

**MEMORANDUM OF UNDERSTANDING REGARDING THE OVERSIGHT OF THE  
CANADIAN INVESTOR PROTECTION FUND (CIPF)**

**AMONG**

**Alberta Securities Commission;  
Autorité des marchés financiers (Québec);  
British Columbia Securities Commission;  
Manitoba Securities Commission;  
Financial and Consumer Services Commission (New Brunswick);  
Office of the Superintendent of Securities, Service Newfoundland and Labrador;  
Office of the Superintendent of Securities, Northwest Territories;  
Nova Scotia Securities Commission;  
Office of the Superintendent of Securities, Nunavut;  
Ontario Securities Commission;  
Prince Edward Island Office of the Superintendent of Securities;  
Financial and Consumer Affairs Authority of Saskatchewan;  
Office of the Yukon Superintendent of Securities**

**(each, a Regulator)  
(collectively, the Regulators)**

The parties agree as follows:

This Memorandum of Understanding (MOU) is designed to coordinate oversight of the CIPF by the Regulators and is between the Regulators only. It supersedes any prior MOU between the CIPF and the Regulators.

**1. Underlying Principles**

1.1 Approval and Acceptance

Pursuant to applicable Securities Legislation, and subject to terms and conditions, the Regulators have either:

- (i) approved the CIPF as a compensation fund or contingency trust fund; or
- (ii) deemed the CIPF acceptable as a contingency fund.

1.2 Oversight Program

To ensure that the CIPF is appropriately discharging its responsibilities as a compensation or contingency fund, the Regulators have developed an oversight program (the Oversight Program) which includes:

- (i) reviewing information filed by the CIPF, as set out in section 5;
- (ii) performing periodic reviews of the CIPF's activities, as set out in section 6;  
and
- (iii) reviewing and approving Amendments, as set out in section 7.

The purpose of the Oversight Program is to ensure that the CIPF is acting in accordance with its mandate, specifically by complying with the terms and conditions of the Regulators' approval or acceptance.

## **2. Definitions**

"Amendment" means

- (i) any amendment to, or revocation or replacement of, the CIPF's Coverage Policies or by-laws; or
- (ii) any material change to the CIPF's Industry Agreement with Participating SROs

for which the Regulators' prior approval is required pursuant to an Approval Order or Deemed Acceptable Decision.

"Approval Order" means the approval of the CIPF by a Regulator pursuant to the Securities Legislation in a Canadian province or territory which stipulates that registered dealers must participate in a compensation fund or contingency trust fund approved by the Regulator and established by, among others, an SRO.

"Deemed Acceptable Decision" means the decision regarding the CIPF by a Regulator pursuant to the Securities Legislation in a Canadian province or territory which may stipulate that a dealer must participate in a contingency fund deemed acceptable by the Regulator.

"Industry Agreement" means the agreement, as amended from time to time, between the CIPF and any Participating SRO regarding the basis on which the CIPF provides protection to customers of Member Firms.

"Member Firm" means a member or participant of any of the Participating SROs that is a registered dealer in Canada.

"Participating Regulator" means a Regulator that is participating in an oversight review of the CIPF.

"Participating SRO" means an SRO that is a party to or that becomes a party to the Industry Agreement.

“Principal Regulator” means the Regulator that is designated as such from time to time by consensus of the Regulators.

“Securities Legislation” has the same meaning as in National Instrument 14-101 Definitions and includes, where applicable, commodity futures legislation.

### **3. General Provisions**

#### **3.1 Oversight Committee**

An oversight committee (Oversight Committee) which includes representatives from each of the Regulators has been established to act as a forum to discuss issues, concerns and proposals related to the oversight of the CIPF. The Oversight Committee reports annually to the Regulators’ Chairs.

#### **3.2 Status Meetings**

The Principal Regulator will organize semi-annual conference calls and annual in-person meetings between the Oversight Committee and staff of the CIPF. The Principal Regulator will record minutes of these meetings and calls.

### **4. Communication with the CIPF**

The Regulators will strive to communicate with the CIPF through the Principal Regulator.

### **5. Review of Information Filed**

Any comments of the staff of the Regulators on information filed by the CIPF will be sent to the Principal Regulator. The Principal Regulator will request that the CIPF respond to comments raised by the Regulators and forward any response to the Regulators.

