

CSA Notice and Request for Comment Proposed Amendments to Multilateral Instrument 13-102 *System Fees*

November 21, 2024

Introduction

The Canadian Securities Administrators except the British Columbia Securities Commission (the **CSA** or **we**) are publishing for a 90-day comment period proposed amendments (the **Proposed Amendments**) to Multilateral Instrument 13-102 *System Fees* (**MI 13-102**)¹. The British Columbia Securities Commission is not publishing the proposed amendments and changes for comment at this time while it awaits necessary government approvals.

The text of the Proposed Amendments is contained in Annex A of this notice and will also be available on the websites of CSA jurisdictions, including:

www.besc.bc.ca

www.albertasecurities.com

www.fcaa.gov.sk.ca

www.mbsecurities.ca

www.osc.gov.on.ca

www.lautorite.qc.ca

www.fcnb.ca

nssc.novascotia.ca

Substance and Purpose

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

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

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

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

Background

In 2013, MI 13-102 was adopted to replace the filing service charge schedules under the SEDAR Filer Manual and the NRD User Guide. On adopting MI 13-102, the CSA reduced some fee rates but retained the fee structure from the filing service charge schedules, which required fees to be paid to principal and non-principal regulators in differing amounts. These fee reductions were made in response to the underlying costs of operating the national systems having been reduced at that time.

In 2019, the CSA proposed that MI 13-102 be repealed and replaced so that the principal and non-principal regulator system fees could be replaced with flat fees per filing type paid only to a filer's principal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

When this change was proposed in 2019, the accelerated growth in IT labour costs for both system development and operations (including SEDAR+), could not have been anticipated. From 2021 to 2024, the labour costs for IT services increased between 35% and 45%, outpacing costs growth in other sectors². These IT labour costs are expected to continue increasing at a steady pace over the next few years.

The CSA's experience with cost increases is consistent with external research³, which shows that IT costs have increased significantly across all industries in recent years due to several factors, including higher technology costs, higher cybersecurity risk mitigation costs and higher specialized labour costs.

Summary of the Proposed Amendments

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

To meet current national systems funding needs, the CSA is proposing a 60% system fee increase in November 2025 and 3% increases in each of the following four years. The proposed system fee increase will be less than \$2,500 for 95% of filing and registrant organizations and less than \$1,000 for 85% of filing and registrant organizations, in the first year.

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

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

³ Gartner, Statistica

These system fee increases are necessary to ensure sufficient funding to operate the CSA's national systems over those five years. Since system fees continue to be based on the type and number of filings submitted and the number of individual registrants, the proportional fee increases will equitably impact all market segments.

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

Local Matters

Annex B is being published in any local jurisdiction that is making related changes to local securities laws, including local notices or other policy instruments in that jurisdiction. It also includes any additional information that is relevant to that jurisdiction only.

Request for Comments

We welcome your comments on all aspects of the Proposed Amendments.

Please submit your comments in writing on or before February 19, 2025.

Address your submission to all of the CSA as follows:

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission, New Brunswick
Nova Scotia Securities Commission
Financial and Consumer Services Division, Justice and Public Safety, Prince Edward Island
Office of the Superintendent of Securities, Newfoundland and Labrador
Office of the Superintendent of Securities, Northwest Territories
Office of the Yukon Superintendent of Securities
Office of the Superintendent of Securities, Nunavut

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

The Secretary
Ontario Securities Commission
20 Queen Street West
22nd Floor, Box 55
Toronto, Ontario M5H 3S8
Fax: 416-593-2318
[E-mail: comments@osc.gov.on.ca](mailto:comments@osc.gov.on.ca)

Me Philippe Lebel
 Corporate Secretary and Executive Director, Legal Affairs
 Autorité des marchés financiers
 Place de la Cité, tour PwC
 2640, boulevard Laurier, bureau 400
 Québec (Québec) G1V 5C1
 Fax : 514-864-6381
[E-mail: consultation-en-cours@lautorite.qc.ca](mailto:consultation-en-cours@lautorite.qc.ca)

We cannot keep submissions confidential because securities legislation in certain provinces requires publication of the written comments received during the comment period. All comments received will be posted on the websites of each of the Alberta Securities Commission at www.albertasecurities.com, the Autorité des marchés financiers at www.lautorite.qc.ca and the Ontario Securities Commission at www.osc.gov.on.ca. You should not include personal information directly in comments as the comments will be published and publicly available.

It is important that you state on whose behalf you are making the submission.

List of Annexes

This notice contains the following annexes:

- Annex A – Proposed amendments to MI 13-102
- Annex B – Local matters

Questions

Please refer your questions to any of the following:

<p><i>British Columbia Securities Commission</i></p> <p>Noreen Bent Chief, Corporate Finance Legal Services nbent@bcsc.bc.ca</p>	<p><i>British Columbia Securities Commission</i></p> <p>Ken Chow Senior Legal Counsel Corporate Finance Legal Services kchow@bcsc.bc.ca</p>
<p><i>Alberta Securities Commission</i></p> <p>Duncan Pardoe Legal Counsel, Office of the General Counsel Duncan.Pardoe@asc.ca</p>	<p><i>Financial and Consumer Services Commission Authority of Saskatchewan</i></p> <p>Sonne Udemgba, Director, Legal, Securities Division Financial and Consumer Affairs sonne.udemgba@gov.sk.ca</p>

