

BC Notice 2026/08

Proposed Significant Changes to Discontinue the Fee Rebate Model and Reduce Certain Core Clearing and Settlement Fees; and Proposed Amendments to Eliminate Network Connectivity Fees and to Eliminate Report File Transmission Fee – CDS Clearing and Depository Services Inc. (CDS)

Staff of the Autorité des marchés financiers (AMF), the British Columbia Securities Commission (BCSC), and the Ontario Securities Commission (OSC) (collectively, CDS' regulators) are publishing this notice as an update to their review of CDS' Fee Rebate Model. On September 4, 2025, CDS' notice and request for comment was published regarding proposed amendments to the CDS fee schedule consisting of two principal elements: (1) discontinuing two participant rebates established in CDS' regulatory oversight framework; and, (2) the reduction of certain core participant clearing and settlement fees (Published Notice).

In the Published Notice, CDS stated that it is seeking approval to amend its fee model (the fee amendments) on the basis that discontinuing the rebates will balance the public interest with the CDS' commercial interests and is necessary given significant changes in circumstances since the fee model was implemented. CDS received 9 comment letter submissions during the comment period, which have been published on the OSC website. These comment letters raised concerns and expressed an overall lack of support for the elimination of the rebates.

CDS' regulators are continuing to review CDS' proposed fee amendments. The AMF and OSC are satisfied that CDS has demonstrated a significant change in circumstances since the fee model was implemented in 2012, including with respect to heightened requirements for operational resiliency, enhanced cybersecurity and system modernization efforts, and stricter adherence to evolving international standards, thereby meeting the requirement to seek approval of the proposed fee amendments pursuant to CDS' OSC recognition order, AMF decision and the fee and rebate model recognizing CDS as a clearing agency. However, CDS' regulators are mindful of the concerns raised by commenters during the public consultation regarding the fee amendments.

Consistent with the approach set out in Multilateral CSA Staff Notice 24-313 – CSA Staff's Review of Proposed Amendments to CDS' Fee Schedule (CSA SN 24-313), CDS' regulators will consider, in their analysis in reviewing proposed amendments to CDS' fees, factors including:

- the fair access to CDS' services;
- an equitable allocation of fees and costs;
- a commercially reasonable fee structure;
- the provision of sufficient resources to CDS; and
- the adequacy of the governance and consultation processes.

CDS' regulators will also consider, in their analysis, the factors identified in CSA SN 24-313, including the impacts of the proposal on market access, participants and other stakeholders, the justification for the proposed changes and, CDS' costs and revenues.

While continued engagement among the parties remains important, CDS' regulators are of the view that future progress would benefit from a structured approach for discussing and attempting to resolve the issues raised by CDS to support the fee amendments and the issues raised by commenters. CDS' regulators are proposing that both CDS and participants/stakeholders meet to discuss their differences with the expectation CDS and industry collaborate and evaluate all perspectives to advance the fee amendment proposal.

This engagement should be through formal channels involving appropriate representation from all stakeholder groups, that has adequate senior leadership involvement from these impacted stakeholders and commenters that submitted letters. The expectation for this engagement would be to consider key material concerns raised during the public consultation process and any additional changes to the proposed fee amendments that are in the public interest.

Questions

Questions with respect to this Notice may be referred to:

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