### **6. Oversight Reviews**

As part of the Oversight Program, the Regulators will carry out risk-based oversight reviews of the CIPF on a periodic basis as set out in Schedule A. This will allow the Regulators to make an independent assessment of whether and how the CIPF meets its regulatory obligations.

The scope of an oversight review is determined by the results of an annual risk assessment and/or specific issues that arise on a periodic basis. The annual risk assessment identifies key inherent risks for each of the CIPF’s functional areas and assesses the controls in place to mitigate such risks.

The Principal Regulator will solicit interest from the other Regulators with respect to participating in the oversight review. The Regulators that choose to participate will be considered to be Participating Regulators for the purpose of the CIPF oversight review.

## **7. Review and Applicable Approval of Amendments**

The Regulators have entered into a protocol, set out in Schedule B of this MOU, to establish uniform procedures relating to the review and applicable approval of or non-objection to proposed Amendments.

## **8. Miscellaneous Provisions**

### **8.1 Confidentiality**

All notices, reports, documents and any other information provided pursuant to this MOU are being provided for regulatory purposes and will be supplied and maintained in confidence, except as required for regulatory purposes.

### **8.2 Authority**

Nothing in this MOU is intended to limit the powers of any of the Regulators under applicable Securities Legislation to take any measures authorized under such legislation.

### **8.3 Schedules**

The Schedules to the MOU are an integral part of this MOU.

### **8.4 Singular and Plural**

Throughout this MOU, defined terms which appear in the singular also include the plural and vice versa.

### **8.5 Amending, terminating and withdrawing from the MOU**

This MOU may be amended from time to time as mutually agreed upon by the Regulators. Any amendments must be in writing and approved by the duly authorized representatives of each Regulator in accordance with the applicable legislation of each province or territory.

This MOU may be terminated if mutually agreed upon by the Regulators.

Each Regulator can, at any time, withdraw from this MOU on at least 90 days' written notice to the other Regulators.

8.6 Effective Date

This MOU comes into effect on January 1<sup>st</sup>, 2021.

**IN WITNESS WHEREOF** the duly authorized signatories of the parties below have signed this MOU as of the Effective Date of the MOU stated above.

**ALBERTA SECURITIES COMMISSION**

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

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

**AUTORITÉ DES MARCHÉS FINANCIERS**

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

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

**BRITISH COLUMBIA SECURITIES  
COMMISSION**

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

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

**MANITOBA SECURITIES COMMISSION**

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

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

**FINANCIAL AND CONSUMER SERVICES  
COMMISSION (NEW BRUNSWICK)**

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

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

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

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

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

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

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

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

**NOVA SCOTIA SECURITIES COMMISSION**

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

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

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

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

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

**ONTARIO SECURITIES COMMISSION**

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

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

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

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

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

**FINANCIAL AND CONSUMER AFFAIRS  
AUTHORITY OF SASKATCHEWAN**

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

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

**OFFICE OF THE YUKON SUPERINTENDENT  
OF SECURITIES**

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

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

## Schedule A

### Coordinated Oversight Reviews

On behalf of all Regulators, the Participating Regulators will carry out oversight reviews of the CIPF's offices for the purposes of: (i) evaluating whether selected regulatory processes are effective, efficient, and are applied consistently and fairly; and (ii) assessing compliance with the terms and conditions of the Approval Orders and any Deemed Acceptable Decision.

The scope of the review will be determined by utilizing a risk-based methodology. On an annual basis the Regulators will identify the key inherent risks in each of the CIPF's functional areas and assign an adjusted risk score for each functional area by evaluating known controls and considering relevant situational and/or external factors. Functional areas with low adjusted risk scores may be subject to short form or desk reviews while functional areas with higher adjusted risk scores may be the subject of a coordinated review of the CIPF's offices.