INCLUDES COMMENT LETTERS RECEIVED

<p><i>Manitoba Securities Commission</i></p> <p>Leigh-Anne Mercier General Counsel leigh-anne.mercier@gov.mb.ca</p>	<p><i>Ontario Securities Commission</i></p> <p>Ashley Hsu Legal Counsel, General Counsel's Department ahsu@osc.gov.on.ca</p>
<p><i>Autorité des marchés financiers</i></p> <p>Mathieu Laberge Senior Legal Counsel, Legal Affairs mathieu.laberge@lautorite.qc.ca</p>	<p><i>Autorité des marchés financiers</i></p> <p>Sylvia Pateras Senior Legal Counsel, Legal Affairs sylvia.pateras@lautorite.qc.ca</p>
<p><i>Financial and Consumer Services Commission (New Brunswick)</i></p> <p>Ray Burke Manager, Corporate Finance ray.burke@fcnb.ca</p>	<p><i>Nova Scotia Securities Commission</i></p> <p>Doug Harris General Counsel, Director of Market Regulation and Policy and Secretary Doug.Harris@novascotia.ca</p>

ANNEX A

**PROPOSED AMENDMENTS TO
MULTILATERAL INSTRUMENT 13-102 SYSTEM FEES**

1. *Multilateral Instrument 13-102 System Fees is amended by this Instrument.*
2. *Subsection 3(1) is replaced with the following:*
 - (1) If a person or company described in Column A of Appendix A transmits a filing of a type described in Column B of the Appendix, the person or company must pay to the person or company’s principal regulator the system fee specified in Column C of the Appendix for the filing for the reference period corresponding to the date of transmission of the filing..
3. *Section 4 is amended by adding “for the reference period corresponding to that date” after “Appendix B”.*
4. *Appendix A is replaced with the following:*

**Appendix A
System Fees**

In this Appendix,

“**application**” means a request transmitted through SEDAR+ for a decision of the regulator or securities regulatory authority but, for greater certainty, does not include a pre-filing;

“**pre-filing**” means a request to consult with the principal regulator regarding the application of securities legislation or securities directions generally or the application of securities legislation or a direction to a particular transaction or matter or proposed transaction or matter.

Item	Column A	Column B	Column C				
			Reference periods and system fee payable				
			From 11/30/2025 to 11/29/2026	From 11/30/2026 to 11/29/2027	From 11/30/2027 to 11/29/2028	From 11/30/2028 to 11/29/2029	After 11/29/2029
1	Sponsoring firm – in respect of an individual registrant	Application for registration or reactivation of registration	\$138	\$143	\$148	\$153	\$158

Item	Column A	Column B	Column C				
	Person or company required to file	Filing type	Reference periods and system fee payable				
			From 11/30/2025 to 11/29/2026	From 11/30/2026 to 11/29/2027	From 11/30/2027 to 11/29/2028	From 11/30/2028 to 11/29/2029	After 11/29/2029
2	International dealer or international adviser	Annual notice of reliance on exemption from dealer registration requirement or adviser registration requirement	\$560	\$577	\$595	\$613	\$632
3	Investment fund that is a reporting issuer	Annual financial statements	\$840	\$866	\$892	\$919	\$947
4	Investment fund	Preliminary, pro forma, or combined preliminary and pro forma long form prospectus	\$3520, regardless of whether the applicable long form prospectus relates to the distribution of the securities of one or more than one investment fund	\$3626, regardless of whether the applicable long form prospectus relates to the distribution of the securities of one or more than one investment fund	\$3735, regardless of whether the applicable long form prospectus relates to the distribution of the securities of one or more than one investment fund	\$3848, regardless of whether the applicable long form prospectus relates to the distribution of the securities of one or more than one investment fund	\$3964, regardless of whether the applicable long form prospectus relates to the distribution of the securities of one or more than one investment fund
		Preliminary, pro forma, or combined preliminary and pro forma simplified prospectus	\$3520, regardless of whether the applicable simplified prospectus relates to the distribution of the securities of one or more than one investment fund	\$3626, regardless of whether the applicable simplified prospectus relates to the distribution of the securities of one or more than one investment fund	\$3735, regardless of whether the applicable simplified prospectus relates to the distribution of the securities of one or more than one investment fund	\$3848, regardless of whether the applicable simplified prospectus relates to the distribution of the securities of one or more than one investment fund	\$3964, regardless of whether the applicable simplified prospectus relates to the distribution of the securities of one or more than one investment fund

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Item	Column A	Column B	Column C						
			Person or company required to file	Filing type	Reference periods and system fee payable				
					From 11/30/2025 to 11/29/2026	From 11/30/2026 to 11/29/2027	From 11/30/2027 to 11/29/2028	From 11/30/2028 to 11/29/2029	After 11/29/2029
5	Reporting issuer other than an investment fund	Annual financial statements	\$1224	\$1261	\$1299	\$1338	\$1379		
6	Reporting issuer, other than an investment fund, that is not a short form prospectus issuer	Annual information form	\$688	\$709	\$731	\$753	\$776		
7	Investment fund that is not a short form prospectus issuer	Annual information form	\$688	\$709	\$731	\$753	\$776		
8	Reporting issuer that is a short form prospectus issuer	Annual information form	\$4048	\$4170	\$4296	\$4425	\$4558		
9	Issuer other than an investment fund	Preliminary long form prospectus Preliminary prospectus governed by a CPC instrument	\$1520	\$1566	\$1613	\$1662	\$1712		
		Preliminary short form prospectus, preliminary shelf prospectus or preliminary MJDS prospectus	\$2400	\$2472	\$2547	\$2624	\$2703		

