



ONTARIO  
SECURITIES  
COMMISSION

For the fiscal years ending  
**2024-2026**  
**OSC Business Plan**



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# Introduction

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## Background

The Ontario Securities Commission (OSC or Commission) is a self-funded Crown agency responsible for overseeing Ontario's capital markets.

We contribute to the health and performance of Ontario's economy by using our regulatory and enforcement powers to help safeguard investors, deter financial misconduct, and oversee participants involved in capital markets in Ontario. We regulate market participants, including firms and individuals who sell securities and derivatives, firms that provide investment advice in Ontario, and public companies. We also regulate marketplaces and exchanges.

The Ontario Securities Commission administers and enforces the Ontario *Securities Act* and the *Commodity Futures Act* and carries out the powers, duties, and functions given to it under the *Securities Commission Act, 2021* and any other act, including the *Business Corporations Act*.

The Capital Markets Tribunal is an independent division of the Ontario Securities Commission established by the *Securities Commission Act, 2021*. The Tribunal has exclusive jurisdiction to exercise the powers conferred on it under the Ontario *Securities Act* and the *Commodity Futures Act* and to determine all questions of fact or law in any proceeding before it under those Acts.

The OSC is accountable to the Ontario Legislature through the Minister of Finance. A memorandum of understanding (MOU) with the Minister of Finance establishes the accountability relationship between the Ontario Securities Commission and the Minister. The Minister, in turn, is accountable to the Legislature for the Commission's fulfilment of its mandate and its compliance with government directives and policies, and for reporting to the Legislature on the affairs of the Commission.

The OSC is required under the Agencies and Appointments Directive (AAD), a key government directive setting out agency governance and accountability, to annually provide a multi-year business plan to the Minister of Finance. This OSC Business Plan for the fiscal years ending 2024-2026 (the Business Plan or Plan) sets out the OSC's core strategy for the fiscal years 2023-2024, 2024-2025 and 2025-2026 including the initiatives for the upcoming year that will be undertaken toward this strategy. The financial summary in this Plan outlines forecasted costs and revenues over the three-year period.

Looking ahead at fiscal 2023-2024, the OSC will focus most of our resources on sustaining our core regulatory operations, while continuing to invest in key areas including, delivering on our multi-year digital transformation plan, and advancing key policy initiatives and established multi-year programs. As business needs evolve, the OSC may take on additional priorities or reprioritize initiatives during the year in response to emerging issues and changing market conditions.

The information about the OSC included in this Business Plan is reflective of the organization as at February 22, 2023.

## Vision, Mandate, and Operating Principles

### Our Vision

The vision of the OSC is to be an effective and responsive securities regulator – fostering a culture of integrity and compliance and instilling investor confidence in the capital markets.

### Mandate and Operating Principles

The mandate of the OSC is to provide protection to investors from unfair, improper or fraudulent practices, to foster fair, efficient and competitive capital markets and confidence in the capital markets, to foster capital formation, and to contribute to the stability of the financial system and the reduction of systemic risk.

Consistent with the Ontario *Securities Act*, all components of the OSC's mandate are assessed on a holistic basis. This ensures that the significance of the mandate components in any decision or recommendation is balanced. This balancing exercise is tailored to the facts and circumstances of each initiative under consideration.

The principal means for achieving this mandate consist of:

- Setting/defining requirements for accurate and timely disclosure of information necessary for investors to make informed decisions
- Establishing restrictions on fraudulent and unfair market practices and procedures
- Establishing requirements for the maintenance of high standards of fitness and business conduct for market participants
- Embedded focus on reducing unnecessary regulatory burden on market participants while upholding investor protection
- Timely, open and efficient administration of enforcement, compliance and adjudication activities
- Delegation of specific functions to Self-Regulatory Organizations (SROs) (subject to appropriate OSC supervision)
- Responsible harmonization and coordination of regulatory practices with other jurisdictions (e.g., through the Canadian Securities Administrators (CSA), Heads of Regulatory Agencies (HoA) and the International Organization of Securities Commissions (IOSCO))
- Facilitating innovation in Ontario's capital markets

The OSC is committed to fostering confidence in Ontario's capital markets, promoting a competitive environment across those markets, supporting capital formation, streamlining regulation with a strengthened focus on reducing regulatory burden without compromising investor protection, and maintaining Ontario's financial services sector as a world leader and significant contributor to the province's economy.

The OSC will continue to monitor financial stability risks, improve market resilience, and reduce the potential risks arising from domestic and global systemic events.

## Response to Expectations Set Out in the Agency Mandate Letter

As required under the AAD, the OSC's Business Plan must demonstrate our plans in fulfilling the expectations set out in the Mandate Letter. In response to these expectations, the action plan to achieve these priorities is included in the detailed business plans of the relevant OSC branches and supported by our strategic goals and priority initiatives identified in the OSC Business Plan. The OSC attests annually to the Ministry of Finance that it complies with the requirements of the AAD and that the Business Plan includes our plans to fulfill government priorities set out in the Mandate Letter.

The OSC will continue to work closely with the Ministry of Finance pursuant to the September 2022 mandate letter from the Minister of Finance to the Chair of the OSC and will coordinate with stakeholders as appropriate to deliver on expectations.

# The Environment

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## Scan and Impact

Environmental factors influence how the OSC intends to focus its resources and actions in fiscal 2023-2024. Key challenges and issues that may influence the OSC's policy agenda, its operations, and the way it uses its resources, are as follows.

As Ontario's capital markets evolve, the OSC – and the framework under which it operates – must anticipate and respond to change. Innovative financial products and services, new entrants in our markets, as well as changing global economic conditions each exert different pressures on our operational framework and regulatory oversight

### Economy

Ontario has not been immune to the recent, widespread shocks impacting the global economy. The COVID-19 pandemic and its impact on global manufacturing and supply chains, Russia's invasion of Ukraine and volatility in global energy markets, and the return of high inflation have contributed to a re-evaluation of risk by retail investors and firms, as these factors are influencing their investments and capital needs.

For the coming period, markets are likely to be characterized by uncertainty. Economic decisions will be influenced by the adjustment to higher interest rates and borrowing costs, alongside the risk of slowing growth around the world. Tighter financial conditions are likely to act as a drag on capital raising activity, and present critical challenges for the economy, among them include taming inflation, limiting corporate and household defaults, stabilizing real estate and energy markets, and adhering to climate transition commitments.

### Regulatory Framework

This plan is the first that reflects the OSC's new organizational and governance structure, resulting from the recommendations of the Capital Markets Modernization Taskforce (Taskforce) and the Spring 2021 Ontario Budget, with new roles, accountability frameworks and updated policies. We remain focused on integrating these changes and the new mandate components of fostering capital formation and competitive capital markets into the OSC's operational and policy work.

The OSC will continue to support the Ontario government with the ongoing work related to capital markets modernization.

### Technology

The traditional boundaries of finance are being pushed outward by innovation and, along with them, the expectations on market regulators are heightened to develop suitable oversight frameworks. The evolution of crypto assets, decentralized finance (DeFi), and the digitization of financial instruments reflect how quickly capital market activity is changing. At the same time, various firms have entered these spaces to act as intermediaries between DeFi and traditional financial markets, presenting new risks. Despite volatile crypto asset valuations, we expect this sector's growth to continue and, along with it, the need for effective regulatory oversight.

The OSC continues to implement new approaches and invest resources in new technologies to modernize our compliance and oversight activities. As market participants embrace innovative practices, the potential benefits of further innovations and more efficient markets need to be balanced with an understanding that there are potential risks that should be mitigated. For example, advancements continue to be made in the field of Artificial Intelligence (AI) and Machine Learning (ML). We continue to analyze market developments and collaborate with other regulators to determine to what extent regulatory guidance and oversight could support responsible AI and ML adoption.

## Investors

Retail investor participation in capital markets saw rapid growth during the pandemic years, particularly in terms of self-directed investors. For some, the desire for returns in the face of challenging economic conditions may have led to more speculative investments, such as crypto assets.

Although growth of institutional and retail investor interest in environmental, social and governance (ESG) finance continues, ESG reporting practices are still nascent. The OSC continues to focus on efforts that promote confidence in corporate disclosures, including advancing ESG disclosure standards and compliance monitoring that support informed decisions by investors and market participants.

The make-up of Ontario investors is also changing. By 2026, our population is expected to be “superaged”, with 20% over the age of 65. As a greater proportion of Ontarians retire, it is likely that more assets will move out of capital markets to pay-out products and inter-generational transfers. Unprepared retirees may be vulnerable to investment scams with the promise of higher returns. At the same time, by 2030, Ontario’s population growth is expected to come exclusively from new immigration. New Canadians may be unfamiliar with capital markets investing in Canada and may also find themselves vulnerable to mis-selling.

These trends underscore the need to continue outreach, education and communications with Ontario’s changing investing population. Understanding the needs of Ontario’s investors and how registrants market their products and services will contribute to ensuring the OSC’s regulatory approach is fit-for-purpose.

## Confidence, Cooperation and Coordination

Trust is a critical factor underpinning our markets. Through the pandemic, heightened political rhetoric and misinformation strained trust in institutions. In this context, investor protection risks continue to evolve; some investors have been attracted to alternative sources of information, such as online discussion boards, and others to spaces where participants seek to operate outside of a regulated environment, such as DeFi. Trust-building with Ontario investors continues to be a key driver of OSC practices that support our credibility as an innovative, modern, and agile regulator.

Regulatory arbitrage is also a risk, as firms seek out the fewest friction points or lowest compliance costs. Effective cooperation and coordination with other agencies and jurisdictions are key to consistent standards and practices while addressing common challenges, such as crypto regulation, climate transition, calls for broader diversity representation, and tightening financing conditions.

Expectations of stakeholders are only increasing on how financial market regulators should respond to the types of risks across our regulatory environment. The OSC actively conducts horizon scanning, engages with domestic and international counterparts to monitor developments, and contributes to and shapes policy discussions relevant to our regulatory remit.

## Securities Regulation

The OSC has overall accountability for the effective administration and enforcement of the *Securities Act* (Ontario) (the Act) as well as the *Commodity Futures Act* (Ontario) (together, the Acts). While the OSC oversees securities regulation for Ontario, capital markets in Canada are highly integrated. Accordingly, much of the OSC's activity is coordinated with that of other provincial and territorial securities regulators, primarily through the Canadian Securities Administrators (CSA). Coordinating with the CSA helps to reduce regulatory complexity and burden faced by market participants.

### The Role of the CSA

The CSA's key objective is to coordinate and harmonize regulation of the Canadian capital markets. CSA members work cooperatively to develop and implement harmonized securities laws, and to administer, monitor and enforce laws in a consistent and coordinated manner to minimize regulatory duplication.

The CSA has achieved a significant level of harmonization and uniformity in securities laws and the implementation of those laws across Canada. Currently most regulatory requirements are set out in national instruments that are adopted with virtually uniform wording in all jurisdictions. In addition to harmonized instruments, the passport system and accompanying interface with the OSC provide a streamlined filing and review procedure for prospectuses and exemptive relief applications among multiple securities regulators across Canada resulting in reduced regulatory burden on market participants. The system is designed to enable one CSA jurisdiction to rely on the analysis and review undertaken by the staff of another. The OSC is not a member of the passport system but collaborates with the other CSA jurisdictions to ensure a streamlined and efficient interface.

### Self-Regulatory Organizations (SROs) and Investor Protection Fund (IPFs)

Recognized SROs play a significant role in promoting investor protection and market integrity. They have prescriptive rules, compliance staff and an enforcement function which includes the authority to impose sanctions on their dealer members and their individual representatives and approved persons – i.e., fines, reprimands, suspensions and permanent membership bans. The Act enables SROs to pursue the collection of disciplinary fines directly through the courts. As front-line regulators, SROs discharge their responsibilities, subject to oversight by the applicable provincial securities regulatory authorities known as “recognizing regulators”.

Following extensive public consultations, the CSA published [CSA Position Paper 25-404 – New Self-Regulatory Organization Framework](#) in 2021 recommending amalgamation of the two existing SROs Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA), into a single SRO (known at this time as New SRO) in order to provide a framework for efficient and effective regulation in the public interest, including an enhanced governance structure, improved investor protection and education, and strengthened industry proficiency. The CSA also recommended to amalgamate the two existing investor protection funds, the Canadian Investor Protection Fund (CIPF) and the MFDA Investor Protection Corporation (MFDA IPC), into a single investor protection fund (new CIPF) that will be independent from the New SRO. The New SRO and the new CIPF launched with an effective date of January 1, 2023, marking the completion of the CSA's plan to create a new, single self-regulatory organization and an integrated investor protection fund.



CSA jurisdictions rely on the New SRO to conduct the day-to-day regulation of mutual fund dealers and investment dealers, and monitoring trading on equity and debt marketplaces in Canada. The New CIPF is the sole investor protection fund approved for New SRO members authorized to provide protection within prescribed limits to eligible clients of member firms suffering losses in the event of an SRO member insolvency.

The recognizing regulators have an oversight program, consisting of regular reporting on activities, oversight reviews, processes to review proposed rule and by-law amendments and regular meetings with the New SRO to discuss issues and emerging trends. A similar program is in place for the new CIPF. Since multiple jurisdictions are involved in New SRO / CIPF oversight, the programs are coordinated. A coordinating regulator model is used for this purpose; each recognizing jurisdiction is actively involved in oversight, but two regulators (i.e., the coordinating regulators) coordinate the process. The OSC and BCSC are the coordinating regulators for the New SRO and the new CIPF.

The CSA New SRO/CIPF Oversight Committees are responsible for dealing with issues and initiatives that affect the New SRO/CIPF.

## Exchanges

Exchanges that have been recognized in various jurisdictions in Canada are the TMX Group Inc. (and TSX Inc. that operates the exchange), TSX Venture Exchange, Canadian Securities Exchange (CSE), TSX Alpha Exchange (Alpha), Neo Exchange Inc. (NEO), Nasdaq CXC Limited (Nasdaq), Natural Gas Exchange (NGX) and the Bourse de Montréal. These exchanges offer services in multiple provinces and territories and are subject to regulation by the securities regulatory authorities in the jurisdictions in which they operate. The CSA generally relies on a “lead” regulator model for the oversight of each recognized exchange, whereby one jurisdiction recognizes the exchange while the others exempt the exchange from recognition based on principles of reliance.

The OSC is the lead regulator for TSX Inc., Alpha, NEO, and Nasdaq, and is co-lead regulator of CSE with the BCSC. The Alberta Securities Commission (ASC) and the BCSC are joint lead regulators for the TSX Venture Exchange. On the derivatives side, the AMF is the lead regulator for the Bourse de Montréal and the ASC for NGX.

## Clearing Agencies

Since March 1, 2011, clearing agencies carrying on business in Ontario have been required to be recognized by the OSC or to have obtained an exemption from the requirement to be recognized as clearing agencies in Ontario. Clearing agencies which have been recognized by the OSC for operation in Ontario are Canadian Depository for Securities Limited (CDS), Canadian Derivatives Clearing Corporation (CDCC), FundSERV Inc., and LCH Limited.

## Trade Repositories

The OSC has designated Chicago Mercantile Exchange Inc., DTCC Data Repository (U.S.) LLC, and ICE Trade Vault, LLC as trade repositories operating in Ontario. As part of Canada’s commitment to the G20 initiative to reform the practices in the OTC derivatives markets, the OSC has implemented OSC Rule 91-507 Trade Repositories and Derivatives Data Reporting to improve transparency in the OTC derivatives market by requiring participants in the market to report certain transaction data to a designated Trade Repository and to impose certain minimum standards on designated Trade Repositories to ensure that they operate in a manner that

promotes the public interest. Market participants began reporting their OTC derivatives transaction data in October 2014.

## Regulation of Issuers – Offerings and Continuous Disclosure

Disclosure of complete, accurate and timely information is the cornerstone of investor protection and efficient capital markets. Subject to certain specified exemptions, issuers are required to prepare and file a preliminary and final prospectus prior to any distribution of securities to the public. The prospectus must contain full, true and plain disclosure of all material facts relating to the securities offered under the prospectus and must be received by the Commission.

Public companies (referred to as reporting issuers) must comply with ongoing disclosure obligations. Those obligations include periodic financial reporting (annual and interim), material change reports, and business acquisition reports. Requirements that contribute to fair and efficient markets, such as insider trade reporting, corporate governance requirements, and minority shareholder protection requirements also form part of public company regulation.

Issuers that rely on a prospectus exemption must comply with the applicable conditions. Depending on the exemption, conditions relate to the nature of the purchasers, limits on the amounts that may be distributed, prescribed disclosure, and limited ongoing reporting.

Oversight reviews of reporting issuers offering documents are conducted using a risk-based approach, both when a company initially offers its securities to the public and on an ongoing basis as it continues to give information to the marketplace, to assess compliance with securities law requirements.

Prospectus-exempt distributions do not require prior approval or staff review. The OSC's oversight of issuers in the exempt market is focused on creating awareness of our requirements, monitoring the use of the prospectus exemptions and identifying material non-compliance that may require regulatory intervention.

