



BC Notice 2018/09

Fee Changes

Introduction

The British Columbia Securities Commission (BCSC or we) has received all required approvals to adopt amendments to the *Securities Regulation* B.C. Reg. 196/97 regarding fees (the fee amendments). These fee amendments come into effect on **December 30, 2018**. The text of the fee amendments is in Annex A and are summarized in the table below.

Background

The BCSC is the independent government agency responsible for securities regulation in BC. The BCSC's mandate is to protect and promote the public interest by fostering:

- a securities market that is fair and warrants public confidence
- a dynamic and competitive securities industry that provides investment opportunities and access to capital

The capital markets are very significant to BC investors and the BC economy. BC investors' direct and indirect investments exceed \$600 billion. Companies raised approximately \$50 billion in BC's public and private markets during 2017. More public company head offices are based in BC than elsewhere in Canada. More than 1,200 exchange-listed companies with an aggregate market capitalization of over \$200 billion are based in BC. BC also has about 140 registered investment firms and 34,000 registered investment advisors.

The BCSC receives no government or taxpayer funding and funds its operations entirely from fees paid by securities market participants. We aim to deliver effective market oversight at costs that do not create an excessive financial burden on those market participants. The BCSC has not raised fees since 1994¹. In 2001², the BCSC eliminated or reduced 14 fees, reducing annual revenue by about \$4 million, and in 2002³, we returned \$12 million to industry through a one-year fee reduction.

In designing the fee amendments we considered the revenue that is necessary to fund effective market oversight as well as:

- market participants' ability to pay
- the ease of determining a fee payable
- the fee regimes and revenues in Alberta and Ontario

¹ In 2009 the BCSC added a fee for a new category of registrant - investment fund manager – as a consequence of the CSA's registration reform project.

² https://www.bsc.bc.ca/News/News_Releases/BC_Securities_Commission_Reduces_Fees/

³ [https://www.bsc.bc.ca/News/News_Releases/Securities_commission_to_reduce_fees_by_\\$12_2-million/](https://www.bsc.bc.ca/News/News_Releases/Securities_commission_to_reduce_fees_by_$12_2-million/)

Substance and Purpose

Revenue from the fee amendments will help enable the BCSC address the increased complexity of the BC capital markets and financial markets generally and the expanded scope of the BCSC's regulatory responsibilities. The revenue will also help us fund investor protection and market efficiency initiatives including:

- deterring misconduct through greater criminal enforcement and fine collection
- protecting BC investors through targeted education programs
- supporting innovative financial and other technology businesses
- reducing the cost of capital for BC companies by modernizing the regulatory framework for capital raising
- mitigating cybersecurity risks.

Summary of changes from our publication for comment

On May 1, 2018⁴ we published a consultation notice about the fee amendments. In response to comments and having further considered our proposals, we simplified or reduced proposed fees in the following areas:

- applications for exemptions and other orders
- applications for recognition of an exchange, clearing agency or trade repository
- applications for an exemption from recognition for an exchange or clearing agency
- annual fees for recognized exchanges, clearing agencies and trade repositories
- initial filing and annual fees for alternative trading systems

Summary of all fee amendments

Current fee		Revised fee	
Seeking or maintaining registration as a dealing representative, advising representative or associate advising representative (Item 1 ⁵)	\$250	Seeking or maintaining registration as a dealing representative, advising representative or associate advising representative (Item 1)	\$350
The prospectus fee related to the percentage of the value of securities distributed in BC under a prospectus that exceeds the base filing fee of \$1500 (mutual fund) or \$2500 (all other issuers) (Item 10)	.02%	The prospectus fee related to the percentage of the value of securities distributed in BC under a prospectus that exceeds the base filing fee of \$1500 (mutual fund) or \$2500 (all other issuers) (Item 10)	.025%
For filing an application, other than an application to revoke a cease-trade order in effect for less than 91 days, to the commission or the executive director for a decision under the Act, this regulation, the	\$750	Applications for one or more of the following exemptions or decisions provided an application is not also required for a decision that is not in this list (Item 15.1): <ul style="list-style-type: none"> • to revoke, partially revoke, or vary a 	\$1,000

⁴ [BCN 2018/05](#)