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Item	Column A	Column B	Column C				
	Person or company required to file	Filing type	Reference periods and system fee payable				
			From 11/30/2025 to 11/29/2026	From 11/30/2026 to 11/29/2027	From 11/30/2027 to 11/29/2028	From 11/30/2028 to 11/29/2029	After 11/29/2029
10	All filers	Issuer bid circular filed under Part 2 of National Instrument 62-104 <i>Take-Over Bids and Issuer Bids</i> or take-over bid circular filed under Part 2 of National Instrument 62-104 <i>Take-Over Bids and Issuer Bids</i>	\$560	\$577	\$595	\$613	\$632
11	Issuer, other than an investment fund	Rights offering circular	\$2400	\$2472	\$2547	\$2624	\$2703
12	All filers	Report of exempt distribution	\$64	\$66	\$68	\$71	\$74
13	All filers	Pre-filing that is transmitted through SEDAR+	\$560	\$577	\$595	\$613	\$632

Item	Column A	Column B	Column C				
	Person or company required to file	Filing type	Reference periods and system fee payable				
			From 11/30/2025 to 11/29/2026	From 11/30/2026 to 11/29/2027	From 11/30/2027 to 11/29/2028	From 11/30/2028 to 11/29/2029	After 11/29/2029
14	All filers	<p>Application that is required to be transmitted through SEDAR+ under National Instrument 13-103 <i>System for Electronic Data Analysis and Retrieval + (SEDAR+)</i>,</p> <p>(a) if a pre-filing referred to in Item 13 was previously transmitted in respect of the application, and</p> <p>(b) in any other case</p>	<p>\$0</p> <p>\$560</p>	<p>\$0</p> <p>\$577</p>	<p>\$0</p> <p>\$595</p>	<p>\$0</p> <p>\$613</p>	<p>\$0</p> <p>\$632</p>

5. *Appendix B is replaced with the following:*

**Appendix B
System Fees**

Column A	Column B	Column C				
Person or company required to file	Filing type	Reference periods and system fee payable				
		From 11/30/2025 to 11/29/2026	From 11/30/2026 to 11/29/2027	From 11/30/2027 to 11/29/2028	From 11/30/2028 to 11/29/2029	After 11/29/2029
Sponsoring firm – in respect of each individual registrant sponsored by the firm	Annual registration renewal	\$138	\$143	\$148	\$153	\$158

- .
6. (1) This Instrument comes into force on [●].
- (2) In Saskatchewan, despite subsection (1), if this Instrument is filed with the Registrar of Regulations after [●], this Instrument comes into force on the day on which it is filed with the Registrar of Regulations.

INCLUDES COMMENT LETTERS RECEIVED

ANNEX B
LOCAL MATTERS

There are no local matters to consider at this time.



Friday, January 24, 2025

By email: comments@osc.gov.on.ca; consultation-en-cours@lautorite.qc.ca

The Secretary
Ontario Securities Commission
20 Queen Street West
22nd Floor, Box 55
Toronto, Ontario M5H 3S8

Me Philippe Lebel
Corporate Secretary and Executive Director, Legal Affairs
Autorité des marchés financiers
Place de la Cité, tour PwC
2640, boulevard Laurier, bureau 400
Québec (Québec) G1V 5C1

And

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Financial and Consumer Services Commission, New Brunswick
Nova Scotia Securities Commission
Financial and Consumer Services Division, Justice and Public Safety, Prince Edward Island
Office of the Superintendent of Securities, Newfoundland and Labrador
Office of the Superintendent of Securities, Northwest Territories
Office of the Yukon Superintendent of Securities
Office of the Superintendent of Securities, Nunavut

Re: Canadian Securities Administrators (CSA) proposal - Amendments to Multilateral Instrument 13-102 System Fees, issued on November 21, 2024

The **Canadian Independent Finance and Innovation Counsel (CIFIC)** appreciates the opportunity to provide comments to the CSA on the Proposed Fee Increases for National Regulatory Filing Systems.

The Canadian Independent Finance and Innovation Counsel represents national Investment Dealers and their industry's position on securities regulation, public policy, and industry issues. We represent notable CIRO-regulated Investment Dealers in the Canadian securities industry.

Critical Systems

We appreciate that the Canadian Securities Administrators (CSA) oversees the operation of our national regulatory filing systems, including SEDAR+ and the National Registration Database (NRD). As our organization represents Investment Dealers, we recognize the critical role these systems play in ensuring transparency and efficiency in Canada's capital markets.

Significant Fee Increase (60%)

While we acknowledge the necessity of funding to address rising technology and cybersecurity costs and to support the CSA's national systems, we believe that the fee increases proposed would be onerous for the Investment Dealers we represent.

A 60% fee increase in 2025, followed by 3% increases annually, may present significant challenges, particularly for smaller, independent Investment Dealers. The fee increase, even if less than \$2,500 per annum for 95% of Investment Dealers, may not seem like much at first glance, but could have a significant impact on a small firm.

The Investment Dealers we represent view the fee increases as particularly difficult to justify given the ongoing performance issues with the systems, which fall short of delivering the enhanced value participants rightfully expect.