Investment funds that offer securities to the public must prepare and file a preliminary and final prospectus before distributing their securities. In addition, conventional mutual funds must prepare a Fund Facts document that is required to be delivered to a purchaser prior to the purchase of mutual fund securities. The document provides key information about a fund in plain language and cannot exceed two pages in length. Similarly, exchange-traded funds (ETFs) are required to deliver an ETF Facts document to investors who purchase ETF securities on an exchange.

Publicly offered investment funds are subject to continuous disclosure obligations similar to those applicable to public companies. These investment funds must also comply with product regulations that contribute to investor protection, including investment restrictions, asset custody requirements and security holder voting requirements. Investor protection is further promoted by requiring every publicly offered investment fund to have a fully independent body, an Independent Review Committee (IRC), whose role is to consider all decisions referred to the IRC by the fund manager involving an actual or perceived conflict of interest faced by the fund manager in the operation of the fund.

The OSC also regulates structured products that are securities and sold to retail investors. These structured products are also known as linked notes. Linked notes generally provide investment exposure to public indices and can have various degrees of downside protection and pay-out. Linked note issuers file base-shelf prospectuses and prospectus supplements to distribute these notes. Any novel linked note is subject to the OSC's review before distribution of the note.

Effective July 1, 2021, primary oversight of syndicated mortgages was transferred to the OSC from the Financial Services Regulatory Authority of Ontario (FSRA), except for qualified syndicated mortgages and syndicated mortgages distributed to permitted clients.

## Registration of Dealers, Advisers, and Investment Fund Managers

The regulation of dealers, advisers and investment fund managers is based on registration and ongoing registrant obligations. Registration entails demonstrating that the person or company is suitable for registration with regard to fundamental requirements of integrity, proficiency and solvency. Once registered, a dealer, adviser or investment fund manager must meet ongoing registrant obligations. For example, registered firms must meet certain requirements relating to business conduct (including know-your-client (KYC), know-your-product (KYP), suitability, conflict of interest management and client relationship), and to financial reporting, working capital, insurance and bonding.

Unless an exemption is available, or a discretionary exemption is granted, firms must register in each jurisdiction where they are:

- In the business of trading
- In the business of advising
- Holding themselves out as being in the business of trading or advising
- Acting as an underwriter
- Acting as an investment fund manager

The OSC registers firms in all categories of registration (this function is not delegated to SROs in Ontario).

Individuals must become registered with the OSC if they trade, underwrite or advise on behalf of a registered dealer or adviser, or act as the ultimate designated person or chief compliance officer of a registered firm.

The OSC has delegated to New SRO (previously IIROC) the registration of their investment dealer member firm dealing representatives. To facilitate registration and filing in multiple jurisdictions, the CSA developed the National Registration Database and has harmonized the registration regime. Oversight reviews of registrants and derivatives market participants are conducted to assess compliance with applicable securities legislation and rules. Registrants are selected for reviews using a risk-based approach for issue-specific compliance reviews, or when registrant-specific concerns are identified.

# Governance

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## The Ontario Securities Commission

Upon proclamation of the *Securities Commission Act, 2021*, on April 29, 2022, the governance framework underwent a significant change. The CEO & Chair roles were divided into two separate roles. Also, the new Capital Markets Tribunal was established as a division of the OSC. Up to twelve Board Directors, including a Chair and a CEO, perform the regulatory and governance functions. At least nine Adjudicators, including a Chief Adjudicator, perform the tribunal function.

The *Securities Commission Act, 2021* continues the Commission as a corporation without share capital and establishes the Board of Directors and the separate positions of Chief Executive Officer (CEO), Chair of the Board, and Board Director. It also establishes the Capital Markets Tribunal as a division of the Commission, with an independent Chief Adjudicator and Adjudicators. The Capital Markets Tribunal is the administrative tribunal that is assigned the power to conduct hearings under the *Securities Act* and the *Commodity Futures Act*. The Chief Adjudicator is responsible for supervising and directing the operations of the Tribunal.

### Governance Framework

Although structured as a corporation, the Commission is a regulatory body, and its purpose is mandated by statute. The Commission, unlike a business corporation, does not have shareholders to whom the Board of Directors report. Instead, the Commission is accountable to the Minister of Finance and, through the Minister, to the Ontario Legislature. The *Securities Commission Act, 2021* outlines the basic governance and accountability structure for the Commission. It requires the Commission to provide the Minister with any information about its activities, operations and financial affairs that the Minister requests, including an Annual Report.

The AAD requires the Ontario Securities Commission to enter into a Memorandum of Understanding (MOU) with the Minister of Finance that reflects the accountability framework and sets out roles and responsibilities. The MOU remains in effect until it is renewed, usually every five years. When there is a change in the Minister or the Chair, both parties must agree to either affirm the current MOU or to revise it and sign a new MOU within six months of the appointment.

## The Board of Directors

### Composition

The Commission may have a maximum of twelve Board Directors. The *Securities Commission Act, 2021*, together with By-Law No. 1, provide that the Board be composed of at least three and not more than eleven individuals appointed by the Lieutenant Governor in Council, plus the full-time Chief Executive Officer. The appointee Board Directors are independent of management and are appointed by the Lieutenant Governor in Council on the recommendation of the Minister of Finance. Though they are part-time appointees, they devote as much time as necessary to perform their duties. The Chair is designated by the Lieutenant Governor in Council from among those independent Board Directors.

As of February 22, 2023, the Board is composed of nine Board Directors: Kevan Cowan (Board Chair), Mary Anne De Monte-Whelan, Jennifer Fang, Dieter Jentsch, Frances Kordyback, David Lewis, Hari Panday, Elizabeth Cynthia (Cindy) Tripp, and Chief Executive Officer D. Grant Vingoe.

### Functions of the Board

The Board of Directors oversees adherence to the principles established by the Government of Ontario, the Memorandum of Understanding, the *Public Service of Ontario Act, 2006* and the OSC's Code of Conduct relating to ethical behaviour, accountability, excellence in management, wise use of public funds, high-quality service to the public and fairness in the marketplace. The Board is responsible for the overall stewardship of the Commission, including strategic planning and annual budgets, financial review, reporting and disclosure, risk assessment and internal controls and board governance.

The Board holds regulatory and governance meetings with management and staff of the Commission. Through regular and special regulatory meetings, the Board reviews and approves regulatory initiatives, policies and rules, and discusses general oversight of the capital markets. Through quarterly and special governance meetings, the Board manages or supervises the management of the OSC's priorities and affairs, other than matters relating to the Capital Markets Tribunal's adjudicative functions. At both regulatory and governance meetings, the Board holds closed sessions with and without the Chief Executive Officer and the Corporate Secretary.

The Board of Directors does not have any oversight of the Capital Markets Tribunal's adjudicative functions. The adjudicative functions of the Capital Markets Tribunal include presiding over, deciding, and issuing reasons and orders in Capital Markets Tribunal proceedings, and the Chief Adjudicator's related functions. These related functions include:

- Adjudicator recruitment, orientation, training and education
- assigning Adjudicators to hearings
- overseeing, monitoring, and evaluating Adjudicator performance
- setting service standards relating to Tribunal proceedings
- ensuring an appropriate orientation and training framework is in place for Governance & Tribunal Secretariat staff who support the Tribunal

## Appointment of Board Directors

The appointee Board Directors are independent of management and are appointed by the Lieutenant Governor in Council on the recommendation of the Minister of Finance. Though they are part-time appointees, they devote as much time as necessary to perform their duties. The Chair is designated by the Lieutenant Governor in Council from among those independent Board Directors.

Candidates for appointment are recommended to the Minister by the Chair following a recruitment process led by the Governance and Nominating Committee of the Board. The Committee regularly reviews the qualifications, attributes, skills and experience of the Members to ensure that Members, individually and collectively, meet the standards necessary to exercise their responsibilities effectively. The Committee applies a competency matrix to identify any gaps in attributes, skills and qualifications that may arise due to an upcoming vacancy on the Board.

Appointments and reappointments are made in accordance with the AAD, the MOU and the procedures of the Public Appointments Secretariat of the Government of Ontario. In accordance with the AAD, government appointments will respect the needs of the entity to which they have been appointed but will also reflect the diversity of the people in Ontario and the need to deliver services and decisions in a professional, ethical and competent manner.

The AAD provides that a person appointed to a regulatory agency will serve an initial appointment for a period of up to two years and may be eligible for reappointment for a second term of up to three years and a third term of up to five years. The OSC has adopted a practice to recommend the reappointment of eligible independent Board Directors for up to two additional terms of two years each, resulting in a possible overall term of six years.

## Capital Markets Tribunal

### Composition

The *Securities Commission Act, 2021* provides that the Capital Markets Tribunal be composed of at least nine Adjudicators appointed by the Lieutenant Governor in Council. On recommendation of the Minister of Finance, the Lieutenant Governor in Council designates a Chief Adjudicator from among the appointed Adjudicators. The Chief Adjudicator reports to the Board of Directors of the Ontario Securities Commission about operational and administrative matters of the Tribunal. In order to maintain the Tribunal's independence, that reporting does not include matters related to the Tribunal's adjudicative functions. Neither the Chief Adjudicator nor any other of the Adjudicators holds any other position within the Commission.

As of February 22, 2023, there are ten Adjudicators, including the Chief Adjudicator, Tim Moseley. The other nine Adjudicators are: Sandra Blake; Andrea Burke; Geoffrey D. Creighton; James D.G. Douglas; William Furlong; Hon. Russell G. Juriansz; Dale R. Ponder; Cathy Singer; and M. Cecilia Williams.

### Functions of the Tribunal

The Capital Markets Tribunal is an independent division of the Ontario Securities Commission established by the [Securities Commission Act, 2021](#). The Tribunal has exclusive jurisdiction to exercise the powers conferred on it under the Ontario [Securities Act](#) and the [Commodity Futures Act](#), and to determine all questions of fact or law in any proceeding before it under those Acts.

## Appointment of Adjudicators

Adjudicators, including the Chief Adjudicator, are appointed by the Lieutenant Governor in Council on recommendation of the Minister of Finance.

The Chief Adjudicator oversees Adjudicators and monitors their performance, as appropriate and in a manner consistent with best practices for Ontario's adjudicative agencies. The Chief Adjudicator is responsible for providing advice or recommendation to the Minister on candidates for appointment or reappointment to the Tribunal.

The *Securities Commission Act, 2021* provides that the initial term of an Adjudicator's appointment shall not exceed five years.

## Corporate Secretary and Director of the Governance & Tribunal Secretariat

Under By-law No. 1, the Board appoints the Corporate Secretary in consultation with the CEO and the Chief Adjudicator. The Corporate Secretary is responsible for oversight and leadership of the governance framework. The Corporate Secretary leads the Governance & Tribunal Secretariat, which provides strategic governance advice, education and support to the Board Directors, advances communications between the Board and management, records the corporate minutes, administers the Capital Markets Tribunal, safeguards tribunal integrity and procedural fairness, and provides tribunal education to Adjudicators. Working with the Chair, the Corporate Secretary manages the system of corporate governance and plans and organizes the related activities in accordance with the highest standards of corporate governance. The Corporate Secretary reports to the CEO and separately to the Chief Adjudicator for matters relating to the Capital Markets Tribunal's adjudicative functions.

# Operations

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## Organization, Structure and Resources to Meet Objectives

The Chief Executive Officer (CEO) is responsible for the management and administration of the OSC, other than matters relating to the Capital Markets Tribunal's adjudicative functions. The Chief Executive Officer reports to the Board. The OSC is supported by the two Executive Directors (ED) and the Chief Administrative Officer (CAO) which report to the CEO. The Executive Directors have responsibility for the oversight and leadership of the regulatory operations. The CAO is responsible for the oversight of business operations.

Regulatory Operations Branches reporting to the Executive Directors include:

- Compliance and Registrant Registration
- Corporate Finance
- Derivatives
- Enforcement
- Investment Funds and Structured Products
- Office of Mergers and Acquisitions
- Market Regulation
- Investor Office
- Office of the Chief Accountant
- Office of Economic Growth and Innovation
- Regulatory Strategy and Research

Business Operations Branches reporting to the Chief Administrative Officer include:

- Financial Management and Reporting
- Human Resources and Corporate Services
- Digital Solutions
- Information Security
- Information Services
- Enterprise Risk Management

Advisory and Governance Branches reporting to the CEO include:

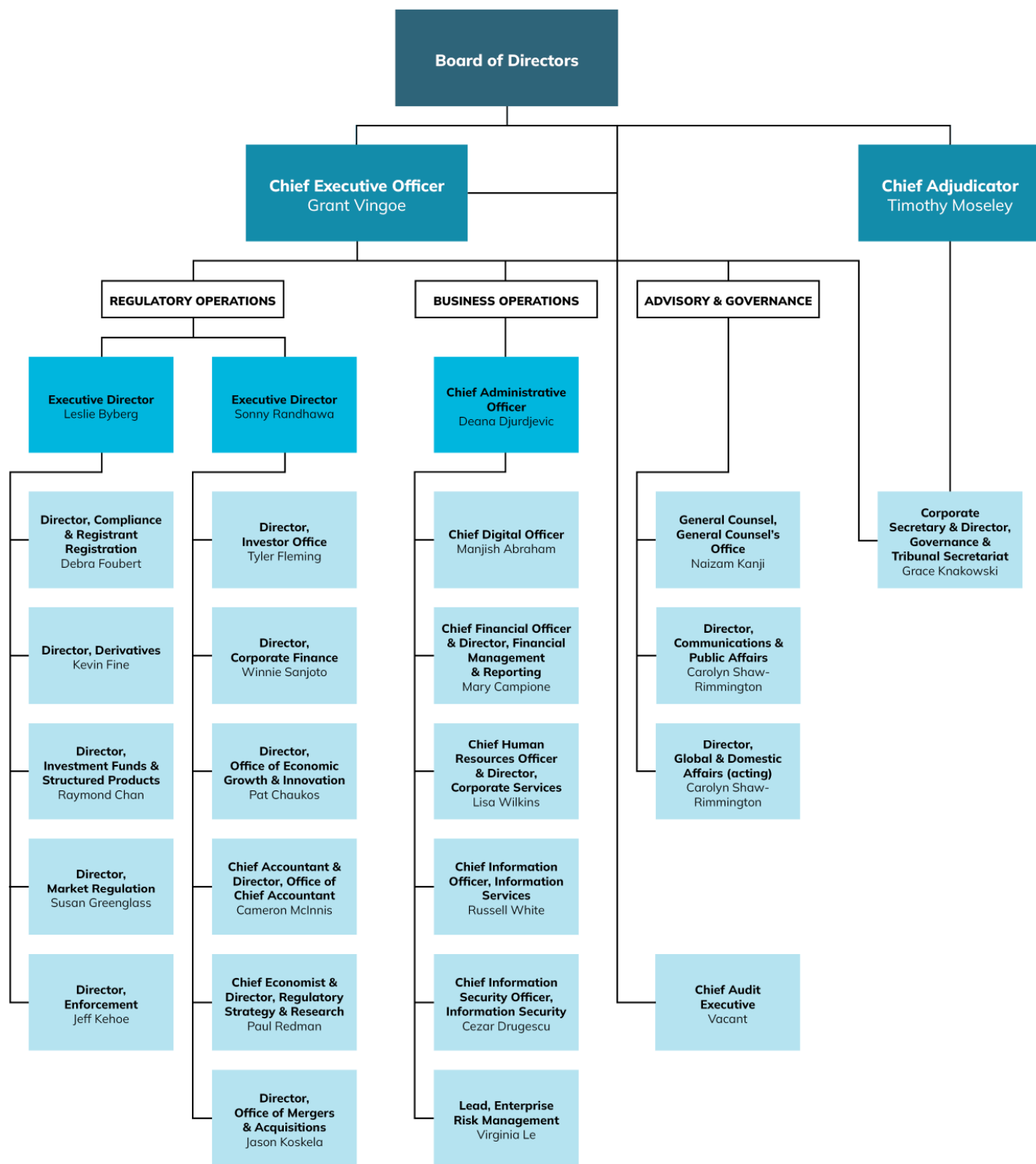
- Communications and Public Affairs
- General Counsel's Office
- Global and Domestic Affairs
- Governance & Tribunal Secretariat

Office of the Chief Audit Executive reports to the CEO and the Risk Committee of the Board.

The Capital Markets Tribunal, a division of the OSC, has full independence with respect to its adjudicative functions. The Chief Adjudicator, who is responsible for supervising and directing the operations of the Tribunal, does not hold any other position with the OSC. The Chief Adjudicator is accountable to the Chair of the Board for the Tribunal's performance in fulfilling the Board's administrative directions. The Board does not have any oversight of the Tribunal's adjudicative functions.

The Corporate Secretary & Director, Governance & Tribunal Secretariat reports to the Chief Executive Officer and separately to the Chief Adjudicator for matters relating to the Capital Markets Tribunal's adjudicative functions.





Note: The above represents the OSC organizational structure as at February 22, 2023. The most current OSC organizational structure can be found at <https://www.osc.ca/en/about-us/role-osc/our-structure>.

## Regulatory Operations Branches and Offices

**Compliance and Registrant Regulation** – responsible for regulating firms and individuals who are in the business of advising or trading in securities or commodity futures, and firms that manage investment funds in Ontario, as well as developing policy relating to registrants and their obligations.