⁵ The Item numbers refer to Items in s.22 of the *Securities Regulation*

Current fee		Revised fee	
Rules, another enactment or a policy statement, if no other fee for that filing is prescribed (Item 15)		cease trade order made under s.164 of the Act that has been in effect for less than 91 days ⁶ <ul style="list-style-type: none"> • ceasing to be a reporting issuer • exemption from NI 31-102 <i>National Registration Database</i> • exemption from NI 33-109 <i>Registration Information</i> • exemption from one or more of ss. 3.3, 3.5, 3.6, 3.7, 3.8, 3.9, 3.10, 3.11, 3.12, 3.13, 3.14, 9.1 or 9.1 of NI 31-103 <i>Registration Requirements, Exemptions and Ongoing Registrant Obligations</i> • an application under s.164 of the Act for a management cease trade order • an application for a decision under section 26 of the <i>Securities Regulation</i> 	
		Application for recognition in respect of an exchange or a clearing agency (Items 15.2 and 15.4)	\$40,000
		Application for an exemption from recognition in respect of an exchange or clearing agency (Item 15.3 and 15.5)	\$15,000
		Application for recognition in respect of a trade repository (Item 15.7)	\$25,000
		All other applications for exemptions or decisions, for which no other fee is prescribed ⁷ (Item 15)	\$4,500
None	N/A	For an alternative trading system filing Form 21-101F2 <i>Initial Operation Report – Alternative Trading System</i> (Item 15.6)	\$25,000
Base fee for filing a report of exempt distribution (Item 16)	\$100	Base fee for filing a report of exempt distribution (Item 16)	\$200

⁶ In most circumstances an application to revoke a cease trade order issued under s.164 of the Act is not required because under s.164 the commission or the executive director must revoke the cease trade order (without an application) if, within 90 days of its issue, the person files the record the person failed to file or the person files the record addressing the deficiencies that led to the cease trade order.

⁷ Under Item 15 there is no fee for filing an application to have a cease trade order issued under s. 161 of the Act revoked, revoked in part or varied. Because an issuer whose cease trade order issued under s.164 of the Act is in effect for more than 90 days becomes a dormant issuer and requires reactivation (s.186 of the *Securities Rules*), Item 21 (not Item 15.1) prescribes the fee in those circumstances.

Current fee		Revised fee	
Filing a take-over bid or issuer bid circular (Item 20)	\$750	Filing a take-over bid or issuer bid circular (Item 20)	\$4,500
N/A	N/A	An international dealer or adviser filing either Form 31-103F2 <i>Submission to Jurisdiction and Appointment of Agent for Service</i> or an annual notice of reliance on the international dealer or adviser exemption (Item 32)	\$1,400
N/A	N/A	Annual fee for a recognized exchange or a recognized clearing agency (Items 33 and 34)	\$20,000
N/A	N/A	Annual fee for alternative trading system (Item 35)	\$5,000
N/A	N/A	Annual fee for a recognized trade repository (Item 36)	\$15,000

Consequential amendments

We have updated the following to reflect the fee amendments:

- BC Form 11-901F *Fee Checklist*
- e-services
- the National Registration Database
- SEDAR and the SEDAR filer manual
- Various FAQs on the BCSC website that refer to fees that have changed

Questions

Please refer your questions to either of the following:

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December 5, 2018



Brenda M. Leong
 Chair

PROVINCE OF BRITISH COLUMBIA

Annex A

ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 653, Approved and Ordered December 3, 2018

[Signature]
Lieutenant Governor

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that, effective December 30, 2018, the Securities Regulation, B.C. Reg. 196/97, is amended as set out in the attached Schedule.

DEPOSITED
December 3, 2018
B.C. REG. 258/2018

[Signature]
Minister of Finance and Deputy Premier

[Signature]
Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: Securities Act, R.S.B.C. 1996, c. 418, s. 183

Other: M244/97

R20274021

SCHEDULE

1 The Securities Regulation, B.C. Reg. 196/97, is amended by adding the following section to Part 7:

Interpretation

- 21.1** (1) In section 22, “**management cease trade order**” means an order that prohibits or restricts trading in securities of a reporting issuer by any of the following:
- (a) the chief executive officer of the reporting issuer or a person acting in a similar capacity;
 - (b) the chief financial officer of the reporting issuer or a person acting in a similar capacity;
 - (c) an officer or director of the reporting issuer or other person who had, or might have had, access directly or indirectly to a material fact or material change with respect to the reporting issuer that has not been generally disclosed.
- (2) For the purposes of items 15 and 15.1 of section 22, if an applicant files more than one application under those items, the applications are considered to be a single application for the purpose of determining the fee if
- (a) the commission or the executive director considers that the applications relate to the same matter, and
 - (b) in the case that the applications are not filed at the same time, the applications are filed before a final decision is made with respect to the first application that was filed.

