</b>	<b>96,225</b>	<b>100%</b>	<b>96,225</b>	<b>100%</b>