**Corporate Finance** – responsible for regulating issuers (other than investment funds) in the public and exempt markets. The branch reviews public distributions of securities, exempt market activities and continuous disclosure of reporting issuers, and leads issuer-related policy initiatives. The branch is also responsible for supervising insider reporting, regulating credit rating agencies and overseeing the listed issuer function for OSC recognized exchanges.

**Derivatives** – responsible for developing a regulatory framework for over-the-counter derivatives trading in Ontario, implementing and operating a compliance program on that framework and contributing to systemic risk monitoring of the Ontario capital markets.

**Enforcement** – responsible for investigating and litigating breaches of the Acts and seeking orders in the public interest before the Commission and the courts.

**Investment Funds and Structured Products** – responsible for regulating investment products that offer securities for sale to the public in Ontario, including mutual funds, exchange-traded funds, structured products and scholarship plans.

**Investor Office** – sets the strategic direction and leads the OSC’s efforts in investor engagement, education, outreach and research. The office develops investor policy, plays a key role in oversight of the Ombudsman for Banking Services and Investments (OBSI), and provides leadership at the OSC in the area of behavioural insights and improving the investor experience.

**Market Regulation** – responsible for regulating market infrastructure entities (including exchanges, alternative trading systems, self-regulatory organizations, clearing agencies and trade repositories) in Ontario and for developing policy relating to market structure, trading, clearing and settlement.

**Office of the Chief Accountant** – supports the OSC in creating and promoting a high-quality framework for financial reporting by market participants.

**Office of Economic Growth and Innovation (Innovation Office)** – responsible for leading the OSC’s efforts to support innovation and economic growth in Ontario’s capital markets. The Innovation Office focuses on initiatives that foster innovation and capital formation, modernize regulation and reduce burden, and strengthen outreach and engagement, including collaborating with businesses and other regulators to support innovation, through OSC TestLab and LaunchPad, and promoting the implementation of technology to reduce costs and accelerate innovation in financial services.

**Office of Mergers and Acquisitions** – responsible for matters relating to take-over bids, issuer bids, business combinations, related party transactions and significant acquisitions of securities of reporting issuers.

**Regulatory Strategy and Research** – responsible for the delivery of economic, regulatory, and financial research and analysis that supports the development of OSC regulatory strategy and policy recommendations. The branch advises on and informs the OSC’s strategy, priorities, regulatory operations decisions and discussions with other regulatory bodies and agencies concerned with financial stability. The branch also supports both investors and market participants through the Inquiries and Contact Centre.

## Business Operations Branches

**Digital Solutions** – leads the digital transformation of OSC business: developing data-driven business solutions leveraging novel technologies; modernization of business platforms and processes; digitization of business operations and development of user-centric service models; establishing service analytics and supporting reporting needs across branches; and ensuring data accessibility, quality and standardization with fit-for-purpose data governance.

**Financial Management and Reporting** – provides financial management and analysis, reporting, treasury, procurement and contract management services to allow the OSC to continue carrying out its regulatory responsibilities. Assurance over financial reporting is provided through the design and maintenance of effective controls.

**Human Resources and Corporate Services** – establishes and sustains a foundation for the responsible stewardship of OSC resources supporting organizational effectiveness and productivity through: enterprise wide business planning; monitoring and reporting on corporate performance; strategic workforce management; enterprise emergency response and business continuity planning (ERBCP), records and information management, corporate project coordination; knowledge management, workplace design and facilities management; staff health, safety and security; and the overall design and implementation of a positive employee experience.

**Information Services** – responsible for establishing, monitoring and maintaining the information technology systems and services for the OSC in support of its mandate.

**Information Security** – responsible for the design, implementation and ongoing maintenance of the OSC's information security program to achieve and sustain the organization's target security posture.

**Enterprise Risk Management** – performs an advisory and risk oversight role and maintains the framework and tools to guide the risk management process.

## Executive, Governance and Regulatory Advisory Branches and Offices

***Communications and Public Affairs*** – provides strategic advice and services to ensure timely and effective communication of OSC priorities, policies and actions to external and internal stakeholders.

***General Counsel's Office (GCO)*** – an in-house legal, policy, strategy and risk-management resource to the OSC, and is also responsible for the collection of unpaid monetary sanctions and leads the defence of proceedings brought against the Commission. The GCO also supports the OSC Ethics Executive in the oversight of organizational integrity and ethical conduct. The GCO provides advice and support to the OSC in its dealings with the Ministry of Finance, other regulators and governments.

***Global and Domestic Affairs*** – responsible for advising the Commission in connection with its relationship and engagement with government, regulators and other organizations in Canada and internationally. The branch supports the participation of the CEO and Commission staff in CSA, HoA and IOSCO, and manages the Commission's accountability to the Minister of Finance and day-to-day relationship with the Ministry of Finance.

***Office of the Chief Audit Executive*** – provides independent, objective assurance and consulting services to the Board and to management, designed to add value by conducting risk-based internal audits to evaluate the quality and effectiveness of OSC processes and systems, including compliance with policies and procedures.

***Governance and Tribunal Secretariat*** – provides support, advice and education to the Commission's Board Directors and separately to Adjudicators of the Capital Markets Tribunal. The Secretariat administers the OSC's governance framework and the Capital Markets Tribunal.

## Total Permanent Positions for Fiscal 2023-2024

Branches and Offices	# of Staff
<b>Regulatory Operations Branches / Offices</b>	
Compliance and Registrant Regulation	102
Corporate Finance	65
Derivatives	16
Enforcement	167
Investment Funds and Structured Products	34
Investor Office	20
Market Regulation	33
Office of the Chief Accountant	5
Office of Economic Growth and Innovation	15
Office of Mergers and Acquisitions	8
Regulatory Strategy and Research	24
<b>Business Operations Branches / Offices</b>	
Digital Solutions	24
Financial Management and Reporting	16
Human Resources & Corporate Services	46
Information Services	53
Information Security Office	3
<b>Executive, Governance &amp; Regulatory Advisory Branches / Offices</b>	
Communications and Public Affairs	20
General Counsel's Office	20
Global and Domestic Affairs	8
Governance and Tribunal Secretariat	16
<b>Executive Offices</b>	
Offices of the Chief Executive Officer, Executive Director, Office of the Chief Audit Executive, Chief Administrative Officer	11
<b>Capital Markets Tribunal</b>	2
<b>Total Approved Permanent Positions as at April 1, 2023</b>	<b>708</b>

# Strategic Direction

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As part of the annual business planning process, the OSC sets the strategic direction, including the identification of initiatives for the upcoming year that will be undertaken toward this strategy, and activities to sustain our day-to-day regulatory and operational activities. The business planning process was informed by internal consultations, the results and recommendations of the 2021 Value for Money Audit by the Office of the Auditor General of Ontario, advancement of the recommendations of the Capital Markets Modernization Taskforce, and the annual stakeholder consultation on the OSC's Statement of Priorities. All detailed initiatives and activities are included in the detailed business plans of relevant branches and supported by our strategic goals and priority initiatives.

## Core Regulatory Operations

The vast majority of OSC staff resources continue to be committed to its fundamental core regulatory operations, providing stability, transparency, and continuity in the regulation of Ontario's capital markets.

Our core regulatory operations encompass three main categories of activities:

### Authorizations (receipting, registration, and recognition)

- Review and receipting of prospectuses in connection with corporate finance and investment funds and structured products public offerings
- Registration of firms and individuals in the categories of dealers, portfolio managers, investment fund managers and commodity categories
- Recognition of market infrastructure entities
- Exemptive relief applications by a range of market participants including issuers, investment funds, registrants, and market infrastructure entities.

### Compliance/Oversight/Supervision

- Compliance reviews of registrants, including pre-registration reviews, topical sweeps and for cause reviews
- Ongoing compliance and oversight related to the implementation of the Client Focused Reforms
- Registrant conduct oversight including the imposition of terms and conditions and suspensions of registrations in appropriate cases
- Outreach to market participants
- Continuous disclosure review programs for both corporate finance reporting issuers and investment fund issuers
- Ongoing compliance and monitoring of investment funds operational requirements
- Real time review programs to assess disclosures and compliance with applicable requirements for take-over bids and related party transactions, as well as staff participation in contested merger and acquisition (M&A) hearings before the Capital Markets Tribunal when necessary
- Compliance oversight of derivatives dealers and trade repositories
- Compliance reviews of issuer offering documents and registrants participating in the exempt market, including syndicated mortgages

- Designation and oversight of credit rating organizations
- Ongoing monitoring and compliance reviews of periodic filings with the OSC including insider reports on SEDI and reports of exempt distribution
- Activities to support systemic risk management and contributing to financial stability
- Market infrastructure oversight, including recognition, designation, exemption and ongoing oversight of various entities including self-regulatory organizations, exchanges, alternative trading systems, clearing agencies and designated entities that comprise the market infrastructure ecosystem
- Oversight of the listed issuer function for OSC-recognized exchanges
- Oversight of designated benchmarks and benchmark administrators
- Oversight of OBSI to assess whether it continues to meet expected standards concerning, among other things, governance and transparency obligations

## Enforcement

- Assessment of matters that may constitute a breach of Ontario securities law and referrals for possible investigation and/or disruption activities
- Investigation and prosecution of regulatory enforcement matters, including market abuse matters
- The Quasi-Criminal Serious Offences Team (QSOT), in cooperation with policing partners, continues to focus on fraudulent behaviour and recidivism
- Administration of the Whistleblower program and coordinating international cooperation efforts with other regulators, including developing international disruption methods

The OSC continues to streamline regulation with a focus on reducing regulatory burden without compromising investor protection. In undertaking our core regulatory operations, the objective of reducing regulatory burden remains essential and is integrated into all our activities.

## Key Priorities

Our 2023-2024 SoP sets out four strategic goals on which the OSC intends to focus its resources and actions in fiscal 2023-2024, above and beyond the core regulatory operations mentioned above. These goals build on our prior year strategic goals, incorporating a renewed focus based on the emerging trends and key drivers of change that are outlined above in “The Environment” section of this SoP.

The SoP also lays out key priority initiatives that the OSC will pursue in support of each of these strategic goals, many of which are multi-year initiatives continuing from the previous fiscal year. As certain prior year initiatives are completed or implemented, they are no longer separately reflected as priority initiatives but are considered part of our core regulatory and operational work.

Where possible we have added target dates, which are based on our best estimate. Modifications to timelines may be made in response to various internal and external factors throughout the year.

## GOAL 1: Building Trust and Fairness in Ontario's Capital Markets

Promote trust and fairness in Ontario's capital markets among market participants and investors.

- 1.1 Advance Work on Environmental, Social, and Governance Disclosures for Reporting Issuers
- 1.2 Enhance Fee Transparency Through Total Cost Reporting
- 1.3 Consider Broader Diversity on Boards and in Executive Roles at Reporting Issuers<sup>1</sup>
- 1.4 Advance Cooperation with Indigenous Peoples and Work to Integrate their Perspectives and Interests
- 1.5 Complete the Development of the Over-the-Counter Derivatives Regulatory Framework
- 1.6 Implement the New Single Enhanced Self-Regulatory Organization and Investor Protection Fund
- 1.7 Enhance Information Sharing with the Canadian Public Accountability Board

## GOAL 2: Strengthening Investor Safeguards

Expand efforts to strengthen investor protection with changing investor attitudes and needs.

- 2.1 Expand the Focus on Retail Investors Through Specific Education, Policy, Research and Behavioural Science Activities
- 2.2 Strengthen Investor Redress and the Ombudsman for Banking Services and Investments
- 2.3 Monitor and Respond to the Impacts of the Deferred Sales Charges Ban and Order-Execution-Only Ban

## GOAL 3: Adapting Regulation to Align with Innovation and Evolving Markets

Adapt and evolve the regulatory framework in line with Ontario's changing capital markets.

- 3.1 Strengthen Oversight and Enforcement in the Crypto Asset Sector
- 3.2 Streamline Periodic Disclosure Requirements for Corporate Finance and Investment Fund Reporting Issuers
- 3.3 Modernize Delivery Options of Regulatory and Continuous Disclosure Filings for Issuers
- 3.4 Complete Transition to SEDAR+
- 3.5 Facilitate Financial Innovation
- 3.6 Further Initiatives that Promote Capital Formation and Foster Competition

## GOAL 4: Enabling the Organization to Deliver Effective Regulation

Advance operational effectiveness and enhance staff capability, further enabling the organization to deliver on its regulatory mandate.

- 4.1 Attract, Develop and Retain Talent
- 4.2 Execute OSC's Inclusion and Diversity Strategy
- 4.3 Integrate Data and Processes to Support Effective Decision Making and Risk Monitoring

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<sup>1</sup> For Corporate Finance / Business Issuers only



## Reporting on Progress

The OSC reports on its accomplishments in various ways:

- We publicly report on regulatory operations through quarterly service standards reporting, which shows how we are tracking against our service commitment standards. If a target is not met, we provide an explanation
- Each year the OSC publishes a Report Card, within the OSC's Annual Report, which identifies the status of the key priorities included in the OSC's Statement of Priorities for the recently completed fiscal year, including performance highlights and success measures and highlights key accomplishments and statistics related to our core regulatory work
- Various branches within the OSC produce Summary, or Activity Reports, which are published on the OSC Website

# Current and Future Programs and Activities

## GOAL 1: Building Trust and Fairness in Ontario's Capital Markets

The OSC is committed to making Ontario's capital markets globally competitive and an attractive place in which to invest, grow businesses and create jobs. One of the ways we uphold that commitment is by promoting trust and fairness in Ontario's capital markets through a balanced policy framework, access to information to make informed investment decisions, exercising effective compliance oversight, and pursuing timely and vigorous enforcement. Through its fundamental core regulatory operations, the OSC strives to provide stability, transparency, and continuity in the regulation of Ontario's capital markets.

### Key Priorities to Achieve this Goal

#### 1.1 Advance Work on Environmental, Social, and Governance Disclosures for Reporting Issuers

The Spring 2021 Ontario Budget included a commitment for the government to publicly consult on environmental, social and governance (ESG) disclosures, and consider the recommendations of the Taskforce. The Taskforce recommended mandating disclosure by public companies of material ESG information, specifically climate-related disclosure that is compliant with the Task Force on Climate-Related Financial Disclosure (TCFD) recommendations. The Taskforce's final report highlighted that, globally and in Ontario, there is increased investor interest in issuers reporting on ESG-related information and creating a uniform standard of disclosure to level the playing field for all issuers.

In October 2021, the CSA published proposed National Instrument 51-107 *Disclosure of Climate-related Matters* (NI 51-107) for comment. The proposed instrument would require reporting issuers (other than investment funds) to disclose certain climate-related information in compliance with the TCFD recommendations (subject to certain modifications). Since publication of the CSA's proposed climate-related disclosure rule, important international developments have occurred. In March 2022, the United States Securities and Exchange Commission (SEC) proposed amendments to rules that would require registrants to provide certain climate-related information in their registration statements and annual reports. The International Sustainability Standards Board (ISSB) also published a proposed general standard for the disclosure of sustainability-related financial information as well as a proposed specific climate-related disclosure standard. Efforts are also underway to launch the Canadian Sustainability Standards Board as the Canadian counterpart to the ISSB.

In January 2022, the CSA published CSA Staff Notice 81-334 on the disclosure practices of investment funds as they relate to ESG considerations, particularly funds whose investment objectives reference ESG factors and other funds that use ESG strategies. The Notice also provides guidance on the types of investment funds that may market themselves as being focused on ESG.

#### Actions in 2023-2024 will include:

- Lead the consideration of international developments and how they may impact or further inform the proposed NI 51-107
- Develop a better understanding of the needs of, and the regulatory impacts on, Indigenous Peoples through further engagement with Indigenous organizations
- Conduct further targeted consultations with stakeholders to support this work

- Continue leadership role on IOSCO’s Sustainable Finance Taskforce’s steering group, including co-leading the workstream on promoting good practices in the asset management industry and for ESG ratings and data providers
- Participate in the Federal Government’s Sustainable Finance Official Sector Coordinating Group
- Complete a focused review of ESG disclosures by investment funds in accordance with CSA Staff Notice 81-334 and publish summary of findings and any guidance updates by December 2023

**Planned outcomes:**

- Investors have access to the ESG information needed to inform their investment and voting decisions
- Reporting issuers have clarity on their ESG disclosure requirements

## **1.2 Enhance Fee Transparency Through Total Cost Reporting**

When investors understand the total costs associated with their investments, they are better positioned to make decisions that support their overall financial goals. More transparent fee reporting to holders of investment funds and segregated funds will correct an information asymmetry between clients and their registered dealers and advisors. Increased awareness of these costs should lead to better investment results over time and confidence in Ontario’s capital markets is promoted when the costs of investing are clearly and consistently reported.

The CSA and the Canadian Council of Insurance Regulators (CCIR) jointly developed harmonized proposals that would enhance their respective client reporting requirements to include embedded fees paid by mutual fund investors and segregated fund holders. The resulting “total cost reporting” (TCR) proposals to amend NI 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* were published for comment by the CSA in late April 2022. The CCIR published TCR proposals for segregated funds at the same time.

After due consideration of comments on the proposals and further consultations with stakeholders, the CSA and CCIR are moving forward with final TCR amendments. Staff will continue to work with stakeholders to assist them in implementing the new requirements.

