



Advancing Standards™

April 19, 2022

Sent via e-mail

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

comments@osc.gov.on.ca

Re: Proposed Amendments to OSC Rule 13-502 Fees, OSC Rule 13-503 (Commodity Futures Act) Fees and Proposed Changes to their Companion Policies

OVERVIEW

The Portfolio Management Association of Canada (**PMAC**) is pleased to have the opportunity to submit the following comments regarding Proposed Amendments to OSC Rule 13-502 *Fees*, OSC Rule 13-503 (*Commodity Futures Act*) *Fees* and Proposed Changes to their Companion Policies (the **Consultation**).

PMAC represents over [300 investment management firms](#) registered to do business in Canada as portfolio managers (**PMs**). In addition to this primary registration, the majority of our members are also registered as investment fund managers (**IFMs**) and/or exempt market dealers (**EMDs**). PMAC's members encompass both large and small firms managing total assets in excess of \$2.9 trillion for institutional and private client portfolios.

SUPPORT FOR CONSULTATION

PMAC is very supportive of the Consultation – the proposed amendments to fees impacting asset managers are welcomed by our members. We view the Consultation as an important component of the work being undertaken by the OSC to reduce regulatory burden and we are cognizant that both the participation and other fee reductions are being enabled in part by the introduction of the new derivatives participation fee that will impact certain larger registered firms.

PMAC is very supportive of the following three aspects of the Consultation in particular:

1. Lower participation and activity fees

PMAC agrees with the reduction in participation and activity fees impacting our membership, such as the reduction of filing fees with respect to National Instrument 45-106F1 – *Report of Exempt Distribution*.

2. Simplification of fee calculations

PMAC believes the proposed simplification of the annual capital market participation fee calculations by referencing firms' most recent financial statements will reduce regulatory burden.

3. Elimination of outside activity late filing fee

PMAC also welcomes the permanent elimination of late fees for outside activity filings. Together with the recent changes to National Instrument 33-109 – *Registration Information (NI 33-109)*, this change will harmonize the approach to fees nationally and promote additional transparency regarding outside activities, for the benefit of all stakeholders. We also support the elimination of the fee for individuals to request a copy of their registration information from the OSC, particularly in light of the work required to prepare for the amendments to NI 33-109. Outside activity reporting, definitions and fees have been a long-standing advocacy issue for PMAC members. We applaud the OSC for reviewing its fees in this respect, as well as for its cooperation with CSA colleagues to modernize the reporting and guidance regarding outside activities.

CONCLUSION

PMAC believes the Consultation strikes an appropriate balance between the reduction of certain participation and activity fees with the implementation of a derivatives oversight mechanism and investments in long-term technology modernization projects. In particular, we believe the reduction in fees for asset managers will be beneficial to our members.

If you have any questions regarding the comments set out above, please do not hesitate to contact Katie Walmsley at (416) 504-7018 or Melissa Ghislanzoni at (416) 504-1118.

Yours truly,

PORTFOLIO MANAGEMENT ASSOCIATION OF CANADA

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