When the Participating Regulators carry out a coordinated review, they will adhere to the following within any timelines established among themselves:

- 1) The Principal Regulator will arrange a conference call with the other Participating Regulators to determine the timing of a coordinated review of the CIPF's offices.
- 2) The Participating Regulators will coordinate their review of the CIPF's offices by conducting their reviews at the same time.
- 3) The Principal Regulator will develop a review program in consultation with the Participating Regulators and ensure the review is appropriately staffed.
- 4) The Participating Regulators will establish and agree on a work plan for the review that sets the target completion date for each step, including the review of draft reports, confirmation of factual accuracy, and the issuance of the final report and follow-up plans.
- 5) The Participating Regulators will draft a review report which:
  - a) takes into account the findings and comments of the Participating Regulators, and
  - b) uses a common set of criteria to rate the significance and urgency of findings.
- 6) The Principal Regulator will forward the draft report to the CIPF to confirm factual accuracy.

- 7) The CIPF will review the draft report for factual accuracy and respond to the Participating Regulators with comments.
- 8) The Participating Regulators will consider the CIPF's comments and revise their report as necessary.
- 9) The Principal Regulator will send the revised report to the CIPF for its formal response.
- 10) On receipt of the CIPF's formal response, the Participating Regulators will incorporate such formal response and any follow-up plans to the report as applicable.
- 11) Each Participating Regulator will seek the necessary internal approval to publish the final report, taking into account language translation needs where applicable.
- 12) When each Participating Regulator has obtained the necessary internal approvals, the Principal Regulator, on behalf of the Regulators, will publish a final report.



## Schedule B

### Review and Applicable Approval of Amendments

#### 1. Definition

“Board” means the board of directors of the CIPF as defined in its By-law Number 1.

#### 2. Scope and purpose

The Regulators hereby establish uniform procedures relating to their review and applicable approval of, or non-objection to, Amendments proposed by the CIPF.

#### 3. Classifying Amendments

- (a) Classification. The CIPF will classify each proposed Amendment as “housekeeping” or “public comment”.
- (b) **Housekeeping Amendments.** A “housekeeping” Amendment is a proposed Amendment that has no material impact on investors, issuers, registrants, other market participants, the CIPF, or the capital markets generally and that:
  - (i) makes necessary changes of an editorial nature (including textual corrections, corrections to translation, formatting changes and standardization of terminology),
  - (ii) changes the routine internal processes, practices, or administration of the CIPF, or
  - (iii) is reasonably necessary to conform the CIPF’s policies or by-laws to applicable Securities Legislation, statutory or legal requirements, accounting or auditing standards, or to other CIPF policies or by-laws (including those that the Regulators have approved or non-objected to, but which the CIPF has not yet made effective).
- (c) **Public comment Amendments.** A “public comment” Amendment is any proposed Amendment that is not a housekeeping Amendment.
- (d) **Regulators’ disagreement with classification.** If staff of a Regulator thinks the CIPF incorrectly classified a proposed Amendment as housekeeping, the Regulators and the CIPF will use best efforts to adhere to the following:
  - (i) Within 5 business days of the date of the CIPF’s filing under section 4, staff of the Regulator who disagree with the classification will

advise staff of the other Regulators, in writing, that they disagree and provide their reasons for disagreement.

- (ii) Within 3 business days after receiving or sending notice of disagreement, staff of the Principal Regulator will discuss the classification with staff of the other Regulators.
- (iii) If disagreement with the classification still exists after any such discussion, staff of the Principal Regulator will notify the CIPF of the disagreement, in writing, with a copy to staff of the other Regulators within 10 business days of the date of the CIPF's filing.
- (iv) If staff of the Principal Regulator sends notice of disagreement to the CIPF under paragraph 3(d)(iii), the CIPF will reclassify the proposed Amendment as a public comment Amendment or withdraw the proposed Amendment and file a written notice with staff of the Regulators indicating that it will be withdrawing the Amendment.
- (v) If the CIPF does not receive any such notice of disagreement within 10 business days of the date of the CIPF's filing, the CIPF will assume that staff of the Regulators agree with the classification.