**Actions in 2023-2024 include:**

- Publish final amendments to implement total cost reporting disclosures in April 2023
- Support stakeholder implementation of final amendments through the transition period

**Planned Outcomes:**

- Investors benefit from enhanced regular reporting on the ongoing costs of investments
- Address information asymmetry between dealers/advisers and their clients
- Address potential for regulatory arbitrage where key reporting requirements for similar products are not harmonized
- Increase investor confidence in the industry and lead to better investment outcomes

### 1.3 Consider Broader Diversity on Boards and in Executive Roles at Reporting Issuers<sup>2</sup>

The OSC, together with other participating CSA jurisdictions, adopted disclosure requirements in 2014 related to the representation of women on boards and in executive officer positions at TSX-listed companies. The objective of these disclosure requirements is to increase transparency for investors and other stakeholders on the representation of women on boards and in executive officer positions, and the approach that issuers take in respect of such representation. Since that time, there have been significant events in the U.S. and Canada and around the world that have intensified the focus on racism, and that includes a heightened focus on the issue of racial diversity on boards and in executive roles.

In May 2020, the CSA announced further research and consultations in consideration of broader diversity on boards and in executive roles, including the representation of people who self-identify as Black, Indigenous, persons of colour, persons with disabilities, or LGBTQ2+. Work completed since that time include consultations with a wide range of stakeholders, research on the approaches taken in other jurisdictions, further reviews of the disclosures currently being provided by TSX-listed companies and a virtual OSC roundtable in October 2021 to discuss broader diversity (beyond gender) on boards and in executive officer positions, with a specific focus on targets, term limits and diversity data.

In October 2022, the CSA published its eighth annual review of representation of women on boards and in executive officer positions in Canada, outlining key findings from a recent review of public disclosure on women on boards and in executive officer positions as required by Form 58-101F1 Corporate Governance Disclosure of National Instrument 58-101 Disclosure of Corporate Governance Practices (NI 58-101).

#### Actions in 2023-2024 will include:

- Publish for comment proposed changes to the disclosure requirements on diversity, board renewal and the director nomination process and related corporate governance guidelines and consider the feedback received
- Develop a better understanding of the needs of, and the regulatory impacts on, Indigenous Peoples through further engagement with Indigenous organizations
- Conduct further targeted consultations with stakeholders to support this work

#### Planned outcomes:

- Investors have access to the diversity and board renewal information needed to inform their investment and voting decisions

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<sup>2</sup> For Corporate Finance / Business Issuers only

## 1.4 Advance Cooperation with Indigenous Peoples and Work to Integrate their Perspectives and Interests

As part of our efforts to develop an action plan for truth and reconciliation, the OSC will continue to advance cooperation with Indigenous Peoples and communities. In that regard, the OSC will work to integrate their perspectives and interests, as appropriate, in relevant areas of securities regulation and policy work, and improve engagement with Indigenous groups.

Our work on truth and reconciliation is linked to our broader inclusion and diversity priority under Goal 4, including internal cultural awareness training and recruitment and retention initiatives.

### Actions in 2023-2024 will include:

- Contribute to the CSA Taskforce on Indigenous Peoples in the Capital Markets
- Examine ways the OSC could better engage with Indigenous Peoples, including as part of its work on the climate-related disclosures and corporate diversity initiatives and through developing an action plan for truth and reconciliation

### Planned outcomes:

- Mutually beneficial relationships established and maintained with Indigenous communities and organizations
- OSC better understands the way its regulatory activities impact Indigenous Peoples
- Truth and reconciliation are promoted by the OSC by developing an action plan for truth and reconciliation

## 1.5 Complete the Development of the Over-the-Counter Derivatives Regulatory Framework

The OSC works with domestic and international regulators (e.g., IOSCO, CSA and Heads of Regulatory Agencies) to monitor financial stability risks, improve market resilience, and reduce the potential risks arising from global systemic events. The OSC continues to enhance the domestic derivatives oversight framework and to operationalize the necessary compliance and oversight tools required to achieve a practical and effective OTC derivatives oversight regime.

As part of this multiyear initiative, the CSA published for comment the proposed business conduct regime for regulating dealers and advisers in over-the-counter (OTC) derivatives in Canada in January 2022, addressing comments about the benefits and drawbacks of a business conduct regime tailored for OTC derivatives, including the regulatory experience of derivatives dealers and advisors in other jurisdictions. The proposed derivatives business conduct rule was initially published for comment in April 2017 and again in June 2018. The rule was developed to help protect derivatives market participants by improving transparency, increasing accountability, and promoting responsible business conduct by dealers and advisers in the OTC derivatives market.

In addition, the OSC published for comment [proposed amendments](#) designed to streamline and internationally harmonize over-the-counter derivatives data reporting standards in June 2022. These amendments are expected to reduce the complexity of market participants' reporting systems and decrease ongoing operational and compliance costs while improving the consistency and quality of the data available to regulators and the public.

### Actions in 2023-2024 will include:

- Finalize and implement the Derivatives Fee Rule amendments by the first quarter of fiscal 2023-2024, subject to Minister's approval
- Finalize and implement the Derivatives Dealer Business Conduct Rule, subject to Ministerial approval, by the third quarter of fiscal 2023-2024
- Consider stakeholder feedback received and publish final amendments to the Derivatives Trade Reporting Rule, subject to Ministerial approval, to reflect changes to internationally adopted data standards for derivatives trade reporting by the third quarter of fiscal 2023-2024
- Propose amendments to the Clearing Rule to clarify which products are subject to the rule by the fourth quarter of fiscal 2023-2024

### Planned Outcomes:

- If approved, the proposed Derivatives Fee Rule provides the necessary funding for the ongoing oversight of the derivatives regulatory framework from the entities most active in the derivatives market
- The implemented Business Conduct Rule helps protect investors and derivatives market participants by improving transparency, increasing accountability, and promoting responsible business conduct by dealers and advisers in the OTC derivatives market
- The amended Derivatives Trade Reporting rule reduces the complexity of market participants' reporting systems and decrease ongoing operational and compliance costs while improving the consistency and quality of the data available to regulators and the public
- The amended Clearing Rule clarifies the scope of products subject to the rule

## 1.6 Implement the New Single Enhanced Self-Regulatory Organization and Investor Protection Fund

In August 2021, the CSA published CSA Position Paper 25-404 New Self-Regulatory Organization Framework, outlining the position to establish a new single enhanced SRO and consolidate the two current investor protection funds into a single fund that will be independent of the new SRO. The New Self-Regulatory Organization of Canada (New SRO) and the new Canadian Investor Protection Fund (CIPF) launched with an effective date of January 1, 2023 marking the completion of the CSA's plan to create a new, single self-regulatory organization and an integrated investor protection fund.

CSA staff continue to implement post-close initiatives for the New SRO and new CIPF following CSA Position Paper 25-404.

### Actions in 2023-2024 will include:

- Continue to oversee post-close initiatives such as overseeing the harmonized rulebook, implementation of the office of the investor and the investor advisory panel
- Operationalize the new oversight model coordinating with the CSA to ensure a smooth transition to the New SRO and new CIPF
- Initiate work to assess incorporating other registration categories into the New SRO which are currently overseen by the CSA, including Portfolio Managers, Exempt Market Dealers and Scholarship Plan Dealers

- Implement a new registration process and seek National Registration Database (NRD) enhancements to enable mutual fund and investment dealer businesses to operate within one legal entity as a Dual Registration Dealer Platform (DRDP)

#### Planned Outcomes:

- New SRO fosters an innovative and competitive industry and delivers value for investors
- New SRO has a clear public interest mandate, increases efficiencies, and advances the fostering of fair and efficient capital markets
- Investors have easier access to different products and will not have to change firms or advisors as their investing needs evolve

### 1.7 Enhance Information Sharing with the Canadian Public Accountability Board

Information sharing between regulatory bodies, such as Canadian Public Accountability Board (CPAB), helps enable the OSC to effectively oversee market participants, resulting in increased investor confidence. Currently the OSC and CPAB have a Memorandum of Understanding (MoU) concerning mutual cooperation and information sharing. The OSC has begun to review and identify opportunities to improve information-sharing practices, with an emphasis on assessing whether amendments to the Ontario CPAB Act are needed.

#### Actions in 2023-2024 will include:

- Implement improvements in information sharing protocols and if required, propose amendments to the Ontario CPAB Act to address information sharing restrictions
- Continue consultations with CPAB and CSA staff to finalize enhanced protocols for information sharing
- Amend MOU on consultation, cooperation, and exchange of information between the OSC and CPAB
- Develop systems and processes for receiving information from CPAB as part of the enhanced protocols for information sharing

#### Planned Outcomes:

- Information sharing practices that improve the quality and timeliness of information sharing between CPAB and the OSC
- Protect investors from the risk of improper financial reporting practices by public companies

## GOAL 2: Strengthening Investor Safeguards

Investor needs and challenges – key drivers of regulatory concerns – are changing quickly. Demographics and investing attitudes are shifting, while technology continues to disrupt the financial services industry in a way that creates changing business models and product offerings.

The OSC remains committed to investor protection and is continuing to expand its efforts to strengthen investor protection through various investor-focused initiatives.

### Key Priorities to Achieve this Goal

#### 2.1 Expand the Focus on Retail Investors Through Specific Education, Policy, Research and Behavioural Science Activities

Financial markets are evolving and becoming increasingly complex, with new investment opportunities and products continually being introduced. Investors are the lifeblood of our capital markets, and their interests must be top of mind to ensure that appropriate protections are in place, they have the information needed to make informed financial decisions and confidence in the capital markets is maintained.

The OSC will continue to identify ways to improve investor education and protection, responding to changing demographic profiles of investors and shifts in investing behaviour. The OSC will also continue expanding its applications of behavioural science to policy making and operations, to improve regulatory effectiveness and produce better investor outcomes. Through the Investor Office Research and Behavioural Insights Team (IORBIT), the OSC will continue applying the methods and techniques of behavioural science to policy and operational activities. The OSC will also continue to support the OSC's independent Investor Advisory Panel in fulfilling its mandate. Collectively, these efforts are intended to lead to greater investor protection and confidence in capital markets. A range of initiatives will be completed in support of this priority.

#### Actions 2023-2024 will include:

- Expand programs targeted at enhancing investor education and financial literacy, including:
  - expanded use of investor social media channels
  - the redevelopment of the OSC's investor website, GetSmarterAboutMoney.ca
  - continued outreach focused on multicultural and diverse communities
- Continue implementation and evolution of the OSC Seniors Strategy and analysis of completed regulatory initiatives focused on protecting older and vulnerable investors
- Conduct and publish timely and responsive investor research
- Pursue policy and regulatory initiatives that are responsive to investor research findings, such as with respect to the influence of gamification and other behavioural techniques on retail investor behaviour



### Planned Outcomes:

- Investors continue to make more informed decisions through the use of the OSC's financial education resources and channels such as GetSmarterAboutMoney.ca
- Enhance protection of seniors and vulnerable investors
- Improve effectiveness of OSC policies and programs through the application of behavioural science
- More policy projects incorporate behavioural science, improving policy effectiveness and resulting in better investor outcomes and registrant conduct
- Policy initiatives are evidence-based and reflect thoughtful consideration of research findings and investor perspectives
- More informed investment decisions through continued investor education

## 2.2 Strengthen Investor Redress and the Ombudsman for Banking Services and Investments

Investors can be at risk for potential loss, damage or harm because of an act or omission of a registered firm or individual. The OSC strives to improve investor access to redress in these types of situations, including by strengthening dispute resolution services. Avenues to obtain investor redress, including a fair, efficient and accessible dispute resolution system, is an essential element of investor protection frameworks. To achieve better results for investors and strengthen investor redress, the OSC will continue its efforts to strengthen Ombudsman for Banking Services and Investments (OBSI) as an independent dispute resolution service.

### Actions in 2023-2024 will include:

- Develop and publish for comment a proposal to provide OBSI with the authority to make binding compensation decisions, with our CSA colleagues
- Determine next steps in response to the independent evaluation of OBSI's investment mandate, with our CSA colleagues, other members of the Joint Regulators Committee and OBSI

### Planned Outcomes:

- Better results for investors in obtaining redress and dispute resolution, and enhanced oversight of OBSI, which will foster investor confidence
- Investors do not experience undue pressure to accept offers to settle claims for less than they are entitled to receive
- Fair, efficient and accessible dispute resolution services available to Ontario investors

## 2.3 Monitor and Respond to the Impacts of the Deferred Sales Charges Ban and Order-Execution-Only Ban

When investors understand the costs of their investments, they are better positioned to make decisions that support their overall financial goals. A more transparent fee model for mutual funds better balances the interests of investors with those of advisors and mitigates any potential conflicts of interest. Rule amendments to ban deferred sales charges (DSC) and order-execution-only (OEO) trailing commissions represent a significant change to the asset management industry, and as such a smooth, investor-focused, and timely transition to comply with the two bans is critical.

In March 2022, the OSC issued a local blanket order, Ontario Instrument 81-508 *Temporary Exemptions from the OEO Trailer Ban to Facilitate Dealer Rebates of Trailing Commissions and Client Transfers*, which came into force on June 1, 2022, the effective date of the OEO trailer ban, and expires on November 30, 2023. The blanket order outlines our expectations on how switches and transfers will be conducted in order to give effect to the OEO trailing commission ban and how information is being communicated to investors. To comply with the OEO ban, in order to avoid investor harm, narrow relief was provided to allow dealer rebates to ensure any remaining mutual funds are not redeemed.

It is critical for the OSC to review emerging practices quickly that may circumvent the policy intent of the bans. Industry is expected to adapt and embrace dealer compensation that allows dealers to provide objective advice to investors.

### Actions in 2023-2024 will include:

- Continue to monitor for compliance with Blanket Order
- Review industry practices involving the use of the Principal Distributor Model and/or the use of dealer chargebacks that raise conflict of interest concerns
- Develop regulatory responses as required

### Planned Outcomes:

- Improve transparency and alignment of interests of investors and their dealers and advisors when investing in mutual funds

## GOAL 3: Adapting Regulation to Align with Innovation and Evolving Markets

The OSC seeks to adapt and evolve the regulatory framework to respond to the changing market environment and anticipate changing market conditions and investor needs. Modern, efficient and effective regulation adapts to changing business models and practices while ensuring firms and other market participants continue to meet regulatory standards and requirements. Such efforts include modernizing regulatory oversight practices in an adaptive and forward-looking manner and focusing on investor protection, service improvements, and the potential for undue regulatory burden on market participants. To do this effectively, the OSC will identify, understand, and adapt to developing trends and evolving business models, and will limit undue barriers to innovation and capital formation. We will integrate, across all relevant activities, the OSC's expanded mandate to foster competitive capital markets and capital formation while ensuring this is carried out in a manner that is consistent with our mandate of investor protection, as well as to complement our mandates to foster fair and efficient capital markets and investor confidence, and contribute to the stability of the financial system and the reduction of systemic risk.

### Key Priorities to Achieve this Goal

#### 3.1 Strengthen Oversight and Enforcement in the Crypto Asset Sector

There has been a proliferation of crypto asset trading platforms with different business models that offer a broad range of crypto assets to their clients in Ontario, including retail investors. Given the considerable risks of investing in this market segment, it is important to continue efforts to bring crypto asset trading platforms into compliance with securities laws. Recent insolvencies involving several crypto asset firms have highlighted the significant investor protection risks of trading crypto assets, particularly where such trading is conducted through unregistered platforms based outside of Canada. Appropriate regulatory oversight is critical for building investor confidence in this nascent industry.

In light of these insolvencies, the OSC, together with the CSA, is strengthening its approach to oversight of crypto trading platforms by expanding existing requirements for platforms operating in Canada. In December 2022, the CSA announced that platforms that continue to operate in Canada while seeking registration and related exemptive relief must now file a pre-registration undertaking with CSA staff, which contains new investor protection requirements.

The OSC also continues to work with the CSA and New SRO (previously IIROC), to bring crypto firms engaging in dealer or marketplace activities into compliance with securities laws, as set out in both Joint Canadian Securities Administrators/Investment Industry Regulatory Organization of Canada Staff Notice 21-329 *Guidance for Crypto Asset Trading Platforms: Compliance with Regulatory Requirements* published in March 2021, and in Joint CSA/IIROC Staff Notice 21-330 *Guidance for Crypto-Trading Platforms: Requirements relating to Advertising, Marketing and Social Media Use* published in September 2021. Further to these Staff Notices, CSA Staff Notice 21-332 *Crypto Asset Trading Platforms: Pre-Registration Undertakings Changes to Enhance Canadian Investor Protection* was published in February 2023, notifying firms that wish to continue to operate in Canada, while they seek registration, to file a Pre-Registration Undertaking (PRU) with the CSA. The PRU includes certain requirements including, but not limited to, requirements on custody and segregation of crypto assets held on behalf of Canadian clients; restrictions on offering margin, credit and leverage; restrictions on stablecoins and proprietary tokens; and investment limits.