Below, we provide our key perspectives and recommendations regarding the proposal.

1. Disproportionate Impact on Smaller Dealers

The proposed fee increases, though essential for maintaining system integrity, will disproportionately affect smaller independent Investment Dealers. Unlike bank-owned Investment Dealers that benefit from larger operational scales and resources, independent firms often operate on leaner margins and lack the capacity to absorb substantial fee hikes without significant impact on their business operations.

We recommend that a more equitable allocation of the proposed fee increases be considered. Specifically, large bank-owned dealers, which dominate market share and possess greater financial capacity, should bear a larger proportion of these cost increases. Furthermore, these firms are utilizing the national systems substantially more than smaller firms. This approach would support a fairer distribution of the financial burden and ensure the viability of smaller dealers that play a critical role in servicing Canadian investors as well as maintaining a competitive and diverse market ecosystem.

2. Technological Modernization of the National Systems

We are concerned about the current technology of the national systems, which is failing to meet Dealer expectations. The Investment Dealers we represent believe these expectations are justified because of the way similar technology works in other jurisdictions: we note that in contrast with SEDAR+, the EDGAR application in the US provides a smooth and user-friendly experience.

Dealers also note the frequency of interruptions in the national systems, which can suddenly become unavailable for parts of the day. We would therefore propose that the current shortfalls of the national systems be acknowledged, accounted for, and remediated prior to any proposals to collect more annual fees from market participants.

At the December Independent Dealers Group meeting, the CSA explained that this proposal stemmed from the national systems' failure to account for inflation and rising IT costs when setting their annual fees in the past. The Independent Dealers we represent object to the burden of higher fees being placed on them in order to cover these past shortcomings in financial planning and forecasting. Instead, they respectfully propose the CSA defer any fee increases until the technology is appropriately modernized and delivers value comparable to similar systems elsewhere in the world.

3. Support for Investments in Cybersecurity and Efficiency

We fully support the CSA's focus on cybersecurity and the adoption of innovative technologies to ensure the long-term security and efficiency of the national systems. The Investment Dealers we represent share the CSA's view that resilient and efficient systems are essential to safeguarding sensitive market information and bolstering investor confidence.

However, we urge the CSA to ensure that the increased costs associated with these efforts are matched with measurable improvements in system efficiency and usability. Transparency with respect to how these additional funds will be allocated and utilized is critical to maintaining industry trust and support. We encourage the CSA to provide regular updates to industry on progress made toward achieving these improvements.

4. Involvement of Independent Investment Dealers in Strategic Discussions

We are encouraged by the CSA's commitment to exploring alternative operating models and the development of a long-term strategic plan for the national systems. Independent Investment Dealers bring unique perspectives to these discussions, particularly regarding system usability and the operational challenges faced by smaller market participants.

We therefore strongly advocate for the inclusion of CIFIC and the Investment Dealers we represent in future consultations and working groups tasked with shaping these plans. By incorporating the diverse voices of all industry participants, the CSA can ensure that system enhancements are responsive to the needs of the broader market, and not only its largest players.

We also propose the delivery of new applications and advancements in national systems technology be paid for (by marketplace participants through increased fees) only **subsequent** to these developments being made, collaboratively, with the strong industry input described above, rather than in advance (as proposed, with increased fees beginning in November 2025).

Dealers have noted many instances where they have pre-funded improvements that did not benefit themselves, and they believe fee increases should only be implemented when there is industry agreement that the systems deliver appropriate value, as commensurate systems do.

5. Recommendations for Implementation

To address our concerns while achieving the CSA's goals, we respectfully propose the following recommendations:

1. Acknowledge and outline current shortcomings in the national systems and provide a clear, itemized breakdown of how these will be addressed.
2. Establish a formal advisory committee that includes CIFIC Independent Dealer representatives to discuss system enhancements, collaborate on long-term strategic planning, and determine precisely how increased revenues will be allocated toward system improvements.
3. Implement measurable system improvements as discussed within the advisory committee, which benefit the industry as a whole.
4. Introduce a tiered fee structure that aligns fee increases with firm size, capacity to pay, and the value of the technological improvements made to the national systems.
5. Commit to periodic reviews of the fee structure alongside system performance with industry input, to ensure it remains equitable and reflective of actual system costs and to ensure useability and value for market participants.

Conclusion

We commend the CSA for its efforts to maintain and enhance the functionality of Canada's regulatory filing systems. While we recognize the necessity of increased funding, we believe that a balanced approach is essential to ensure the sustainability of all market participants.

On a related note, we wish to remind the CSA that CIFIC submitted a letter on October 8, 2024, outlining the necessary improvements to Cease Trade Orders (CTOs) in Canada. We urge the CSA to prioritize a comprehensive review and enhancement of the systems and processes associated with CTOs.

As always, we are available to discuss the content of this submission further, address any concerns you may have, or provide additional information as needed. Your feedback is invaluable to us, and we are committed to ensuring that we all achieve our objectives effectively and efficiently.

Please feel free to contact me at annie@cific.co with any questions, comments, or to schedule a call to discuss any aspects of the letter or explore potential next steps. We look forward to our continued collaboration on this matter.