#### 4. Required Filings

- (a) **Language requirements.** The CIPF will file the information required under this section concurrently in both English and French, accompanied with a translation certificate.
- (b) **Filings for housekeeping Amendments.** The CIPF will file the following information with staff of the Regulators for each proposed housekeeping Amendment:
  - (i) a cover letter that indicates the classification of the proposed Amendment by citing the applicable provisions in subsection 3(b),
  - (ii) the Board resolution, or the resolution of the applicable Board committee, including the date that the proposed Amendment was approved,
  - (iii) the text of the proposed Amendment and, where applicable, a blacklined version showing the changes, and
  - (iv) a notice for publication including:
    - (A) a brief description of the proposed Amendment,

- (B) the reasons for the housekeeping classification,
  - (C) the anticipated effective date of the proposed Amendment,
  - (D) a statement as to whether the proposed Amendment complies with the terms and conditions of the CIPF's approval or acceptance, and
  - (E) confirmation that the CIPF followed its established internal governance practices in approving the proposed Amendment and considered the need for consequential amendments.
- (c) **Filings for public comment Amendments.** The CIPF will file the following information with staff of the Regulators for each proposed public comment Amendment:
- (i) a cover letter that indicates the classification of the proposed Amendment, how the CIPF has taken the public interest into account when developing the proposed Amendment and why the proposed Amendment is in the public interest,
  - (ii) the Board resolution, or the resolution of the applicable Board committee, including the date that the proposed Amendment was approved,
  - (iii) the text of the proposed Amendment, and, where applicable, a blacklined version showing the changes, and
  - (iv) a notice for publication including:
    - (A) written analysis detailing the nature, purpose and effect of the proposed Amendment,
    - (B) the possible effects of the proposed Amendment (including any regional specific effect) on investors, issuers, registrants, other market participants, the CIPF and the capital markets generally,
    - (C) a description of the context in which the CIPF developed the proposed Amendment, any relevant issues considered, and any alternative approaches considered,
    - (D) the anticipated effective date of the proposed Amendment,
    - (E) the items in subparagraph 4(b)(iv)(D) and (E), and

- (F) a request for public comment together with details on how to submit comments within the comment period deadline, and a statement that the CIPF will publish all comments received during the comment period on its public website.

## 5. Review criteria

Without limiting the discretion of the Regulators, the Regulators agree that the following are factors that staff of the Regulators may consider when reviewing proposed Amendments:

- (a) whether the CIPF has provided sufficient analysis of the nature, purpose and effect of a proposed Amendment, and
- (b) whether a proposed Amendment is in the public interest.

## 6. Review and approval process for housekeeping Amendments

- (a) **Confirming receipt.** Upon receipt of the materials detailed in subsection 4(b), staff of the Principal Regulator will, as soon as practicable, send written confirmation of receipt to the CIPF, with a copy to staff of the other Regulators.
- (b) **Approval.** Except where notice of disagreement has been sent to the CIPF in accordance with paragraph 3(d)(iii), the proposed Amendment will be deemed approved or non-objected to on the eleventh business day following the date of the CIPF's filing under section 4.

## 7. Review process for public comment Amendments

- (a) **Confirming receipt.** Upon receipt of the materials detailed in subsection 4(c), staff of the Principal Regulator will, as soon as practicable, send confirmation of receipt to the CIPF, with a copy to staff of the other Regulators.
- (b) **Publication and public comment period.** As soon as practicable, staff of the Principal Regulator and CIPF will:
  - (i) coordinate a publication date amongst themselves, and
  - (ii) publish the materials referred to in paragraphs 4(c)(iii) and (iv) for a 30-day comment period (or other period agreed upon by staff of the Regulators and the CIPF) on their respective public websites.
- (c) **Publishing and responding to public comments.** The CIPF will, as and when they are received, promptly publish any public comments on its

public website. The CIPF will also prepare a summary of and responses to those public comments and send them to staff of the Regulators within any timelines established by staff of the Regulators.