2 Section 22 is amended

- (a) in Column 2 of item 1 (2) by striking out “\$250” and substituting “\$350”,*
- (b) in Column 1 of item 10 (a) by striking out “0.02%” and substituting “0.025%”,*
- (c) in item 15 by striking out “application, other than an application to revoke a cease-trade order in effect for less than 91 days, to” in Column 1 and substituting “application, other than an application to revoke, revoke in part or vary an order made under section 161 or 164 of the Act, with” and by striking out “\$750” in Column 2 and substituting “\$4 500”,*

(d) by adding the following items as indicated:

Item	Column 1	Column 2
15.1	(1) For filing any of the following applications, unless an application to which item 15 applies is also filed, in which case no fee is payable under this subsection: <ul style="list-style-type: none"> (a) an application to the commission or the executive director for a decision to revoke, revoke in part or vary an order made under section 164 of the Act if the order has been in effect for less than 91 days; (b) an application for a decision under section 88 of the Act; (c) an application for a decision under National Instrument 31-102 <i>National Registration Database</i>; (d) an application for a decision under National Instrument 33-109 <i>Registration Information</i>; (e) an application for a decision under section 3.3, 3.5, 3.6, 3.7, 3.8, 3.9, 3.10, 3.11, 3.12, 3.13, 3.14, 9.1 or 9.2 of National Instrument 31-103 <i>Registration Requirements, Exemptions and Ongoing Registrant Obligations</i>; (f) an application under section 164 of the Act for a management cease trade order (2) For filing an application for a decision under section 26 of this regulation	\$1 000
15.2	For filing an application for recognition in respect of an exchange	\$40 000
15.3	For filing an application for an exemption from the requirement to be recognized in respect of an exchange	\$15 000
15.4	For filing an application for recognition in respect of a clearing agency	\$40 000
15.5	For filing an application for an exemption from the requirement to be recognized in respect of a clearing agency	\$15 000
15.6	For filing Form 21-101F2 <i>Information Statement – Alternative Trading System</i> in respect of an alternative trading system if a Form 21-101F2 has not been previously filed with respect to that alternative trading system	\$25 000
15.7	For filing an application for recognition in respect of a trade repository	\$25 000

(e) in Column 1 of item 16 (c) (i) by striking out “\$100” and substituting “\$200”,

(f) in Column 2 of item 20 by striking out “\$750” and substituting “\$4 500”,

(g) by repealing items 29, 30 and 31, and

(h) by adding the following items as indicated:

Item	Column 1	Column 2
32	For the following: (a) submitting Form 31-103F2 <i>Submission to Jurisdiction and Appointment of Agent for Service</i> under section 8.18 (3) (e) or 8.26 (4) (f) of National Instrument 31-103 <i>Registration Requirements, Exemptions and Ongoing Registrant Obligations</i> or under both of those sections if submitted at the same time (b) providing a notification under section 8.18 (5) or 8.26 (5) of National Instrument 31-103 <i>Registration Requirements, Exemptions and Ongoing Registrant Obligations</i> or under both of those sections if the notifications are provided at the same time	\$1 400
33	For a person that is a recognized exchange at any time during the period between April 1 of the previous calendar year and March 31 of the current calendar year, by April 30 of the current calendar year	\$20 000
34	For a person that is a recognized clearing agency at any time during the period between April 1 of the previous calendar year and March 31 of the current calendar year, by April 30 of the current calendar year	\$20 000
35	For a person that is an alternative trading system at any time during the period between April 1 of the previous calendar year and March 31 of the current calendar year, by April 30 of the current calendar year	\$5 000
36	For a trade repository that is recognized under the Act at any time during the period between April 1 of the previous calendar year and March 31 of the current calendar year, by April 30 of the current calendar year	\$15 000