Sincerely,

A. Sinigagliese

Annie Sinigagliese, CPA, FCSI
Canadian Independent Finance and Innovation Counsel Inc.
Conseil Indépendant Finance et Innovation du Canada Inc.
www.cific.co



BY EMAIL: comments@osc.gov.on.ca and consultation-en-cours@lautorite.qc.ca

February 19, 2025

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission, New Brunswick
Nova Scotia Securities Commission
Financial and Consumer Services Division, Justice and Public Safety, Prince Edward Island
Office of the Superintendent of Securities, Newfoundland and Labrador
Office of the Superintendent of Securities, Northwest Territories
Office of the Yukon Superintendent of Securities
Office of the Superintendent of Securities, Nunavut

The Secretary
Ontario Securities Commission
20 Queen Street West
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Me Philippe Lebel
Corporate Secretary and Executive Director, Legal Affairs
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2640, boulevard Laurier, bureau 400
Québec (Québec) G1V 5C1
E-mail: consultation-en-cours@lautorite.qc.ca

Re: CSA Notice and Request for Comment - Proposed Amendments to Multilateral Instrument 13-102 System Fees

Dear Sirs/Mesdames,

Thank you for the opportunity to provide our comments to the Canadian Securities Administrators (the “**CSA**”) with respect to the proposed amendments (the “**Proposed Amendments**”) to Multilateral Instrument 13-102 *System Fees* (“**MI 13-102**”).

Fidelity Investments Canada ULC (“**Fidelity**”, “**we**”, “**us**”, “**our**”) is the second largest mutual fund company in Canada. As at January 31, 2025, Fidelity managed over \$292 billion (CAD) in retail mutual funds, exchange traded funds and institutional assets. For over 75 years, including 38 years in Canada, Fidelity has put investors first by working hard to help them achieve their financial goals.

We recognize the importance of investing in the security and efficiency of the CSA's technology systems to ensure the proper functioning of Canada's capital markets. However, we urge the CSA to carefully consider the impact of the Proposed Amendments on the industry and the ongoing operational challenges with SEDAR+ before placing the burden of increased system fees on industry participants. We respectfully submit the following comments for the CSA's consideration.

Impact of increased system fees

The CSA proposes a 60% system fee increase, followed by annual increases of 3% in each of the following four years. For Fidelity, based on our current system fees, we estimate that the increase will exceed approximately \$130,000 in the first year for SEDAR+ and National Registration Database system fees. We note that this is a striking increase when compared with the CSA's statement that the "increase will be less than \$2,500 for 95% of filing and registrant organizations and less than \$1,000 for 85% of filing and registrant organizations, in the first year."

We understand that system fees have remained stable in recent years, however we believe that the CSA has a responsibility to take a more proactive approach to addressing the increasing costs associated with maintaining its systems. A 60% increase in one year is a disruptive change, which could be mitigated through more gradual fee increases over a longer period.

We also find it difficult that the CSA can justify such a steep increase in fees when the performance of its new system SEDAR+ has not delivered on its expectations of enhanced usability. Ongoing technical issues have caused operational disruptions which have already led to increased costs for the industry. For our team, it has caused a significant increase in the number of hours to complete filings, over 100 additional hours, and we have increased the number of team members involved in our regulatory filings as a result. Filers have also had to use external resources to help complete filings due to system issues, that could have been filed internally if using the legacy SEDAR system.

Prioritize SEDAR+ functionality

While we acknowledge that the CSA has spent a tremendous effort and amount of money to implement the new SEDAR+ platform, we strongly urge the CSA to prioritize addressing the shortcomings of SEDAR+ before proceeding with such substantial fee increases.

Despite the system updates that have been implemented so far, we experience many issues resulting in increased delays and frustration trying to complete our regulatory filings. We have included a table in Appendix A outlining examples of the types of problems we continue to face.

In our view, it seems that the current system was not designed to handle the number of filings that large investment fund manufacturers make on a regular basis. Based on the proposed increase in system fees, it appears that the industry is bearing the costs to fix issues that were overlooked in the building of SEDAR+.

Allocation of fees

We would request that the CSA provide the industry with greater transparency into how the funds generated from system fees are allocated to the costs of the technology systems shared by the CSA and its members. As numerous concerns with the current system have already been raised by the industry, we would appreciate the



CSA publishing a timeline or providing regular updates with respect to its intention to resolve these known issues as soon as possible and the costs associated with doing so.

We also note that registrants pay significant fees to the CSA more generally in addition to the system fees incurred. As such, we believe that the CSA should consider paying the costs for SEDAR+ issues from each of the securities commissions' surplus funds, rather than placing this burden on the industry.

Once again, Fidelity would like to thank the CSA for the opportunity to comment on the Proposed Amendments. We would be pleased to provide additional information or discuss any of our comments with you in more detail.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Robyn Mendelson".