- (d) **Regulator review.** After the subsection 7(b) comment period has ended, staff of the Regulators will, in writing, provide any significant comments to the Principal Regulator, copying staff of the other Regulators, within any timelines established among themselves.
- (e) **Regulators have no comments.** If staff of the Principal Regulator does not receive or have any significant comments within the period provided for under subsection 7(d), staff of the Regulators will be deemed to not have any comments and the following applies:
  - (i) If the CIPF has received public comments, the Regulators will, upon receipt of the CIPF's summary and responses described in subsection 7(c), follow the processes applicable to the review of CIPF responses set out in paragraphs 7(f)(v) through (ix).
  - (ii) If the CIPF has not received any public comments, or the public comments received do not raise any material issues (as determined by staff of the Regulators), staff of the Regulators will proceed immediately to the approval or non-objection process in section 9.
- (f) **Regulators have comments.** If staff of the Principal Regulator receives or has significant comments within the period provided for under subsection 7(d), staff of the Regulators and the CIPF will use best efforts to adhere to the following process using timelines established amongst themselves:
  - (i) At the end of the period provided for under subsection 7(d), staff of the Principal Regulator will prepare and deliver to staff of the other Regulators a draft comment letter that incorporates their own significant comments and the significant comments raised by staff of the other Regulators and may, if deemed necessary, identify different views among staff of the Regulators.
  - (ii) Staff of the Regulators will provide any significant written comments on the draft comment letter to the Principal Regulator, copying staff of the other Regulators; if staff of the Principal Regulator does not receive any such comments within the timeframes agreed upon, staff of the other Regulators will be deemed not to have any comments.
  - (iii) Following the other Regulators' response (or deemed response), staff of the Principal Regulator will consolidate all comments

received and, when finalized to the satisfaction of staff of the Regulators, send the comment letter to the CIPF, with a copy to staff of the other Regulators.

- (iv) The CIPF will respond, in writing, to the comment letter sent by staff of the Principal Regulator, with a copy to staff of the other Regulators.
- (v) If staff of the Regulators have further significant comments following the CIPF's response, they will provide any such comments, in writing, to the Principal Regulator, copying staff of the other Regulators; if staff of the Principal Regulator does not receive or have any such comments within the agreed-upon period, staff of the Regulators will:
  - (A) be deemed to not have any comments, and
  - (B) proceed immediately to the approval or non-objection process in section 9.
- (vi) Staff of the Regulators and the CIPF will follow the process laid out in paragraphs 7(f)(i) to (v) when staff of the Regulators have significant comments on CIPF's response to the comment letter.
- (vii) Staff of the Principal Regulator will attempt to resolve any issues that staff of the Regulators have raised on a timely basis and will consult with staff of the other Regulators or the CIPF, as needed.
- (viii) If staff of the Regulators disagree about the substantive content of the comment letter in paragraph 7(f)(i) or whether to recommend approval of or non-objection to the Amendment, staff of the Principal Regulator will invoke section 13.
- (ix) If the CIPF fails to respond to comments of staff of the Regulators within 120 days of receipt of the most recent comment letter from staff of the Regulators (or such other time as agreed to by staff of the Regulators), the CIPF may withdraw the Amendment in accordance with section 14 or staff of the Regulators will, if they agree among themselves to do so in writing, recommend their respective decision makers to object to or not approve the Amendment.

## **8. Revising and republishing public comment Amendments**

- (a) **Language requirements.** If, subsequent to its publication for comment, the CIPF revises a public comment Amendment, the CIPF will file any

such revision, which will include, as applicable, a blacklined version to the original published version, a cumulative blacklined version of the Amendment, and a clean copy of the revised Amendment, concurrently in both English and French, accompanied with an attestation from a certified translator.

- (b) **Revising Amendments.** If such a revision changes the Amendment's substance or effect in a material way, staff of the Principal Regulator may, in consultation with the CIPF and staff of the other Regulators, require the revised Amendment to be republished for an additional comment period. Upon republication, the initial or previous Amendment will be considered closed, and not approved or in effect.
- (c) **Published documents.** If a public comment Amendment is republished, the revised request for comments will include, as applicable, the information filed under subsection 8(a), the date of Board approval or approval of the applicable Board committee (if different from the original published version), the CIPF's summary of comments received and responses for the previous request for comments, together with an explanation of the revisions to the Amendment and the supporting rationale for the revisions.
- (d) **Applicable provisions.** Any republished public comment Amendment will be subject to all provisions in this Schedule B applicable to public comment Amendments, except where otherwise provided for in this Schedule B.