### Actions in 2023-2024 will include:

- Continue to apply regulatory obligations to crypto firms while completing the registration or approval process, including obtaining pre-registration undertakings from firms pending completion of the registration or approval process
- Coordinate with New SRO in facilitating crypto firms becoming members
- Identify and address non-compliance with securities laws, including bringing enforcement actions in appropriate cases
- Further develop internal capabilities, including technology tools, and specialized skills in crypto asset trading platform oversight
- When warranted, continue to add crypto firms to investor warning lists
- Continue implementing and refining the program for ongoing oversight of crypto asset trading platforms
- Develop a regulatory framework with appropriate safeguards for how investment funds invest in crypto assets
- Help investors make informed decisions about investing in crypto assets by continuing to provide educational resources across all digital and social media channels, including [getsmarteraboutcrypto.ca](https://getsmarteraboutcrypto.ca),
- Explore regulatory implications of stablecoins in the capital markets, including their use in connection with crypto asset trading

### Planned Outcomes:

- Crypto asset trading platforms operate with appropriate regulatory oversight and enforcement action is taken in appropriate cases
- Reduce misleading information in crypto asset trading platform advertising, marketing and social media
- Achieve an appropriate balance in supporting novel businesses and fostering innovation and competitive capital markets while promoting investor protection
- Increase public awareness of these complex products, platforms, and potential frauds/scams
- Provide a balanced and transparent framework for public investment funds to offer crypto asset exposure

## 3.2 Streamline Periodic Disclosure Requirements for Corporate Finance and Investment Fund Reporting Issuers

With our CSA colleagues, the OSC continues work on proposed changes to streamline and clarify annual and interim filings by corporate finance and investment fund reporting issuers to reduce regulatory burden on issuers' continuous disclosure obligations, while enhancing the usefulness and understandability of the disclosure for investors.

The CSA published for comment in May 2021 proposed Amendments to National Instrument 51-102 *Continuous Disclosure Obligations and Other Amendments and Changes Relating to Annual and Interim Filings of Non-Investment Fund Reporting Issuers* (NI 51-102), including proposals to:

- Streamline and clarify certain disclosure requirements in the management's discussion & analysis (MD&A) and the annual information form (AIF)
- Eliminate certain requirements that are redundant or no longer applicable

- Combine the financial statements, MD&A and, where applicable, the AIF into one reporting document called the annual disclosure statement for annual reporting purposes, and the interim disclosure statement for interim reporting purposes
- Introduce a limited number of new requirements to address gaps in disclosure

In January 2021, the Taskforce recommended certain investment fund issuer reporting and regulatory requirements be streamlined. In October 2021, the CSA indicated that streamlining investment fund issuer’s continuous disclosure obligations was the next focus after publishing final amendments relating to several investment funds burden reduction initiatives.

#### Actions in 2023-2024 will include:

- Review feedback and consider next steps for amendments to NI 51-102
- Review continuous disclosure requirements set out in National Instrument 81-106 Investment Fund Continuous Disclosure and other disclosure requirements for investment fund reporting issuers with the view to modernize and publish rule amendments on disclosure requirements in December 2023 with a focus on Management Report of Fund Performance and non-IFRS content in Investment Fund issuers’ financial statements
- Review feedback and consider next steps on CSA regulatory proposal to reduce the frequency of Mutual Fund Prospectus Renewal from 12 months to 24 months

#### Planned outcomes:

- Modernize disclosure requirements to reduce regulatory burden, simplify and streamline reporting, and increase reporting efficiency for reporting issuers
- Increase the quality and usability of the disclosures provided to investors

### 3.3 Modernize Delivery Options of Regulatory and Continuous Disclosure Filings for Issuers

Electronic access to documents facilitates more efficient communication with investors, reduces regulatory burden for issuers, and modernizes the way documents are made available for the benefit of investors and issuers.

With our CSA colleagues, the OSC published proposed amendments in April 2022 to implement an access equals delivery (AED) model for corporate finance reporting issuers in connection with certain prospectuses, annual financial statements, interim financial reports and their related MD&A. Under the proposed AED model, investors retain the ability to receive paper copies of these documents on request or pursuant to standing instructions. The OSC is considering stakeholder feedback on the proposed amendments. To allow for the implementation of the proposed AED model in Ontario, the Securities Act was amended in fall 2022, to permit a document that is required to be delivered, forwarded, distributed or sent to a person or company under certain provisions of the Act to be made available in another way instead.

The OSC also published proposed amendments in September 2022 to replace the current investment fund delivery requirements for financial statements and management reports of fund performance, with an access instead of delivery model. The proposed model for investment funds requires investment funds to i) have a designated website for posting filings, ii) issue, file, and post a news release when filings are made, and iii)

deliver filing documents to investors upon their request, or based on their standing instructions. Fund Facts and ETF Facts are continued to be delivered to investors in accordance to current requirements.

#### Actions in 2023-2024 will include:

- Consider stakeholder feedback in the development of the final amendments to implement an AED model for certain disclosure documents of corporate finance reporting issuers
- Consider stakeholder feedback in the development of the final amendments to remove certain delivery obligations for investment funds continuous disclosure filings with goal of publishing revised proposal or final amendments by December 2023

#### Planned Outcomes:

- Alternate delivery models for corporate finance reporting issuers and investment fund issuers that modernizes the way certain documents are made available to investors, reduces undue regulatory burden and related costs for issuers, and promotes a more environmentally friendly manner of communicating information, with paper delivery remaining optional

### 3.4 Complete Transition to SEDAR+

The OSC, along with the other CSA jurisdictions, will continue to work toward replacing the legacy CSA national systems with SEDAR+. Development of this new CSA system is an ongoing process. Once the system is launched, it will be the common platform for all filings, disclosure, payments, and information searching for the Canadian capital markets.

#### Actions in 2023-2024 will include:

- Launch Phase 1 of SEDAR+ modernizing access to issuer information
- Modify and enhance the OSC's internal systems to integrate with the new SEDAR+ system
- Work, together with other CSA jurisdictions, on a controlled transition to the new system for market participants and internal users
- Participate with the CSA on planning for and development of subsequent phases of the SEDAR+ system

#### Planned Outcomes:

- SEDAR+ is launched as an online national system that is more responsive to current and future needs of market participants
- Regulatory processes are more efficient and service delivery to market participants is improved, reducing overall regulatory burden

### 3.5 Facilitate Financial Innovation

Innovation offers economic opportunities and choice for investors. Innovation in our financial markets, such as FinTech solutions and new technologies, can support the creation of a globally competitive and efficient capital markets regulatory system that helps innovative businesses succeed and attracts investments from around the world.

The OSC will continue its efforts to strengthen Ontario's innovation ecosystem. Through the Office of Economic Growth and Innovation (Innovation Office), the OSC seeks to offer flexible and proportional regulatory approaches and support novel and innovative businesses – Including FinTech and Artificial Intelligence – looking to establish or expand in Ontario, foster new methods of engagement with the innovation community, modernize regulation, enable the use of technology and open data, and foster capital formation to help support Ontario businesses and promote competition and consumer choice.

#### Actions in 2023-2024 will include:

- Publish insights gained from OSC TestLab's first testing cohort focused on testing innovative solutions that can help registrants better understand their clients and products and contribute to better investor outcomes
- Conduct research and engage with stakeholders for input into how we can better support innovation and modernize our regulations
- Develop testing theme(s) for our next OSC TestLab cohort(s)
- Proactive outreach with stakeholders, including entities that can support Ontario's innovation ecosystem such as innovation hubs and accelerators, academic institutions, and other regulators

#### Planned Outcomes:

- Responsive and timely support is provided to novel and innovative businesses
- Business support and modernizing regulation initiatives are aligned with stakeholder priorities
- Build and strengthen relationships with key stakeholders in Ontario's innovation ecosystem

### 3.6 Further Initiatives that Promote Capital Formation and Foster Competition

In April 2021, the Ontario government amended the OSC's legislative mandate to include fostering competitive capital markets and capital formation. This expanded mandate provides additional areas of focus for the OSC's operational and policy development activities, as well as our approach to regulatory decisions. In pursuing this expanded mandate, the OSC remains committed to all the components of the OSC's mandate which are assessed in totality to ensure their significance in any decision or recommendation is balanced. This balancing exercise is tailored to the facts and circumstances of each situation as the OSC seeks to act in the best interests of the capital markets in Ontario.

In particular, investor protection and fostering confidence in capital markets remain at the forefront to ensure that high standards of fitness and business conduct are in place and observed.

To demonstrate the OSC's efforts to promote capital formation in our capital markets and fostering competition, we have undertaken various multiyear initiatives, including:

- Final amendments that streamline at-the-market (ATM) distributions in Canada to permit issuers to conduct such distributions without having to incur the time and cost of applying for exemptive relief.

- [Temporary exemptions](#) from certain base shelf prospectus requirements for qualifying Well-Known Seasoned Issuers (WKSIs) that allow these issuers to obtain a receipt for a final base shelf prospectus on an accelerated basis without first filing a preliminary base shelf prospectus.
- Introducing a new prospectus exemption, the Listed Issuer Financing Exemption (LIFE), for issuers listed on a Canadian stock exchange, aimed at providing a more efficient way for them to raise capital.
- Creating the Innovation Office which is dedicated to fostering innovation, supporting economic growth, and reducing regulatory barriers, fees, anti-competitive behaviour, and response times.
- Began process to introduce new proficiency standards for the sale of alternative mutual funds by mutual fund dealer approved persons.
- Continued analysis of tied selling and other anti-competitive practices in the capital markets including receiving formal submissions together with supporting evidence from issuers, dealers and other market participants as well as from investors and other stakeholders with a view to establishing the extent to which such conduct that may impede competition is occurring. The OSC reported findings, as well as potential recommendations, to the Minister of Finance in February 2022.
- Issuance of an OSC blanket order to pilot and expand the categories of the Accredited Investor (AI) exemption to include educational and business experience AI eligibility criteria.
- In November 2022, the CSA issued a consultation paper on Access to Real Time Market Data seeking feedback on the overall feasibility and effectiveness of the proposed options for access to consolidated real-time market data (RTMD). Consolidated RTMD is key for market participants, investors, and their advisors to make informed investment, routing, and execution decisions.

#### Actions 2023-2024 will include:

- Monitor and assess compliance of new prospectus offerings (e.g., WKSIs) and new prospectus exemptions (e.g., LIFE)
- Following issuance of the blanket order, collect data and consider whether rule amendments are needed that expand the existing categories of the Accredited Investor (AI) exemption
- Consider feedback obtained in response to consultation paper on access to RTMD and make recommendations for policy changes
- Continue to focus and raise inquiries, and take further regulatory action where needed, on the review of IPOs and follow-on offerings for potential tied selling concerns
- Continue to support new entrants, innovation and novel business models within the Innovation Office
- Update or remove outdated dealer proficiency requirements for the sale of alternative mutual funds

#### Planned Outcomes:

- Enhance access for businesses and financial services providers to Ontario’s capital markets
- Enhance access for qualified investors to an enhanced range of investment opportunities
- Streamline regulatory requirements and processes to make it easier to participate in Ontario's capital markets
- Growth in Ontario’s capital markets through increased capital formation and competition, which is carried out in a manner that is consistent with all components of our mandate



## GOAL 4: Enabling the Organization to Deliver Effective Regulation

In order to effectively regulate and support an ever-changing, complex and highly competitive financial sector, the OSC must continue to build and expand staff capabilities and enhance operational infrastructure. The OSC is strengthening and enhancing its current and long-term capabilities through investments in its people, internal policies and processes, systems and data capabilities to enable the organization to deliver on its regulatory mandate.

### Key Priorities to Achieve this Goal

#### 4.1 Attract, Develop and Retain Talent

The OSC's ability to deliver on the identified strategic goals and initiatives is dependent on having sufficient staff expertise. Talent attraction and retention in a highly competitive market environment poses significant challenge, and the OSC is responding to that challenge by recruiting staff across a range of disciplines, and by developing the skills and experience of our internal talent.

##### Actions in 2023-2024 will include:

- Re-imagine and develop the employee experience in a hybrid work environment, to reinforce a work culture and professional environment that is productive and engaging
- Modernize talent acquisition strategies, practices and experiences to showcase OSC value proposition and position OSC as an attractive employer
- Develop a long-term total rewards strategy to reflect the needs of the organization and address market gaps, including a benefits package that provides best value for all employees, meeting needs of employees at different life stages
- Deliver an educational program that enhances employee knowledge and builds expertise, by exploring trends in Securities Regulations through the eyes of world experts and academics

##### Planned Outcomes:

- Employment relationships are aligned with organizational and employee needs
- Turnover of staff with sought-after skillsets and critical roles are mitigated and managed in a manner that meets business needs
- Gaps between existing workforce and the required skills to deliver on OSC objectives are reduced
- A workplace culture where employees have a sense of purpose and pride in their work, are productive, and enjoy being part of the OSC community

## 4.2 Execute OSC's Inclusion and Diversity Strategy

The OSC is building and sustaining diversity in our OSC community and ensuring that the employee experience is equitable and inclusive for everyone. Ensuring an employee experience that is diverse, equitable, and inclusive contributes to recruitment, retention, and wellbeing at the OSC. By celebrating and recognizing our employees' uniqueness and individuality, we foster an inclusive and accountable culture where everyone can contribute while feeling safe.

This priority is also linked to our priority to advance cooperation with Indigenous Peoples and work to integrate their perspectives and interests under Goal 1 to develop an action plan for truth and reconciliation.

### Actions in 2023-2024 will include:

- End-to-end review of talent acquisition process to identify opportunities and relevant areas for Inclusion and Diversity (I&D) process and policy enhancement to create a bias-free selection process to ensure equal opportunity, both in the intermediate term and longer term
- Take actions outlined in the BlackNorth Initiative (BNI) CEO pledge, including developing an I&D dashboard for data collection and measurement for all stages of the employee lifecycle, and expanding external partnerships for attracting diverse candidates
- Respond to Truth and Reconciliation Call to Action 57 (Professional Development and Training for Public Servants) by implementing Indigenous cultural awareness training and Call to Action 92 (Business and Reconciliation) by supporting capital market participants' reconciliation efforts
- Develop OSC's action plan for truth and reconciliation through engagement with Ontario Indigenous groups and communities
- Undertake training to better understand how to work effectively with Indigenous Peoples
- Review OSC advisory committee composition, size, structure and approaches to diversity to inform the development of a strategy for having greater diversity on OSC advisory committees, consistent with the OSC's I&D Plan

### Planned Outcomes:

- Policies and practices that are equitable and inclusive for all employees, including in the areas of recruitment, talent development, secondment, promotion, code of conduct, and respectful workplace
- A workplace where employees experience inclusion, equality and engagement
- Achieve, measure and expand upon the goals and targets set out in the BNI CEO pledge
- Inclusion and Diversity policies and an OSC culture that reflect the spirit of truth and reconciliation, and greater engagement with and integration of ideas from Indigenous Peoples
- Enhanced approach to recruitment of advisory committee members, with a view to having greater diversity reflected on the committees

### 4.3 Integrate Data and Processes to Support Effective Decision Making and Risk Monitoring

Ever increasing market complexity is generating greater reliance on data, analytics and streamlined operations. It is important that the OSC has data and analytics capabilities to be a data driven regulator. The OSC is investing in technology and infrastructure that will improve access to data and information, allowing for better identification of trends and risks and support for analysis and decision-making to support compliance and enforcement activities, systemic risk oversight and policy development. With modern tools, technologies and a robust data and analytics framework, the OSC is prepared to deliver on our mandate and foster investors' confidence in the capital markets through innovative regulatory practices.

#### Actions in 2023-2024 will include:

- Evolve OSC's data analytics to support core regulatory operations and policy work, with a focus on registrant, issuer, exempt market and investment funds data, and emerging areas such as crypto assets and social media
- Enhance OTC Derivatives Datamart and analytics in support of systemic risk monitoring and various policy objectives
- Roll out the platform supporting streamlined end-to-end regulatory activities and integrated case management
- Roll out OSC's external portal, to streamline participant's interaction with the OSC

#### Planned Outcomes:

- Access to data that can be easily used for analysis and identification of emerging risks for improved insights and decision making, efficient information sharing and increased collaboration between branches and with industry stakeholders, and enabling data driven policy development and regulatory responses
- Effective systemic risk oversight supported by timely access and analysis of integrated derivatives OTC trade data to support risk identification and risk-based compliance programs

# Risks

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## Key Risks and Mitigation Strategies

### Key Components of the OSC Risk Management Framework

The OSC must manage a wide range of risks arising from the pace of change and the increase in complexity of financial markets in Canada and globally. The OSC has adopted a Risk Management Framework, with the purpose to support the achievement of the OSC's objectives through the enterprise-wide acceptance and integration of risk management into decision-making, strategy and policy development, operations and business processes and transformation activities. The main components of the framework include:

- Risk Management Policy that provides guidance regarding the OSC's approach to risk management in supporting the achievement of its objectives, defines risk management roles and responsibilities and promotes a strong risk culture
- Risk Management Process to identify, assess, manage, monitor and report risks
- Common tools to enable risk informed decision-making such as risk registers maintained at the enterprise and Branch levels, where both levels of risk inform the OSC's risk profile

### Three Lines of Defense

The OSC employs a three-lines-of-defense model where Management is responsible for managing risks while the risk committees and Enterprise Risk Management (ERM) Function provide risk oversight. In addition, the ERM Function maintains the Risk Management Framework and the associated policies and tools.