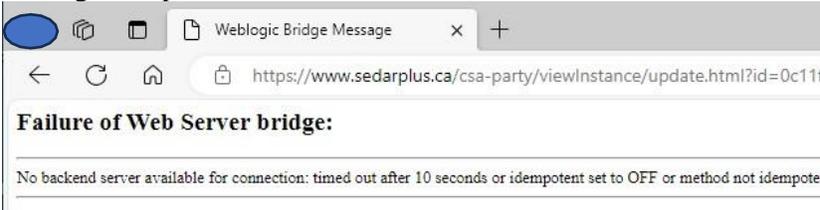
Robyn Mendelson
Vice President, Legal and Procurement

c.c. Rob Strickland, *President*
W. Sian Burgess, *Senior Vice President, Fund Oversight*
Rob Sklar, *Director, Legal Services*
Marissa Mymko, *Legal Counsel*

Appendix A

SEDAR+ Filing Issues

Filing	Issues
Applications/ Material Change Reports/ Press Releases	<ul style="list-style-type: none"> • Cannot set-up an Application filing, save as a draft and finish at a later date • Applications have to be set-up and filed in one sitting • The draft function is not working
Reports of Exempt Distribution ("RED")	<ul style="list-style-type: none"> • REDs now have to be entered manually on SEDAR+ which results in substantive time inputting data into the system when the reports have already been prepared by other business units. It essentially causes a duplication of work within our organization. • With SEDAR Legacy, a prepared RED report would simply be "attached"/uploaded to the SEDAR project and submitted which was a more streamlined and less onerous process.
Fidelity Funds Renewal (Fund Group: 9811) 213 Funds 1,167 series' SP Part A SP Part B1 - B4	<ul style="list-style-type: none"> • SEDAR+ can only support filings for a maximum of 20 funds, so the pro forma filing had to split into multiple filings, i.e., 11 SEDAR+ project numbers. • Each SEDAR+ project had to be further divided into 5 submissions, for a total of 55 submissions to accommodate Part A and Part Bs of the SP: <ul style="list-style-type: none"> ○ 11 submissions for Part A and Fund Facts documents ○ 11 submissions for Part B1 ○ 11 submissions for Part B2 ○ 11 submissions for Part B3 ○ 11 submissions for Part B4 • In order avoid duplicative system fees due to the split, Fee Exception Codes were needed, with a turn-around time that was 1-2 weeks. • Uploading documents to SEDAR+ is slow, specifically Fund Facts. • When attempting to file, error messages were persistent - see example below: <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> <p>Error 404--Not Found</p> <p><i>From RFC 2068 Hypertext Transfer Protocol -- HTTP/1.1:</i></p> <p>10.4.5 404 Not Found</p> <p>The server has not found anything matching the Request-URI. No indication is given of whether the condition is</p> <p>If the server does not wish to make this information available to the client, the status code 403 (Forbidden) (Gone) status code SHOULD be used if the server knows, through some internally configurable mechanism, that an unavailable and has no forwarding address.</p> </div> • Certificates of Proceeds: <ul style="list-style-type: none"> ○ have to be filed under a separate submission

Filing	Issues
	<ul style="list-style-type: none"> ○ when filing Certificates of Proceeds, the Fee Attributes have to be entered as ‘0’ for <u>each</u> fund so that fees are not charged by the system (the system does not automatically zero-out the fees) ○ AB, BC and QC have to create “Outstanding Fees” so that fees can be paid ○ when attempting to file Certificates of Proceeds, the below error message was persistent: <div data-bbox="609 472 1429 682" style="border: 1px solid #ccc; padding: 5px; margin: 5px 0;">  </div> ○ at times, although the “Failure of Web Server bridge” error message would appear, the submission would actually go through causing confusion and possibility of duplicative submissions
<p>Amendments to Fidelity Funds SP renewal</p>	<ul style="list-style-type: none"> ● Since the filing had to be split, whenever Fidelity is filing an amendment, it has to be filed against numerous SEDAR+ project numbers, multiplying the work.
<p>Fidelity Capital Structure Corp. (FCSC) Funds Renewal (Fund Group: 15956) 89 Funds 728 series’</p>	<ul style="list-style-type: none"> ● SEDAR+ can only support filings for a maximum of 20 funds, so the pro forma filing had to split into multiple filings, i.e., 5 SEDAR+ project numbers. ● Due to system crashing, we had to resort to ‘micro-submissions’ under each project number ● When attempting to file, the below error message was persistent - see example below: <div data-bbox="516 1312 1421 1480" style="border: 1px solid #ccc; padding: 5px; margin: 5px 0;"> <p>Failure of Web Server bridge:</p> <p>No backend server available for connection: timed out after 10 seconds or idempotent set to OFF or method not idempotent.</p> </div> ● Uploading documents to SEDAR+ is slow, specifically Fund Facts.
<p>Amendments to FCSC SP renewal</p>	<ul style="list-style-type: none"> ● Since the filing had to be split, whenever Fidelity is filing an amendment, it has to be filed against numerous SEDAR+ project numbers, multiplying the work.
<p>Micro filings of documents:</p>	<ul style="list-style-type: none"> ● Micro filings of documents: when attempting to attach all filing documents to a SEDAR+ project, it would often overwhelm the system resulting in having to create micro-submissions and having to file the documents a few at a time i.e., submit the SP, Fund Facts, Material Contracts and ancillary documents separately in order for the submission to go through. This issue persists even though the size of the filing documents collectively is well below the systems threshold.