## 9. Approval process for public comment Amendments

- (a) **Principal Regulator seeks approval.** Staff of the Principal Regulator will use their best efforts to seek approval of or non-objection to the Amendment within 20 business days of the end of the review process set out in section 7.
- (b) **Principal Regulator circulates documents.** After the Principal Regulator makes a decision about an Amendment, staff of the Principal Regulator will promptly circulate to staff of the other Regulators applicable documentation.
- (c) **Other Regulators seek approval.** Staff of the other Regulators will use their best efforts to seek approval or non-objection within 20 business days of receipt of applicable documentation from staff of the Principal Regulator.

- (d) **Other Regulators communicate decision to Principal Regulator.** Staff of each Regulator will promptly inform staff of the Principal Regulator in writing after a decision about the Amendment has been made.
- (e) **Principal Regulator communicates decision to CIPF.** Staff of the Principal Regulator will promptly communicate to the CIPF, in writing, the decision about the Amendment, including any conditions, upon receipt of notification of the other Regulators' decisions.

## 10. Effective date of Amendments

- (a) **Public comment Amendments.** Public comment Amendments (other than Amendments implemented under section 12) will be effective on the later of:
  - (i) the date the Principal Regulator publishes the notice of approval or non-objection in accordance with subsection 11(a), and
  - (ii) the date designated by the CIPF under subparagraph 4(c)(iv)(D).
- (b) **Housekeeping Amendments.** Housekeeping Amendments will be effective on the later of:
  - (i) the date of deemed approval or non-objection in accordance with subsection 6(b), and
  - (ii) the date designated by the CIPF under subparagraph 4(b)(iv)(C).
- (c) **Failing to make an Amendment effective within one year.** The CIPF will advise staff of the Regulators in writing if it has not made an Amendment effective within one year of receiving approval or non-objection from the Regulators, and will include the following information:
  - (i) the reasons it has not yet made the Amendment effective,
  - (ii) the CIPF's projected timeline for making the Amendment effective, and
  - (iii) the impact on the public interest of delaying making the Amendment effective within one year.

## 11. Publishing notice of approval

- (a) **Public comment Amendments.** For any public comment Amendment, staff of the Principal Regulator and the CIPF will both publish a notice of approval of or non-objection on their respective websites, together with:



- (i) the CIPF's summary of comments received and responses, if applicable, and
  - (ii) if changes were made to the version published for public comment, a blacklined version of the revised Amendment.
- (b) **Housekeeping Amendments.** For any housekeeping Amendments, staff of the Principal Regulator will prepare a notice of deemed approval or non-objection and both the Principal Regulator and the CIPF will publish such notice, together with the materials referred to in paragraphs 4(b)(iii) and (iv), on their respective public websites.
- (c) **Publication by other Regulators.** Any other Regulators may publish notices of approval at their own discretion.

## 12. Immediate implementation

- (a) **Criteria for immediate implementation.** If the CIPF reasonably thinks there is an urgent need to implement a proposed public comment Amendment because of a substantial risk of material harm to investors, issuers, registrants, other market participants, the CIPF or the capital markets generally, the CIPF may make the proposed public comment Amendment effective immediately upon approval by the Board, subject to subsection 12(d), and provided that:
  - (i) the CIPF provides staff of each Regulator with written notice of its intention to rely upon this procedure at least 10 business days before the Board considers the proposed public comment Amendment for approval, and
  - (ii) the CIPF's written notice in paragraph 12(a)(i) includes:
    - (A) the date on which the CIPF intends the proposed public comment Amendment to be effective, and
    - (B) an analysis in support of the need for immediate implementation of the proposed public comment Amendment.
- (b) **Notice of disagreement.** If staff of a Regulator does not agree that immediate implementation is necessary, the Regulators will use best efforts to adhere to the following:
  - (i) Staff of the Regulator which disagrees with the need for immediate implementation will, within 5 business days after the CIPF provides notice under subsection 12(a), advise staff of the other Regulators

in writing that they disagree and provide the reasons for their disagreement.