OSC Internal Audit is an assurance and advisory service to the Board of Directors and to Management. The internal audit function is governed by an Internal Audit Charter approved by the OSC's Board of Directors and by an annual internal audit plan that is approved by the Board. Quarterly reports and updates are prepared for the Board Risk Committee and an annual report on the results of all internal audit engagements is prepared for the Board of Directors.

### Governance and Enterprise Risk Inventory

At the enterprise level, the OSC develops and maintains corporate governance structures such as the Board Risk Committee and Risk Steering Committee and organization-wide risk framework. The committees and Management set the tone from the top. An Enterprise Risk Inventory is maintained by the ERM Function, in consultation with Management, and includes key enterprise risks impacting the organization as a whole where risks are defined within the context of presenting uncertainty to the achievement of OSC objectives.

The Risk Steering Committee, comprised of OSC senior and executive management, reviews the risk profile quarterly including key, new or emerging risks. This information is reported to the Board Risk Committee and escalated to the Board of Directors, as appropriate.

The table below highlights various key enterprise risks which the OSC is exposed to, along with the mitigating controls. The OSC continues to monitor the risk environment and to respond appropriately to ensure that risks are properly addressed.

## Key Risk Inventory – Key Risks and Mitigating Controls

Risk	Risk Description	Mitigating Controls
Digital Transformation	Outdated technology, data and processes increase regulatory burden for market participants and impede OSC's effectiveness and efficiency	<ul style="list-style-type: none"> <li>▪ Digital Solutions Branch (DSB) has established the multi-year platform strategy, articulated the data and digital capability needs across the OSC and completed the first executable roadmap</li> <li>▪ Data strategy team executes the data &amp; analytics strategy and data governance program</li> <li>▪ Agile implementation and dedicated team model have been established to support various initiatives</li> </ul>
Regulatory Burden	OSC regulations, processes and operational systems impede fair and efficient markets and inhibit capital formation	<ul style="list-style-type: none"> <li>▪ Burden Reduction initiatives are part of the Business Plans for each relevant Branch and are worked on accordingly</li> <li>▪ Regulatory impact analyses, including cost benefit analyses, are completed for new policy projects</li> <li>▪ Office of Economic Growth and Innovation is developing and will implement an enhanced organization-wide framework that will ensure a systematic and streamlined approach to projects aimed at modernizing our regulatory environment</li> </ul>
Enforcement Effectiveness	OSC fails to identify, investigate and prosecute administrative, quasi criminal and/or criminal misconduct involving securities law violations that could cause significant harm to investors or the integrity of the markets	<ul style="list-style-type: none"> <li>▪ Centralized intake process to identify matters which reflect OSC/Enforcement strategic priorities and factors relating to public harm</li> <li>▪ Standardized and visible planning and reporting process from investigation to litigation to identify key violations and employ appropriate enforcement tools in a timely manner</li> <li>▪ Updated technology, analytics and evidence control procedures to improve approaches to large data, remote work and scaling up</li> <li>▪ Partnerships with other regulators, and active advocacy in IOSCO, CSA and NASAA committees to monitor and identify cross-border issues and threats</li> </ul>
Systemic Risk in Capital Markets	OSC fails to identify an increase in systemic risk related to activity in capital markets in a timely manner	<ul style="list-style-type: none"> <li>▪ Oversight of systemically important market infrastructure</li> <li>▪ Monitoring compliance with rules designed to minimize systemic risks</li> <li>▪ Detection of exposure and connectivity between market participants through monitoring of market activity</li> <li>▪ OSC Systemic Risk Working Group; as well as CSA, HoA, and IOSCO working groups and committees</li> <li>▪ Cooperation with other domestic and international organizations in charge of systemic risk oversight</li> </ul>
Business Continuity	A significant disruption of business operation occurs	<ul style="list-style-type: none"> <li>▪ Formal business continuity plan (BCP) and pandemic plan</li> <li>▪ Annual BCP systems recovery, ERBCP scenario test and Emergency Staff Communications tests are performed</li> <li>▪ Reciprocal arrangements with other securities regulators to provide continuity of regulatory services (e.g. prospectus and application reviews)</li> </ul>

Risk	Risk Description	Mitigating Controls
Information Technology	Risks that a significant disruption of OSC Information Technology systems and/or services occurs or that critical IT system changes and implementation do not meet desired business outcomes	<ul style="list-style-type: none"> <li>▪ Regular reviews of established IT policy, procedures and controls are conducted; Annual ICFR audits include testing of IT Key Controls</li> <li>▪ On-going monitoring of OSC systems and established support agreements / service level agreements with key vendors</li> <li>▪ Architecture Review Board meets regularly to conduct information technology, project and vendor reviews</li> <li>▪ Change Approval Board meets regularly to review and schedule system changes</li> <li>▪ IT platform currency plans established and actively managed</li> <li>▪ Robust system and user acceptance testing are completed prior to system implementation</li> <li>▪ Fall-back plans and system back-ups in place as required</li> </ul>
Information Security	Risks arising from breaches of or attacks on OSC information systems that result in loss of information or the compromise of confidential information which would impact OSC's reputation and/or operations	<ul style="list-style-type: none"> <li>▪ Dedicated Information Security Office with policies, procedures and controls</li> <li>▪ Multi-year information security operations roadmap formulated, adhering to the National Institute of Standards and Technology (NIST) cybersecurity framework</li> <li>▪ Key information security program controls in place including:               <ul style="list-style-type: none"> <li>- Formal security risk assessment process</li> <li>- Access control</li> <li>- Data protection</li> <li>- Regular vulnerability scans and patch management</li> <li>- Incident response and simulation</li> <li>- Security awareness and testing</li> <li>- Cyber insurance protection</li> </ul> </li> </ul>
Workforce Management	Misalignment and gaps between the OSC's existing workforce and the workforce required to deliver on its objectives	<ul style="list-style-type: none"> <li>▪ Strategic Workforce Plan detailing actions to retain, develop, motivate and deploy human resources</li> <li>▪ Ability to re-prioritize various projects, deadlines, and deliverables to balance work demands across the organization</li> <li>▪ Implemented a highly flexible approach to hybrid work, enable work arrangements to support employees in meeting professional and personal obligations</li> <li>▪ Internal career moves and formal and informal training and development opportunities for staff</li> <li>▪ Expanded and modernized benefits to remain an attractive and competitive employer</li> <li>▪ Ongoing engagement such as communications regarding workplace guidance, resources, status updates and various wellness programs</li> </ul>

Risk	Risk Description	Mitigating Controls
Project Delivery	OSC is unsuccessful in delivering on major projects regarding objective, scope, budget and schedule	<ul style="list-style-type: none"> <li>▪ Robust project management processes and methodologies</li> <li>▪ Regular status reporting – i.e. review project portfolio status and proactively identify, communicate, mitigate and escalate in a timely manner issues/trends that could impact scope, schedule, budget and/or change management</li> <li>▪ Budgets, forecasts are developed and maintained, and spending is monitored</li> <li>▪ OSC Technology Enablement Framework (OTEF) in place to govern initiation, prioritization, and execution of OSC-led technology related initiatives</li> </ul>
Confidence in OSC's ability to deliver on its mandate	Loss of confidence by stakeholders in OSC's ability to execute its mandate	<ul style="list-style-type: none"> <li>▪ Executive level messaging and regular public appearances that clearly communicate the OSC's mandate and authority</li> <li>▪ Corporate publications to provide relevant information and assist readers in understanding the OSC's mandate and outcomes</li> <li>▪ Consultations with stakeholders on various policy matters to obtain feedback, as well as publication of rules and national instruments for comment</li> <li>▪ Impact on reputation is incorporated into the risk management process for all key risks at the Branch and Enterprise levels</li> <li>▪ Risk assessment informs decision making at all levels and is incorporated into strategy and policy development, operations and business processes and change management activities</li> </ul>

# Human Resources

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## Human Resources Plan

The OSC's people strategy is to build an attractive, modern, high performing workplace where every manager is a great talent manager, and every employee is fully engaged. The COVID-19 pandemic has impacted the labour market within which we compete for talent and has fundamentally changed the way we work, with our employees working in a hybrid model.

At the same time, the talent market for many of the professions the OSC employs, became increasingly competitive throughout fiscal year 2021-2022, and that trend continued in the first and second quarter of 2022-2023. Wage gaps are continuing to widen between the OSC and the sectors from which we recruit, due to the Bill 124 restriction to salary range increases of 1%. High inflation is also further impacting the value of OSC total compensation. The OSC continues to monitor, identify and report on related emerging workforce changes and risks that may impact our ability to operate effectively and efficiently from a people perspective during the Bill 124 moderation period.

While our four areas of focus, highlighted below, continue to guide our work, specific strategies and plans have been adjusted or developed to support employee and organization needs in a work environment that is hybrid, and where compensation flexibility is limited. Strategies and plans also respond to needs related to operational efficiency and effectiveness, the ability to attract and retain talent, and employee health and well-being.



Area of Focus	Strategies/Plans
Build an attractive, modern and high-performing workplace	<ul style="list-style-type: none"> <li>▪ Sustain and build on strong employee engagement by providing regular workplace communications; implementing employee surveys and taking actions to respond to employee concerns; and delivering employee programs that reinforce our OSC values, leadership competencies and build a collegial OSC community.</li> <li>▪ Implement compensation practices that support attraction and retention of employees with the skills and experience required to effectively regulate the capital markets and deliver on the OSC mandate and priorities.</li> <li>▪ Benchmark compensation against the talent market from which we recruit; the OSC uses a blended benchmark of 50% public sector and 50% private sector. Develop total compensation framework and strategies to effectively compete in the talent market.<sup>3</sup></li> <li>▪ Create an environment where all employees feel safe, valued, respected, and empowered by ensuring a culture of equity, inclusivity and diversity.</li> <li>▪ Continue investment and commitment to build the Inclusion Equity and Diversity (IED) function and associated programs to enable achievement of IED objectives.</li> <li>▪ Offer employees a modern workplace, with a mix of workspaces that enable collaboration, focused work, and team engagement in a hybrid work environment. Model and continuing to refine our approach to hybrid work as we learn through our shared experiences working in both the office and remote locations.</li> <li>▪ Provide employees with comprehensive benefits encompassing health, dental, short and long term disability insurance, and Employee and Family Assistance Programs. Continue to advance Benefits Sustainability Strategy with an increased focus on employee choice and flexibility and continued prioritization of employee mental health and well-being.</li> </ul>
Develop great talent managers	<ul style="list-style-type: none"> <li>▪ Continue to develop current and emerging leaders through the OSC's leadership development program, which includes coaching, classroom training and self-directed learning, peer learning sessions, and management tools.</li> <li>▪ Contribute to inclusive leadership practices through IED training and inclusive and equitable management policies and practices.</li> <li>▪ Deliver training, to equip managers and leaders with the skills and tools they need to effectively manage teams and employees distributed between office and remote work locations.</li> </ul>

<sup>3</sup> Total compensation actions are limited during the Bill 124 moderation period, which ends for the OSC in March 2024.

Area of Focus	Strategies/Plans
Support successful organizational change and continuity	<ul style="list-style-type: none"> <li>▪ Develop and implement a strategic workforce plan that addresses current and emerging talent needs:               <ul style="list-style-type: none"> <li>• Identifying, monitoring, and managing talent risks to mitigate impact on operations</li> <li>• Expanding staffing approaches and employment relationships to increase the OSC’s ability to attract, retain and leverage staff with specialized skills and experience</li> <li>• Continuing to strengthen and build on succession planning and talent mapping practices to ensure a diverse and robust talent pipeline for critical roles across the organization</li> <li>• Continuing to deliver targeted talent development programs including leadership, coaching and skills-based learning, thereby strengthening organizational performance</li> <li>• Continue to develop a culture of learning and development that provides professional and career growth and enables delivery of effective regulation</li> </ul> </li> <li>▪ Continue to deliver change management programs and practices that enable employees to effectively achieve business outcomes in a complex business environment, including:               <ul style="list-style-type: none"> <li>• Provide employees with training and access to information, tools and resources that support them in adapting to and leading change</li> <li>• Incorporate a consistent change methodology across key initiatives to support successful project planning and execution</li> </ul> </li> </ul>
Provide first class fundamental HR services	<ul style="list-style-type: none"> <li>▪ Increase capacity to respond to emerging issues and organizational complexity by increasing knowledge and ability to provide executive and manager clients with reliable, accurate, timely and trusted advisory services.</li> <li>▪ Design and deliver human resources policies, programs, and approaches that are responsive to emerging workforce and talent management risks.</li> <li>▪ Continue to monitor and report on an “OSC People” dashboard with metrics and analysis to guide decision-making and identify emerging risks to workforce and talent management objectives and guide the design of responsive risk mitigation strategies and tactics.</li> <li>▪ Continue to monitor emerging risk in the external talent market and adjust and apply targeted recruitment practices to source and compete effectively for diverse, qualified candidates for OSC positions.</li> </ul>

# Initiatives Involving Third Parties

## Domestic Engagement

The OSC works closely with other Canadian securities regulators with a view to harmonizing our legislation and regulatory practices for the benefit of the Ontario and Canadian capital markets and their investors. We also work with various law enforcement agencies, sharing information and facilitating investigations across jurisdictions.

As required, we also co-ordinate our efforts with the Department of Finance Canada, the Office of the Superintendent of Financial Institutions Canada (OSFI) and the Bank of Canada when developing regulatory responses intended to promote financial stability in areas identified by the G20 and the Financial Stability Board (FSB).

## Domestic Partners

**Canadian Securities Administrators (CSA)** – The OSC is an active member of the CSA, which is a forum comprised of the 13 securities regulators of Canada’s provinces and territories. The CSA works to foster a nationally coordinated and modernized securities regulatory framework.

**Canadian Public Accountability Board (CPAB)** – CPAB is an organization that oversees public accounting firms that audit Canadian reporting issuers. CPAB promotes sustainable audit quality through proactive regulation, robust audit assessments, dialogue with domestic and international stakeholders, and practicable insights that inform capital market participants and contribute to public confidence in the integrity of financial reporting. The OSC and CPAB have a memorandum of understanding (MOU) in place to facilitate the exchange of information that supports collaboration on review and oversight matters.

**Ombudsman for Banking Services and Investments (OBSI)** – OBSI is a free and independent service for resolving banking and investment disputes between participating firms and their clients. The CSA and OBSI have an MOU in place which outlines an oversight framework for the CSA and OBSI to cooperate and communicate constructively to ensure that OBSI continues to meet the standards set by the CSA.

**Policy Coordination Committee (PCC)** – The CSA established the PCC which oversees the CSA’s policy development initiatives, facilitates decision making and provides timely resolution on policy development matters. Its members are the chairs of eight regulators (British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia). The PCC is chaired by the OSC CEO.

**CSA Standing and Project Committees** – Through participation in CSA Committees (permanent and project committees), OSC staff work alongside CSA members on the development of policy and the delivery of regulatory programs. Standing committees include: Market Structure and Exchange Oversight, Clearing Agency Oversight, Registrant Regulation, Investment Funds, Investor Education and Enforcement. The OSC participates in various project committees dealing with specific policy initiatives, including regulatory burden reduction efforts, crypto-assets and enhanced investor confidence and protection.

**Heads of Regulatory Agencies (HoA)** – The [HoA](#) serves as a federal-provincial forum for cooperation on financial sector issues. The HoA is chaired by the Governor of the [Bank of Canada](#) and includes the [Department of Finance Canada](#), [OSFI](#), the Québec [Autorité des Marchés Financiers](#), the OSC, the [Alberta Securities Commission](#), and the [British Columbia Securities Commission](#). The OSC is also a member of the Systemic Risk Surveillance Committee which was created by the HoA to collaborate and share information on the assessment of vulnerabilities and risks to the Canadian financial system.

**Self-Regulatory Organizations (SROs)** – SROs are organizations that regulate the operations and the standards of practice and business conduct of their members and their representatives. The OSC oversees the operation of the New SRO in coordination with the CSA.

**Joint Forum of Financial Market Regulators** – The CSA is a member of the [Joint Forum of Financial Market Regulators](#) through which pension, securities and insurance regulators seek to coordinate, harmonize, and streamline the regulation of financial products and services in Canada.

**Quasi-Criminal Serious Offences Team (QSOT)** – The QSOT is an enforcement partnership between the OSC, the RCMP Financial Crime program and the Ontario Provincial Police Anti-Rackets Branch. QSOT combines law enforcement policing skills with the OSC's expertise in forensic accounting and capital markets to investigate and prosecute serious violations of the law under [Ontario's Securities Act](#) and [Canada's Criminal Code](#).

## Domestic Memoranda of Understanding (MOUs)

The OSC has entered into a number of domestic Memoranda of Understanding (MOUs), including an MOU with the Ontario Minister of Finance. This MOU establishes the OSC's accountability relationship with the Minister and sets out the roles and responsibilities of the Minister of Finance, Chair and CEO of the Commission, Board, Executive Director and Chief Administrative Officer, and Deputy Minister of Finance.

MOUs have also been entered into with other government agencies, regulators, and law enforcement agencies across Canada. The various MOUs may contain provisions that:

- describe accountability relationships as well as outline roles and responsibilities
- promote safety and efficiency within the securities market
- contribute to the management of systemic risk
- promote higher quality auditing and investor confidence
- reduce overlap between their respective mandates and acknowledge the significance of working with each other
- outline the manner in which each jurisdiction will cooperate and coordinate their enforcement efforts to oversee securities law
- exchange information on a confidential basis to assist each organization in fulfilling its respective mandate

These MOUs reinforce relationships and foster collaboration in matters of mutual interest. The current list of Domestic MOUs can be found on the Commission's [website](#).