Filing	Issues
Drafts:	<ul style="list-style-type: none"> • Drafts: projects prepared as a draft would become corrupt making the draft unusable and having to create a new project set-up. The work-around was to attach at least one document to the draft project, but often times the drafts would still become corrupt even with the work-around.
Series Launches:	<ul style="list-style-type: none"> • Series Launches: when a fund launches a new series, the system does not allow you to add a new series in the respective Fund Group which results in not being able to attach the new series to the fund.
Terminated Funds:	<ul style="list-style-type: none"> • Terminated Funds: if a fund has been terminated and you have to file against the project number the terminated funds were previously associated to, you have to first mark the fund as a 'reporting issuer', proceed to file against the impacted fund(s) and then go back to the terminated fund post-filing and change the status to 'ceased reporting. If the above steps are not followed, an error message will appear and you will not be able to file.
Filing Fees	<ul style="list-style-type: none"> • When filing an amendment that includes a launch of a new series, the additional series' fee is not calculated in the system when paying filing fees resulting in having to reconcile fees post-filing. • Occasionally, the system will either overcharge or undercharge filing fees resulting in having to reconcile fees post-filing. • To reconcile fees post-filing, separate communications need to be prepared for each securities commission noting which fund(s) and relevant project number and submission number was impacted in order to request a refund or an 'outstanding fees payment' link to be posted to the applicable fund/project number to be able to pay undercharged fees. Certain commissions take an extremely long time to reconcile fees, and the entire process can take months to complete.



THE INVESTMENT
FUNDS INSTITUTE
OF CANADA

L'INSTITUT DES FONDS
D'INVESTISSEMENT
DU CANADA

February 19, 2025

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission, New Brunswick
Nova Scotia Securities Commission
Financial and Consumer Services Division, Justice and Public Safety, Prince Edward Island
Office of the Superintendent of Securities, Newfoundland and Labrador
Office of the Superintendent of Securities, Northwest Territories
Office of the Yukon Superintendent of Securities
Office of the Superintendent of Securities, Nunavut

The Secretary
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E-mail: comments@osc.gov.on.ca

Me Philippe Lebel
Corporate Secretary and Executive Director, Legal Affairs
Autorité des marchés financiers
Place de la Cité, tour PwC
2640, boulevard Laurier, bureau 400
Québec (Québec) G1V 5C1
E-mail: consultation-en-cours@lautorite.qc.ca

Dear Sirs and Mesdames:

RE: CSA Consultation – Amendments to Multilateral Instrument 13-102 System Fees

The Investment Funds Institute of Canada (**IFIC**) appreciates the opportunity to comment on the Canadian Securities Administrators' (**CSA**) proposed amendments to Multilateral Instrument 13-102 System Fees (**Consultation**).

IFIC is the voice of Canada's investment funds industry. IFIC brings together approximately 150 organizations, including fund managers, distributors and industry service organizations to foster a strong, stable investment sector where investors can realize their financial goals. IFIC operates on a governance framework that gathers member input through working committees. The recommendations of the working committees are submitted to the IFIC Board or board-level committees for direction and approval. This process results in a submission that reflects the input and direction of a broad range of IFIC members.

General Comments and Concerns

IFIC members appreciate the CSA's initiative in 2019 to simplify the system fee regime so that the principal and non-principal regulator system fees could be replaced with flat fees per filing type paid only to a filer's principal regulator which, combined with changes in filing patterns, resulted in an annual system fee reduction.

We understand that the CSA is functioning on a cost-recovery basis and that the significant fee increases proposed in the Consultation are to recover exponential cost increases in the last few years for implementing and maintaining information technology (IT) systems. It is important to note, however, that the industry has concerns with how SEDAR+ was developed and therefore expects the increased new fees will be used optimally.

The CSA has made a large investment and time commitment in order for SEDAR+ to benefit investors, industry, and regulators. Since the launch of SEDAR+ in July 2023, the industry and CSA have agreed that the use of the system posed significant challenges, which needed to be addressed, in part, through system modifications. We are thankful that the most significant challenges have been addressed. However, using SEDAR+ still presents some challenges such as the search function and slow functionality, which need to be addressed so that the system meets investor and industry needs. The industry recognizes and appreciates the CSA's commitment, collaboration and ongoing work to resolve all outstanding issues.

We have noted that the fee increases proposed in the Consultation "will be less than \$2,500 for 95% of filing and registrant organizations and less than \$1,000 for 85% of filing and registrant organizations, in the first year." Nonetheless, based on our members' feedback, the fee increases for some registrants will be substantial and should not be underestimated. Investors and/or industry will ultimately bear the costs and are highly sensitive to them.

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

As mentioned above, the industry understands that the CSA is making the fee proposals in the Consultation based on cost recovery, hence IFIC members do not oppose the fee increases but do have recommendations below for how to make SEDAR+ a system that will adequately respond to investor and industry needs. The industry considers such significant fee increases an exception and hopes that they can be avoided in the future.

Recommendations

1. Overcome current functionality challenges

As mentioned above, SEDAR+ currently presents some challenges. We urge the CSA to continue to address the concerns that have already been raised by the industry and resolve all issues as soon as possible and publish a firm timeline to do so.

2. Industry involvement in further development of SEDAR+

It is an accepted practice in technological developments that superusers provide input on the design and development of such systems. We appreciate that during SEDAR+ development, some industry superusers were invited to test and provide input. We recommend that for future developments, a broader group of the industry be invited to participate. This could be achieved through the establishment of a committee that includes industry IT participants to help the CSA better shape SEDAR+ for the future. In fact, we believe that any project with significant IT impact should involve relevant industry IT experts to help ensure adequate development, reasonable transition periods and optimization of the user experience and utility.

3. Use SEDAR+ as a tool for regulatory burden reduction

One way to offset the significant fee increases for SEDAR+ is to maximize its use as a tool to reduce regulatory burden. For example, SEDAR+ could be used as a central repository for mandatory investment industry disclosure documents if, and when the CSA moves to an access-based disclosure system. The industry would be pleased to have further discussions with the CSA on how to make the best use of SEDAR+.

