

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

November 21, 2024

### Introduction

The Canadian Securities Administrators (the **CSA** or **we**) are publishing for a 90-day comment period proposed amendments (the **Proposed Amendments**) to Multilateral Instrument 13-102 *System Fees* (**MI 13-102**)<sup>1</sup>.

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

[www.bcsc.bc.ca](http://www.bcsc.bc.ca)

[www.albertasecurities.com](http://www.albertasecurities.com)

[www.fcaa.gov.sk.ca](http://www.fcaa.gov.sk.ca)

[www.mbsecurities.ca](http://www.mbsecurities.ca)

[www.osc.gov.on.ca](http://www.osc.gov.on.ca)

[www.lautorite.qc.ca](http://www.lautorite.qc.ca)

[www.fcnb.ca](http://www.fcnb.ca)

[nssc.novascotia.ca](http://nssc.novascotia.ca)

### Substance and Purpose

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

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

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

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

## **Background**

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

In 2019, the CSA proposed that MI 13-102 be repealed and replaced so that the principal and non-principal regulator system fees could be replaced with flat fees per filing type paid only to a filer's principal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

When this change was proposed in 2019, the accelerated growth in IT labour costs for both system development and operations (including SEDAR+), could not have been anticipated. From 2021 to 2024, the labour costs for IT services increased between 35% and 45%, outpacing costs growth in other sectors<sup>2</sup>. These IT labour costs are expected to continue increasing at a steady pace over the next few years.

The CSA's experience with cost increases is consistent with external research<sup>3</sup>, which shows that IT costs have increased significantly across all industries in recent years due to several factors, including higher technology costs, higher cybersecurity risk mitigation costs and higher specialized labour costs.

## **Summary of the Proposed Amendments**

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

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

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

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

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

<sup>3</sup> Gartner, Statistica

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

## **Local Matters**

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

## **Request for Comments**

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

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

Address your submission to all of the CSA as follows:

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

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

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

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

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

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

### List of Annexes

This notice contains the following annexes:

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

### Questions

Please refer your questions to any of the following:

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

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