## International Engagement

The OSC contributes to the international securities regulatory agenda by actively participating in international organizations and committees. The OSC's international activities are focused on developing financial stability and other standards, information sharing, and co-operation on cross-border enforcement initiatives.

### International Partners

The OSC actively participates in international organizations such as the International Organization of Securities Commissions (IOSCO), the North American Securities Administrators Association (NASAA) and the Council of Securities Regulators of the Americas to better position the OSC regarding the detection, investigation and enforcement of securities offences, development of regulatory policy, and monitoring of emerging issues. Collaboration with international partners is critical for protecting the interests of investors and the integrity of our Canadian markets.

***IOSCO Board, Committees and Working Groups*** – The OSC is a member of the IOSCO Board, which is an executive decision-making body representing key securities regulators from the world's developed and developing capital markets. The OSC participates on all major IOSCO committees. Our current contributions include:

- chairing the Committee on Derivatives
- acting as Vice-Chair of the Committee on Emerging Risks
- participating on the Committee on Regulation of Secondary Markets
- participating on the Screening Group which reviews applications from countries seeking to become signatories to the IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (IOSCO MMOU) and the IOSCO Enhanced Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (IOSCO Enhanced MMOU)
- participating on the Committee on Enforcement and the Exchange of Information which develops recommendations on securities crime prevention, enforcement and cross-border information exchange among regulations
- participating on the Committee on Issuer Accounting, Auditing and Disclosure, which focuses on improving the development of accounting and auditing standards and enhancing the quality and transparency of the information that investors receive from listed companies and the application of these standards in practice
- participating on the Sustainable Finance Task Force which is examining sustainability-related disclosures, green-washing and the increasing activity of ESG data providers, credit rating agencies regarding ESG ratings and the development of a sustainability-related assurance framework
- participating on the Financial Stability Engagement Group which engages with the Financial Stability Board (FSB) on cross-cutting issues such as money market funds, open-ended investment funds, bond liquidity and margins
- participating in initiatives to facilitate cross-border sharing of information, international cooperation, oversight of investment funds, investor protection, and the promotion of financial stability
- participating on the Board-level Fintech Taskforce which develops, oversees, delivers, and implements IOSCO's regulatory agenda for Fintech. Current workstreams focus on Crypto and Digital Assets (CDA) and Decentralized Finance (DeFi)

**Cross-Border Enforcement** – The OSC works with other securities regulators to share intelligence and provide assistance in investigations of alleged cross-border misconduct. The IOSCO MMOU, signed by more than 120 other securities commissions and governmental bodies, is a key instrument in advancing international co-operation on enforcement matters.

In 2018, the OSC also entered into the IOSCO Enhanced MMOU. The IOSCO Enhanced MMOU expands on the forms of assistance available under the IOSCO MMOU.

**Financial Sector Assessment Program (FSAP)** – Established by the International Monetary Fund (IMF) and World Bank in 1999, FSAP teams conduct a thorough analysis of a country's financial sector, including banks, insurance companies, securities, and foreign exchanges. In addition, the FSAP teams analyze a country's payments system and the regulatory oversight that governs its financial institutions and markets. Canada underwent an FSAP analysis in 2019 and expects to begin the next one in 2023. Canada's Financial System Stability Assessment is available on the IMF website.

For the most current details on the OSC international participation and leadership, please see the Commission's [website](#).

## International Memoranda of Understanding (MOUs)

The OSC has entered into a number of MOUs with international partners to foster cooperation and information-sharing on various matters, including enforcement. These MOUs strengthen relationships and foster collaboration in matters of mutual interest. The current list of International MOUs can be found on the Commission's [website](#).

## OSC Advisory Committees

The Executive and staff of the OSC operating branches are supported by various third-party advisory committees that have been established for one or more of the following purposes:

- To provide a broad range of ideas and expertise as new policy initiatives are developed
- To help the OSC understand how a specific, recently implemented policy is affecting capital market participants
- To improve the OSC's understanding of the concerns and issues faced by a stakeholder group on an ongoing basis

### OSC advisory committees include:

**Advisory Council to the CEO** – The Advisory Council to the CEO provides advice to the CEO of the OSC, on emerging issues impacting the industry, investors and Ontario's capital markets.

**Continuous Disclosure Advisory Committee (CDAC)** – advises OSC staff on the development, implementation and review of continuous disclosure policies and practices.

**Investment Funds Technical Advisory Committee (IFTAC)** – advises OSC staff on technical compliance challenges in the investment funds product regulatory regime, and on opportunities for improving alignment between investor, industry and regulatory goals.

**Investor Advisory Panel (IAP)** – is an independent advisory panel to the OSC. The IAP makes submissions in response to public requests for comment by the Commission on proposed rules, policies, concept papers and discussion drafts. The IAP also provides comments on the OSC’s proposed annual Statement of Priorities, brings forward policy issues for consideration, and advises on the effectiveness of the OSC’s investor protection initiatives.

**Market Structure Advisory Committee (MSAC)** – serves as a forum to discuss issues and policy and rule-making initiatives associated with market structure and marketplace operations in the Canadian and global capital markets.

**Registrant Advisory Committee (RAC)** – serves as a forum to discuss issues and challenges faced by registrants in interpreting and complying with Ontario securities law, including registration and compliance-related matters.

**Securities Advisory Committee (SAC)** – provides advice to the OSC on legislative and policy initiatives, and on capital market trends.

**Seniors Expert Advisory Committee (SEAC)** – serves as a forum to discuss issues and challenges faced by seniors. The committee provides OSC staff with expert opinions and input on securities-related policy, operational, educational and outreach activities that are designed to meet the needs of older investors.

**Small Business Advisory Committee (SBAC)** – advises the OSC’ staff on current business practices and emerging trends affecting small businesses in both the public and private markets. SBAC also provides feedback on the effectiveness of Corporate Finance policies and initiatives as they relate to small business.

## **Capital Markets Tribunal advisory committee:**

**Securities Proceedings Advisory Committee (SPAC)** – provides comments and advice on policy and procedural initiatives relating to proceedings before the Capital Markets Tribunal.

## **CSA advisory committees include:**

**Financial Reporting Advisory Committee (FRAC)** – provides advice to the CSA’s Chief Accountants Committee on relevant policy initiatives and various technical accounting and auditing issues that relate to financial reporting requirements and guidance in securities legislation in Canada. The committee also serves as a forum to discuss financial reporting practices and trends in the Canadian and global capital markets.

**Mining Technical Advisory and Monitoring Committee (MTAMC)** – provides advice to the CSA on technical issues relating to disclosure requirements for the mining industry. The committee also serves as a forum for continuing communication between the CSA and the mining industry.

**CSA Investor Advisory Panel (CSA IAP)** - is an independent advisory panel to the CSA. The CSA IAP provides feedback and written comments to existing and proposed CSA rules and policies, as well as ongoing concept papers and discussion drafts. The mandate is to represent the interests of retail investors across Canada by providing advice to the CSA on its policy and rulemaking initiatives that have an impact on retail investors.

# Communications and Public Affairs

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## Strategic Focus

We are guided by the following principles:

- Prioritize consultation and interaction with stakeholders about the OSC's ongoing work to modernize regulation
- Build on current listening strategies to understand stakeholders' preferred communications channels and develop tailored approaches in response
- Clearly and consistently articulate OSC priorities and outcomes to both internal and external audiences
- Focus on key priority topic areas (modernizing regulation, investor protection, delivering on mandate, facilitating innovation etc.) and ensure consistent delivery of key messages across all available channels
- Deliver transparent and measurable communications so that stakeholders understand what we do, how we do it and are actively engaged in our work
- Ensure maximum reach by delivering integrated communications strategies, leveraging all tools, resources and channels (including digital communications and enterprise social media)

## External Outreach and Communication

Our outreach strategy is designed to promote and enhance knowledge and information regarding the operation of the securities and financial markets. We work to ensure the investing public, market participants and interested stakeholders are familiar with our processes, points of contact, service standards and priorities.

The OSC prioritizes content development and executive outreach that clearly articulates the OSC's key messages and priorities. The OSC communicates and engages with investors and other stakeholders regularly through publications and channels such as social media, newsletters, events, webinars, corporate reporting, and its digital properties. Further initiative-specific areas are set out below.

### OSC Websites

The OSC's digital properties, including the OSC corporate website, [OSC.ca](https://www.osc.ca), [CapitalMarketsTribunal.ca](https://www.CapitalMarketsTribunal.ca) for Tribunal information and resources, [GetSmarterAboutMoney.ca](https://www.GetSmarterAboutMoney.ca) for retail investors, and [www.oscinnovation.ca](https://www.oscinnovation.ca), supporting innovative businesses and Ontario's financial innovation ecosystem. Each site provides target audiences and stakeholders with accessible and relevant information.

### OSC Dialogue

OSC Dialogue is the Commission's signature annual conference which attracts hundreds of senior market participants each year and garners significant media coverage. The event highlights Ontario as a leading capital markets jurisdiction and features plenary discussions with internationally recognized thought-leaders and leading policy experts from around the world.



Planning is underway for OSC Dialogue 2023, which is scheduled for Thursday, April 27, 2023. After several years of gathering on virtual platforms, we are excited to offer OSC Dialogue once again as an in-person event, this year at the Metro Toronto Convention Centre in Toronto.

The theme for OSC Dialogue 2023 is *“Regulating with Purpose”*. As market players navigate a starkly different macroeconomic environment, geopolitical threats, and shifting investor demands, regulation plays a critical role in fostering stability and confidence. The OSC is facing this challenge, and forging ahead, with an expanded mandate and novel structure.

OSC Dialogue 2023 will convene business leaders, senior regulators, and international policy experts to discuss the path forward amid the risks and opportunities posed by fast-evolving capital markets.

## Corporate Reporting

The OSC also communicates with its stakeholders on its operational activities and other key highlights by:

- Reporting publicly on how we are tracking against our service commitment standards quarterly
- Reporting on our key accomplishments against our Statement of Priorities and providing statistics related to our core regulatory work in our Annual Report
- Publishing various branch specific summary or activity reports

## Stakeholder Engagement

The OSC is open to stakeholder feedback, emphasizing integrated communications and relationship development with industry, investors and other stakeholder groups. Stakeholder engagement features thought-leadership and corporate outreach to engage commentators and drive the discussion around OSC priorities and strategic initiatives.

As part of policy and rule development, the OSC has established several advisory committees to gather input on regulatory issues and industry trends. Through these advisory committees, community, retail and industry representatives advise on the development of new or amended securities regulation. As a guiding principle, the OSC welcomes applicants on its advisory committees who bring a diversity of thought and background.

The OSC also invites stakeholders to participate in various policy roundtables and to provide comments on proposed instruments, rules and initiatives, including our Statement of Priorities.

Investors are engaged through investor community seminars, telephone townhalls, and other events hosted by the OSC.

The OSC actively collaborates with businesses and other regulators to support innovation and modernizing regulation through the OSC’s Innovation Office.

## Public Affairs

The OSC develops and implements communications strategies to ensure our priorities and actions are broadly known and understood by market participants and interested stakeholders, and that our policy initiatives are aligned with government priorities. The OSC seeks opportunities to proactively maximize visibility for OSC priorities. We also develop communications strategies to mitigate issues that pose risks to public confidence in Ontario’s capital markets.

## Internal Communications

OSC internal communications focuses on continued improvements to staff engagement in connection with OSC priorities. This engagement is achieved via staff intranet, weekly newsletters, executive messaging, quarterly virtual town hall meetings and candid Q&A sessions. Planned intranet enhancements will enable greater collaboration, streamline communication and enhance productivity.

# Metrics

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## Performance Measurement

Effective performance measurement provides insights into operations, supports planning and decisions, promotes a culture of accountability and allows for the monitoring of performance.

### Performance Measures

The OSC tracks performance against a series of measures. These measures include input, activity, output, and outcome measures (as noted in the Strategic Direction section of this Plan).

Examples of input, activity and output measures include volume measures such as the number of prospectus filings reviewed, number of compliance reviews completed, transaction turnaround times, service standards and project progress. Tracked over time, these measures support trend detection, identification of issues and emerging risks, project management, workload management and more effective resource allocation.

Outcome measures indicate whether the OSC's statutory objectives, strategies and goals have been achieved. The impact of regulation, supervisory activity and interventions are more complex to quantify as they occur over time and are often less tangible and the result of multiple factors. For market-facing activities, outcomes are measured for example in terms of compliance rates (e.g., as measured by the number of significant findings in compliance reviews and number and type of misconduct cases identified), number and type of investor complaints, changes in investor literacy rates and successful enforcement outcomes. For internal operations, the OSC measures outcomes, for example in terms of employee retention and satisfaction rates and adherence to budget. The OSC Statement of Priorities identifies specific activities and key planned outcomes for each priority. The key activities and planned outcomes from the 2023-2024 Statement of Priorities are found in the "Strategic Direction – Current and Future Programs and Activities" section of this Business Plan.

### Performance Reporting

The OSC produces regular performance reports both internally and externally. Internal quarterly reports are presented to the OSC Board and Executives. The OSC is also accountable to external stakeholders and uses various external reporting tools to ensure accountability and transparency – namely:

- The OSC publishes an Annual Report, including the Report Card on progress against the initiatives identified in the Statement of Priorities.
- Various branches within the OSC produce Summary, or Activity Reports, which are published on the OSC Website.
- The OSC annually publishes its Service Commitments, which outlines service standards and targeted timelines, along with publishing quarterly results against these targets. The list of the OSC's current service commitments can be found in Appendix A of this Business Plan. The OSC reviews its service commitments on an annual basis and updates service commitments as necessary. The OSC may implement temporary changes to its Service Commitments in response to emerging issues, as required.

# Budget

## 2023 – 2024 Budget Summary

The 2023-2024 OSC operating and capital budgets prioritize spend in core operations, while also delivering on multi-year regulatory and technology programs.

Budgeted revenues reflect a \$24.1 million (16.7%) increase from the 2022-2023 budget as a result of an additional \$16.7 million of revenues due to strong market growth experienced in the past few years, higher interest revenues and a net increase of \$7.4 million due to fee rule amendments.

Budgeted expenses reflect a \$5.4 million (3.5%) increase from the 2022-2023 budget. The budget includes a \$5.8 million increase in salaries and benefits including 23 new permanent positions. Additional budgeted expenses of \$2.0 million are primarily the result of the implementation of new system platforms from the digital transformation program, integrating local OSC systems within SEDAR+ and vendor inflationary adjustments. The budgeted increases are partially offset by a recovery of \$2.4 million for Innovation Office costs from Designated Funds, which is subject to government approval of a new regulation made under the *Securities Commission Act, 2021 (SCA)*.

The 23 new permanent positions include:

- 16 permanent positions supporting regulatory operations, business operations and advisory, and executive offices.
- 7 permanent positions in accordance with our multi-year initiative to strengthen over-the-counter derivatives regulatory oversight.

Capital expenditures are budgeted at \$11.0 million, reflecting a \$1.3 million (10.8%) decrease from the 2022-2023 budget. The budget is comprised of the following:

- \$2.7 million for leasehold improvements aligned with the multi-year workplace modernization program to transform office space to support a hybrid work environment
- \$3.3 million for integrating local OSC systems within SEDAR+
- \$3.5 million for digital transformation projects
- \$0.7 million for the development of the OTC Derivatives Datamart
- \$0.8 million for regular infrastructure refresh projects, including the replacement of certain aged office furniture

## 2022 – 2023 Financial Summary

Total forecasted excess of revenues over expenses in 2022-2023 is \$5.5 million. Total forecasted revenues in 2022-2023 are \$157.5 million, representing an increase of \$13.0 million (9.0%) from the 2022-2023 budget primarily from higher participation fees due to capital markets growth. Total forecasted expenses in 2022-2023 are \$152.0 million, a decrease of \$3.9 million (2.5%) from the 2022-2023 budget.

## Fee Rule Amendments

The Minister of Finance approved amendments to the OSC’s Fee Rules (13-502 and 13-503) with an effective date of April 3, 2023. Fee rates had remained unchanged since 2017-2018. The fee rule amendments include new fees towards OTC derivatives market participants to fund the expansion of OTC derivatives regulatory oversight capabilities while reducing fees for most existing fee payers as we re-calibrate fees to reflect a fair allocation of costs across market segments. The budget reflects \$13.5 million in participation fees for entities engaging in OTC derivatives transactions, partially offset by \$6.1 million in fee reductions.

The amendments are expected to generate efficiencies for most market participants and the OSC by eliminating a number of activity and late fees without compromising investor protection.