- (ii) Staff of the Principal Regulator will promptly notify the CIPF of the disagreement in writing.
  - (iii) Staff of the CIPF and staff of the Regulators will discuss and attempt to resolve any concerns raised on a timely basis but, if the concerns are not resolved to the satisfaction of staff of all Regulators, the CIPF cannot immediately implement the proposed public comment Amendment.
- (c) **No notice of disagreement.** Where there is no notice of disagreement under and within the timelines set out in paragraph 12(b)(i), or where concerns have been resolved under paragraph 12(b)(iii), staff of the Principal Regulator will immediately provide written notice to the CIPF, with a copy to staff of the other Regulators, that it may immediately implement the proposed public comment Amendment subject to Board approval.
- (d) **Effective date.** Proposed public comment Amendments that the CIPF immediately implements in accordance with section 12 will be effective on the later of:
- (i) the date of the notice provided to the CIPF under subsection 12(c),
  - (ii) the date the Board approves the Amendment, and
  - (iii) the date designated by the CIPF in its written notice to staff of the Regulators.
- (e) **Subsequent review of Amendment.** A public comment Amendment that is implemented immediately will subsequently be published, reviewed, and approved or non-objected to in accordance with the applicable provisions of this Schedule B.
- (f) **Subsequent disapproval of Amendment.** If the Regulators subsequently object to or do not approve a public comment Amendment that the CIPF immediately implemented, the CIPF will promptly repeal the public comment Amendment and inform Member Firms of the Regulators' decision.

### 13. Disagreements

If any disagreement, either among the Regulators or between the Regulators and the CIPF, about a matter arising out of or relating to this Schedule B cannot be resolved

through discussions, the Regulators will use best efforts to adhere to the following using timelines established amongst themselves:

- (a) Staff of the Principal Regulator will arrange for senior staff of the Regulators to discuss the issues and attempt to reach a consensus.
- (b) If, following such discussions, a consensus is not reached, staff of the Principal Regulator will escalate the disagreement as applicable and, ultimately, to the Regulators' Chairs or other senior executives of the Regulators or such other process as agreed to by staff of the Regulators.
- (c) If, following such escalation, a consensus is not reached, the CIPF may withdraw the Amendment in accordance with section 14 or staff of the Regulators will recommend that their respective decision makers object to or not approve the Amendment.

#### 14. **Withdrawing proposed Amendments**

- (a) **Filing notice of withdrawal.** If the CIPF withdraws a proposed public comment Amendment that the Regulators have not yet approved or non-objected to, the CIPF will file with staff of the Regulators a written notice indicating that it will be withdrawing the Amendment.
- (b) **Contents of notice of withdrawal.** The written notice in subsection 14(a) must contain:
  - (i) the reason the CIPF submitted the proposed Amendment,
  - (ii) any dates on which the Board or the applicable Board committee approved the proposed Amendment,
  - (iii) any prior publication dates,
  - (iv) the Board resolution, or the resolution of the applicable Board committee, supporting the withdrawal of the proposed Amendment,
  - (v) the reasons the CIPF is withdrawing the proposed Amendment, and
  - (vi) the impact of withdrawing the proposed Amendment on the public interest.
- (c) **Publishing notice of withdrawal.** Where the proposed Amendment being withdrawn had previously been published for comment under subsection 7(b), staff of the Principal Regulator and the CIPF will both

publish a notice on their public websites stating that the CIPF will be withdrawing the proposed Amendment together with the reasons the CIPF is withdrawing the proposed Amendment.

## 15. Reviewing and amending Schedule B

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

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

## 16. Waiving or varying Schedule B

- (a) **CIPF request.** The CIPF may file a written request with the Regulators to waive or vary any part of this Schedule B and, in such a case, the Regulators will use best efforts to adhere to the following using timelines established amongst themselves:
  - (i) A Regulator who objects to the granting of the waiver or variation will notify the other Regulators of their objection, together with their reasons for the objection. If the Principal Regulator does not receive or send any notice of objection, the Regulators are deemed to not object to the waiver or variation.
  - (ii) In accordance with the timelines established by the Regulators, the Principal Regulator will provide written notice to the CIPF as to whether the waiver or variation has been granted or objected to.
- (b) **Regulator request.** The Regulators may waive or vary any part of this Schedule B if all of the Regulators agree in writing to such waiver or variation.
- (c) **General.** A waiver or variation may be specific or general and may be made for a time or for all time as mutually agreed by the Regulators.

## 17. Publishing materials

If staff of the Principal Regulator publishes any materials under this Schedule B, staff of the other Regulators may also publish the same materials and, in such a case, staff of the Principal Regulator will coordinate the publication date with staff of the other Regulators.