4. Amortize the fee increase over the next five years

The Consultation proposes “a 60% system fee increase in November 2025 and 3% increases in each of the following four years.” We recommend that the total system fee increases over the next five years be equally divided annually to avoid a sudden significant budget impact for registrants for 2025.

5. Avoid sudden significant fee increases in the future

We understand system fees have been stable for a number of years. We recommend that if the CSA needs to increase the fees that this be done, when warranted, on a gradual basis rather than suddenly.

* * * * *

CONCLUSION

IFIC is grateful to have had this opportunity to provide our comments on the Consultation. Please feel free to contact me by email at amitchell@ific.ca and I would be pleased to provide further information or answer any questions you may have.

Yours sincerely,

THE INVESTMENT FUNDS INSTITUTE OF CANADA



By: Andy Mitchell
President & CEO



180 Queen Street West, 16th Floor, Toronto, Ontario M5V 3K1

February 19, 2025

Delivered by email: comment@osc.gov.on.ca

The Secretary
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Me Philippe Lebel
Corporate Secretary and Executive Director, Legal Affairs
Autorité des marchés financiers
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2640, boulevard Laurier, bureau 400
Québec, Québec G1V 5C1
Consultation-en-cours@lautorite.qc.ca

Dear Sirs:

Re: Proposed Amendments to Multilateral Instrument 13-102 System Fees

On behalf of IGM Financial Inc. ("IGM"), we are providing a response to the request for comments and feedback by the Canadian Securities Administrators ("CSA") on Proposed Amendments to Multilateral Instrument 13-102 *System Fees* (the "Proposed Amendments").

Our Company

IGM, a member of the Power Financial group of companies, is a leading wealth and asset management company supporting financial advisors and the clients they serve in Canada, and institutional investors throughout North America, Europe and Asia. Through its operating companies, IGM provides a broad range of financial planning and investment management services to help Canadians meet their financial goals. Our services are carried out principally through our subsidiaries; IG Wealth Management ("IGWM") and Mackenzie Investments ("Mackenzie"). Each company operates distinctly within the wealth asset management segments of the financial services industry.

IGWM is a diversified financial services company and one of Canada's largest managers and distributors of mutual funds, including the exclusive distributor of its own products. We carry out our distribution activities through our subsidiaries Investors Group Securities Inc. ("IGSI"), our investment dealer, and Investors Group Financial Services Inc. ("IGFS"), our mutual fund dealer, both of which are members of the Canadian Investment Regulatory Organization ("CIRO"). The principal regulator of our product manufacturer, I.G. Investment Management Inc. ("IGIM"), is the Manitoba Securities Commission ("MSC").

Mackenzie is a leading investment management firm providing investment advisory and related services to retail and institutional clients. Mackenzie primarily distributes its retail investment products through approximately 175 dealers and more than 30,000 independent financial advisors across Canada. The principal regulator of Mackenzie is the Ontario Securities Commission ("OSC").

INCLUDES COMMENT LETTERS RECEIVED

General Comments

We would like to express our disappointment at the proposed 60 per cent fee increase for the SEDAR + and the National Registration Database (NRD) systems in 2025, and subsequent increases in each of the following four-years. We were, frankly, quite surprised to see that registrants will be required to bear the full burden of the labour and operational costs associated with the implementation of SEDAR+ rather than the CSA sharing in the increased costs. We note that the SEDAR + project was a multi-year, multi-million dollar initiative, and for CSA staff to comment that “accelerated growth in IT labour costs for both system development and operations could not have been anticipated” is worrisome.

Although we recognize the importance of these national systems and the costs associated with operating them, we would respectfully suggest that these costs should be shared with the CSA rather than being passed on entirely to market participants, particularly given the failure of the CSA to anticipate any of the fee increases in the management of SEDAR +. We note that there are other significant cost increases on the horizon for asset and wealth managers. In particular, the proposed amendments to NI 31-103 and Companion Policy to implement Total Cost Reporting and the proposed amendments to NI 81-106 and Companion Policy to replace the existing annual and interim MRFPs with new Fund Reports. If the SEDAR + increases are to remain solely the burden of market participants we would strongly encourage CSA staff to consider how to pace the implementation of other policy initiatives to alleviate some immediate costs. We kindly ask that the CSA bear that in mind when considering our request.

Conclusion

Thank you for the opportunity to provide comments on the Proposed Amendments.

We would be pleased to engage further with you on this important initiative. Please feel free to contact Sarah McKinnon at sarah.mckinnon@ig.ca or myself if you wish to discuss our feedback further or require additional information.

Yours truly,

IGM FINANCIAL INC.



Keith Potter
EVP & Chief Financial Officer
IGM Financial Inc.

cc British Columbia Securities Commission
 Alberta Securities Commission
 Financial and Consumer Affairs Authority of Saskatchewan
 Manitoba Securities Commission
 Ontario Securities Commission
 Autorité des marchés financiers
 Financial and Consumer Services Commission, New Brunswick
 Nova Scotia Securities Commission
 Financial and Consumer Services Division, Justice and Public Safety, Prince Edward Island
 Office of the Superintendent of Securities, Newfoundland and Labrador
 Office of the Superintendent of Securities, Northwest Territories
 Office the Yukon Superintendent of Securities
 Office of the Superintendent of Securities, Nunavut