Excess/Deficiency of Revenues over Expenses (in millions)	2022-2023 Budget	2023-2024 Budget	Change Favourable/ (Unfavourable)	Change Favourable/ (Unfavourable)
Revenues	\$144.4	\$168.5	\$24.1	16.7%
Expenses*	\$155.9	\$161.3	(\$5.4)	(3.5%)
Excess (Deficiency) of Revenues over Expenses	<b>(\$11.5)</b>	<b>\$7.2</b>	<b>\$18.7</b>	
Capital Expenditures	\$12.4	\$11.0	\$1.4	11.3%

\* Net of Recoveries from Designated Funds

	2022-2023 Budget	2023-2024 Budget	Change
Staff Resources	685	708	3.4%

OSC Operating Budget and Staff Allocation			
2023- 2024 Budget Expenses: \$161.3 Million			
Total 708 Staff (566 Front Office Staff)			
Regulatory Operations <b>Budget - \$133.9 Million</b> <b>(489 staff)</b>	Regulatory Advisory <b>Budget - \$20.1 Million</b> <b>(64 staff)</b>	Executive Offices <b>Budget - \$5.0 Million</b> <b>(11 staff)</b>	Capital Markets Tribunal** <b>Budget – \$2.3 million</b> <b>(2 staff)</b>

\* Back-office costs have been re-allocated to front office activities.

\*\*Direct costs for Capital Markets Tribunal are \$2.1 million.

### Three Year Surplus Forecast

(in millions)	2023-2024 Budget	2024-2025 Forecast	2025-2026 Forecast
Total Revenues	\$168.5	\$170.3	\$173.4
Total Expenses*	\$161.3	\$172.0	\$178.3
Surplus/(Deficit)	<b>\$7.2</b>	<b>(\$1.7)</b>	<b>(\$4.9)</b>
Opening Surplus	\$138.9	\$146.1	\$144.4
Closing Surplus	<b>\$146.1</b>	<b>\$144.4</b>	<b>\$139.5</b>

\* Net of Recoveries from Designated Funds

### Capital Expenditures Forecast

(in millions)	2023-2024 Budget	2024-2025 Forecast	2025-2026 Forecast
Leasehold Improvements	\$2.7	\$6.6	\$6.8
SEDAR+ Integration	\$3.3	\$2.5	\$0.6
Digital Transformation	\$3.5	\$2.3	\$2.3
OTC Derivatives Datamart	\$0.7	\$0.8	\$0.8
Other IT initiatives	\$0.8	\$3.7	\$0.8
<b>Total</b>	<b>\$11.0</b>	<b>\$15.9</b>	<b>\$11.3</b>

The OSC's closing surplus in 2022-2023 is forecasted to be \$138.9 million, projected to increase to \$139.5 million in 2025-2026. The revenue forecast assumptions include nominal growth in capital markets from 2023-2024 to 2025-2026. The OSC's revenues generated from participation fees (85% of total revenues) are directly tied to changes in firm, industry and general market growth. Given the lack of control over most revenues, an adequate cash reserve of approximately 6 months is necessary to continue to carry out the OSC mandate during unfavourable capital market driven events.

The increase in forecasted expenses in fiscal year 2024-2025 onwards is primarily from higher staffing levels to support growing organizational needs, and inflationary increases on business-as-usual expenses.

Capital expenditures are forecasted to increase in fiscal 2024-2025 and be comparable to fiscal 2023-2024 spend in fiscal 2025-2026. Capital expenditures are forecasted to decline in 2025-2026 primarily due to the completion of the SEDAR+ project. Digital transformation projects to support the streamlined end-to-end regulatory and back office activities are forecasted to decline in fiscal 2024-2025 and 2025-2026 compared to fiscal 2023-2024. The OTC Derivatives Datamart is expected to be delivered in five phases with an even spend throughout the

forecast period. The OSC's cash balance is forecasted to be \$138.6 million (including reserves) as of March 31, 2023. Furthermore, we forecast an ending cash position of \$122.2 million by March 2026.

The Designated Funds balance as of September 2022 was \$121.9 million. The Securities Commission Act, 2021 (SCA) permits the OSC to allocate previously designated money and any enforcement moneys received under settlements or orders issued after the introduction of the SCA: (1) to or for the benefit of third parties (2) for use by the OSC for the purpose of educating investors or promoting or otherwise enhancing knowledge and information of persons regarding the operation of the securities and financial markets or (3) for any other purpose specified in the regulations. Enforcement moneys received by the OSC under orders or settlements issued following the introduction of the SCA must be allocated by the Board, at least once each fiscal year, for these uses or paid into the Consolidated Revenue Fund. The OSC allocates funds for investor education and outreach programs and other knowledge enhancement initiatives in accordance with established guidelines, and to or for the benefit of third parties, including harmed investors, whistleblowers and third parties that support one or more of the purposes of the Ontario Securities Act and/or the Commodity Futures Act. In 2023-2024, we also included in the budget a recovery from Designated Funds of costs associated with Innovation Office costs, which are subject to government approval of a new regulation made under the SCA. While Designated Funds have grown to \$121.9 million, the inflow of funds into the account is completely dependent upon the nature of enforcement cases concluded from year to year and the Commission's ability to collect on any related orders.

## Appendix A - Service Commitments

Note: The below represents the OSC Service Commitments as at February 22, 2023, which includes temporary changes to its service commitments which are effective until March 31, 2023. The most current OSC service standards can be found at <https://www.osc.ca/en/about-us/accountability/osc-service-commitment>.

### When you have a general question or complaint

Description	Timeline
Calling the OSC Inquires and Contact Centre	<p><b>1.1</b> Answer 95% or greater of telephone calls received.</p> <p><i>(Note: This target accounts for a 5% call abandonment rate which may include spam, robocalls, misdials and signal issues among other uncontrollable variables.)</i></p> <p><b>1.2</b> Answer 80% of calls received within 60 seconds.</p> <p>We will answer your questions or concerns on the spot. For more complex matters, we may ask you for more information or documentation or may let you know that we need more time.</p> <p>If you reach voice mail during business hours, we will get back to you the same day or by the end of the next working day.</p>
Written inquiries or complaints received by e-mail, mail, fax, or online form	<p><b>1.3</b> We will respond to you on routine matters within 5 working days or less (target is 95% of all written inquiries and complaints received).</p> <p>For more complex matters we may ask you for more information or let you know we need more time.</p>

### When you contact us about investing and personal finance questions via InvestingQuestions.ca

Description	Timeline
When asking a question through <i>InvestingQuestions.ca</i>	<p><b>2.1</b> We will respond to your question within 10 working days of receiving the question (target is for 80% of all questions received).</p> <p>For more complex matters we may ask you for more information or let you know we need more time. For questions that fall outside of the mandate of the OSC, our response may not be published on the website, but we will respond by email.</p>



## When you make a filing with us

### Prospectus: Filing for a confidential prospectus pre-file, preliminary or pro forma prospectus

Description	Timeline
Issuing comment letters for confidential prospectus pre-file, long form prospectus or simplified prospectus	<b>3.1</b> We will provide a first comment letter within 10 working days of the date of the preliminary receipt (for preliminary filings) or acknowledgment of receipt (confidential prospectus pre-file) and related materials in acceptable form (target is for 80% or more of all filings received).
Issuing comment letters for short form prospectus or shelf prospectus	<b>3.2</b> We will provide a first comment letter within 3 working days of the date of the preliminary receipt and related materials in acceptable form (target is for 80% or more of all filings received).
Completion of review	<b>3.3</b> We will complete our review for routine offerings within 40 working days of the issuance of a receipt (for preliminary filings) and receipt of related materials in acceptable form (target is for 80% or more of all routine filings received).  <b>Note:</b> Offerings that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every 2 weeks.
Filing your final prospectus	<b>3.4</b> For final prospectus materials filed by 12:00 noon: receipt will be issued by end of the same working day provided materials are in acceptable form.

### Prospectus Amendments: Filing an amendment to a preliminary or current prospectus

When filing a preliminary prospectus amendment before the OSC issues a comment letter relating to the preliminary prospectus materials:

Description	Timeline
Long form prospectus or simplified prospectus	<b>3.5</b> We will issue our comment letter on the later of the date that is 5 working days after the date of the receipt for the preliminary prospectus amendment and the original due date for the comment letter (target is for 90% or more of all filings received).
Short form prospectus or shelf prospectus	<b>3.6</b> We will issue our comment letter on the later of the date that is 3 working days after the date of the receipt for the preliminary prospectus amendment and the original due date for the comment letter (target is for 80% or more of all filings received).

When filing an amendment to a prospectus after a final receipt has been issued by the OSC:

Description	Timeline
Long form prospectus or simplified prospectus	<b>3.7</b> We will issue our comment letter 5 working days after the date that related materials are received in acceptable form (target is for 85% or more of all filings received).
Short form prospectus or shelf prospectus	<b>3.8</b> We will issue our comment letter 5 working days after the date that related materials are received in acceptable form (target is for 85% or more of all filings received).

Providing our decision on amendment filings:

Description	Timeline
Completion of review	<p><b>3.9</b> We will complete our review for routine offerings within 40 working days of the issuance of a receipt (for the preliminary filings) and receipt of related materials in acceptable form (target is for 85% or more of all routine filings received).</p> <p><b>Note:</b> Offerings that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every 2 weeks.</p>

Exemption Application: Filing an application for exemptive relief (excluding exemption from recognition applications for market infrastructure entities)

Description	Timeline
Issuing comment letters	<b>4.1</b> We will issue a first comment letter within 15 <sup>4</sup> working days of receiving a complete and adequate application in acceptable form (target is for 85% or more of all applications received).
Providing our decision	<p><b>4.2</b> We will make a decision on requests for routine exemptive relief within 45<sup>4</sup> working days of receiving a complete and adequate application (target is for 80% or more of all routine exemption applications received).</p> <p><b>Note:</b> Applications that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every two weeks.</p>

<sup>4</sup> Temporary change effective until March 31, 2023.

## Application for recognition/ designation/ exemption from recognition

Description	Timeline
Issuing comment letters	<p><b>4.3</b> We will issue a first comment letter within 20 working days of receiving a complete and adequate application in acceptable form (target is for 80% or more of all routine applications received).</p> <p><b>Note:</b> Applications that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every two weeks</p>
Completion of review	<p><b>4.4</b> We will complete our review within 6-9 months from receipt of a final application for routine items (target is for 80% or more of all routine applications received).</p> <p><b>Note:</b> Applications that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every two weeks</p>

## Management Information Circular: Filings for Conflict of Interest Transactions

Description	Timeline
Conflict of Interest Transactions	<p><b>5.1</b> We will provide comments, if applicable, within 5 working days from the date of filing of the circular (target is 80%<sup>5</sup> or more on all filings received).</p>
Completion of review	<p><b>5.2</b> We will complete our review within 14 working days from the date of filing of the circular (target is 80% or more of all filings received).</p>

## Take-Over / Issuer Bid Circulars

Description	Timeline
Filing a Take-Over Bid / Issuer Bid Circular	<p><b>5.3</b> We will provide comments, if applicable, within 7 working days from the date of filing of the circular (target is 80%<sup>5</sup> or more on all filings received).</p>
Completion of review	<p><b>5.4</b> We will complete our review within 21 working days from the date of filing of the circular (target is 80% or more of all filings received).</p>

## Dissident Proxy Circulars

Description	Timeline
Filing a Dissident Proxy Circular	<p><b>5.5</b> We will provide comments, if applicable, within 5 working days from the date of filing of the circular (target is 80%<sup>3</sup> or more on all filings received).</p>
Completion of review	<p><b>5.6</b> We will complete our review within 14 working days from the date of filing of the circular (target is 80% or more of all filings received).</p>

<sup>5</sup> Temporary change effective until March 31, 2023.

## Registration Materials: New business submissions

Description	Timeline
Our acknowledgement of your application	<b>6.1</b> We will acknowledge your application within 5 working days after receipt of the application (target is for 95% or more of all filings received).
Our response to your application	<b>6.2</b> We will provide our initial comments on your firm registration application within 45 <sup>3</sup> working days of receiving a complete and adequate application in acceptable form (target is for 80% or more of all filings received).
Providing our decision on applications for new business submissions that have met the prescribed conditions <sup>6</sup>	<b>6.3</b> We will make a decision on routine applications and notify you within 120 <sup>7</sup> working days of receiving a complete and adequate application in acceptable form (target is for 80% or more of all routine filings received).  <b>Note:</b> Applications that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every two weeks.

## Registration Materials: Dealing representatives

Description	Timeline
New applications and reactivations that have met the prescribed conditions <sup>6</sup> and are not part of a new business submission	<b>6.4</b> We will make a decision on routine applications within 10 <sup>7</sup> working days of receiving a complete and adequate application in acceptable form (target is for 80% or more of all routine filings received).  <b>Note:</b> Applications that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every two weeks.

## Registration materials: Advising representatives, associate advising representatives and CCO's

Description	Timeline
New applications and reactivations that have met the prescribed conditions <sup>6</sup> and are not part of a new business submission	<b>6.5</b> We will make a decision on routine applications within 30 <sup>7</sup> working days of receiving a complete and adequate application in acceptable form (target is for 80% or more of all routine filings received).  <b>Note:</b> Applications that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every two weeks.

<sup>6</sup> You are a non-SRO applicant, all questions are answered with sufficient detail, all regulatory obligations are met, there are no concerns with your fitness for registration, and you respond to our request for information in a timely manner.

<sup>7</sup> Temporary change effective until March 31, 2023.

## Notices of termination

Description	Timeline
Where the individual left the former sponsoring firm in good standing	<b>6.6</b> We will complete our acknowledgement of a notice of termination within 24 hours of receipt (target is for 100% of all filings received).

## If you are selected for review<sup>8</sup>

### Continuous Disclosure Reviews (Full Reviews)

Description	Timeline
Issuing comment letters	<b>7.1</b> We will respond to the issuer's correspondence within 10 working days of receiving the correspondence (target is for 80% or more of all reviews).
Completion of review	<b>7.2</b> We will complete our review within 120 days from the issuance of our first comment letter (target is for 80% or more of all reviews).  Issue-oriented review times vary significantly based on the nature of the review. We will provide regular touchpoints to advise you of our progress at least every two weeks.

### Insider Reporting Reviews

Description	Timeline
Issuing comment letters	<b>7.3</b> We will respond to the issuer's correspondence within 10 working days of receiving the correspondence (target is for 80% or more of all reviews).
Completion of review	<b>7.4</b> We will complete our review within 120 days from the issuance of our first comment letter (target is for 80% or more of all reviews).

<sup>8</sup> Note: Complete information and timely responses will help facilitate a timely review. Reviews that are complex, raise new policy issues, that involve concurrent regulatory files, or require further regulatory action take longer for the OSC to complete. We will provide regular touchpoints to advise you of our progress at a minimum of every two weeks.

## Compliance Reviews: Registrants

Description	Timeline
Risk-based assessment of the registrant's compliance with Ontario securities laws and commodity futures laws	<p><b>7.5</b> We will complete our review and communicate our findings within 12<sup>9</sup> weeks of the initial meeting with the registrant (target is for 80% or more of all reviews, excluding sweeps.)</p> <p>For reviews conducted as a sweep, the findings are coordinated across all firms selected for the sweep and, as a result, it will take longer for staff to communicate our findings.</p> <p><b>Note:</b> <i>In general, the time spent on a review depends on the quality and effectiveness of your existing compliance program as well as the availability of key personnel and prompt responses to our requests for information.</i></p>

## When you request OSC Records

### Requesting OSC records: Calling or emailing Records and Information Management

Description	Timeline
Requesting copies of company filings or Commission hearing materials <sup>10</sup> available to the public through Records and Information Management	<p><b>8.1</b> We will acknowledge receipt of your request by the end of the next working day.</p> <p><b>8.2</b> We will complete your request within 5 working days (target is 90% or more for all requests).</p> <p>For certain types of requests, including requests for historical company filings or Commission hearing materials, we may ask you for more information or let you know we need more time.</p>

### Requesting copies of your OSC registration records and related forms: Calling or emailing Records and Information Management

Description	Timeline
Registrants requesting copies of their own registration records and related forms	<p><b>8.3</b> We will acknowledge receipt of your request by the end of the next working day.</p> <p><b>8.4</b> We will complete your request within 5 working days (target is 90% or more for all requests).</p>

<sup>9</sup> Temporary change effective until March 31, 2023.

<sup>10</sup> Does not include records related to current proceedings before the Commission. They are separately handled through the OSC Registrar.

## If you request support from OSC LaunchPad

### Requests for Support (RFS) Form

Description	Timeline
Our acknowledgement of your RFS Form	<b>9.1</b> We will acknowledge within 2 working days of receipt of your RFS form (target is for 100% of all RFS forms reviewed).
Eligibility review	<p><b>9.2</b> We will contact you within 10 working days of receipt of your RFS form (target is for 80% of all RFS forms received).</p> <p>If your business is eligible for OSC LaunchPad support, we will reach out to schedule a meeting. If your business is not eligible for OSC LaunchPad support, we will provide feedback.</p>
Providing support for eligible businesses	<b>9.3</b> A telephone call or in-person meeting will be held to provide direct support within 20 working days of receipt of your RFS Form (target is for 80% of all meetings scheduled).
Request for additional materials or filings	<p><b>9.4</b> Following this meeting, if you are eligible to receive continued support from OSC LaunchPad, we may ask you to provide us with additional materials or a filing within 20 working days of your direct support meeting (target is for 80% of all meetings scheduled).</p> <p>If we do not receive the requested additional materials/filing, we will generally consider the file to be dormant and will take steps to close it. Refer to the “If we don’t hear from you” section above for more information.</p>