VIA E-MAIL to <BCSCfeechanges2026@bcsc.bc.ca>

August 24, 2026

British Columbia Securities Commission
1200 - 701 West Georgia Street
P.O. Box 10142, Pacific Centre
Vancouver, British Columbia V7Y 1L2

Re: BC Notice 2026/06 – BCSC Consultation on Proposed Fee Changes

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The Portfolio Management Association of Canada (**PMAC**) appreciates the opportunity to comment on the British Columbia Securities Commission's (**BCSC**) proposed changes to regulatory fees set out in BC Notice 2026/06 (the **Proposals**).

PMAC represents over 320 investment management firms registered to do business in Canada as portfolio managers with the BCSC and other members of the Canadian Securities Administrators (**CSA**). PMAC's members encompass both large and small firms managing total assets in excess of $4 trillion as fiduciaries for institutional and private client portfolios.

PMAC's mission statement is "advancing standards". We are consistently supportive of measures that elevate standards in the industry, enhance transparency, improve investor protection, and benefit the capital markets as a whole.

OVERVIEW

We recognize that the BCSC is operating in an increasingly complex regulatory environment and support the general principle that regulatory fees are an important component of the resources necessary for the BCSC to effectively fulfill its mandate. We also recognize that the BCSC is self-funded, that a number of the fees addressed by the Proposals have not been increased for many years, and that the BCSC has incurred, or expects to incur, operating deficits in several fiscal years.

At the same time, the Proposals are expected to increase the BCSC's annual fee revenue by approximately $8 million. These increases should be considered in the context of the broader and cumulative regulatory cost pressures facing firms operating across Canada, including recent or proposed fee increases in Ontario and Québec, as well as SEDAR+ system fees and other regulatory costs.

In this environment, it is important that regulatory fee increases remain proportionate, transparent and supported by the BCSC's demonstrated resource requirements. Continued efforts to improve regulatory efficiency and contain costs are equally important. We encourage the BCSC to provide greater transparency regarding the drivers of its increased operating costs and the measures being taken to improve efficiency, including through technology, streamlined and risk-based supervision, and regulatory harmonization.

KEY RECOMMENDATIONS

PMAC recommends that the BCSC:

1. **Provide greater transparency, improve regulatory efficiency and contain costs**
   Provide additional information regarding the principal drivers of the BCSC's increased expenditures and the measures being taken to improve operational efficiency and contain costs, including through technology, risk-based supervision, regulatory harmonization and other modernization initiatives.

2. **Reconsider the proposed increase in exempt distribution filing fees for registrants**

   Maintain the current $200 base fee for exempt distribution reports filed by registrants and their affiliated or managed investment vehicles, with any increased filing fee applying to issuers that do not otherwise contribute to the regulatory system through ongoing registration fees.

3. **Clarify the application of the maintaining-registration fee in the year registration is obtained**

   Clarify how the proposed maintaining-registration fee would apply to firms and individuals that become registered partway through a year, including whether the fee would be prorated or otherwise adjusted to avoid requiring a new registrant to pay two annual maintenance fees within a relatively short period.

4. **Proceed with the proposed 30-day period for notices of proceeds, and streamline the related SEDAR+ filing process**

   Proceed with the proposed amendment providing a 30-day period for filing the notice of proceeds and paying the related fee in connection with a continuous distribution, while working with other CSA jurisdictions to streamline the related SEDAR+ filing process and reduce the associated administrative burden and compliance costs.

5. **Promote greater harmonization of regulatory fees across the CSA**

   Work with other CSA jurisdictions to promote greater consistency in regulatory fee structures and avoid unnecessary duplication and cumulative regulatory costs for firms operating nationally.

SUBSTANTIVE SUBMISSIONS

1. Provide greater transparency, improve regulatory efficiency and contain costs

We recognize that the BCSC is a self-funded Crown corporation and that its regulatory responsibilities have increased and evolved as British Columbia's capital markets have grown in size and complexity. We also recognize that many of the flat fees addressed by the Proposals have remained unchanged for a significant period of time.

The BCSC indicates that it incurred operating deficits in fiscal 2024 and 2025, expects to incur an operating deficit in fiscal 2027, and that the Proposals are intended to return the BCSC to a balanced budget for fiscal 2028. The Proposals are expected to increase annual fee revenue by approximately $8 million.

While this information provides helpful context, we encourage the BCSC to provide greater transparency regarding the principal drivers of its increased expenditures and the extent to which anticipated efficiency gains have been incorporated into its financial projections. An $8 million increase represents a meaningful additional regulatory cost that will ultimately be borne by market participants and, in some cases, indirectly by investors.

We therefore ask that the BCSC identify the specific measures it has implemented, or expects to implement, to improve efficiency and contain costs, including through the use of technology, streamlined and risk-based review processes, and continued modernization and harmonization of regulatory systems and reporting requirements.

In this regard, we expect that the recent delegation of certain registration functions to the Canadian Investment Regulatory Organization should, over time, create efficiencies and reduce costs for the BCSC. We encourage the BCSC to take these and other anticipated efficiencies into account in assessing its future resource requirements and fee levels.

We also urge the BCSC to periodically review its operations and resource allocation to ensure that regulatory activities remain appropriately aligned with its mandate, strategic priorities and areas of greatest regulatory risk, and to assess whether ongoing initiatives continue to deliver meaningful regulatory outcomes relative to the resources devoted to them.

Ongoing efforts to improve efficiency and contain costs are particularly important given the cumulative regulatory cost pressures facing firms operating across multiple Canadian jurisdictions, including as a result of recent or proposed fee increases in Ontario and Québec, as well as SEDAR+ system fees and other regulatory costs. For firms operating nationally, increases imposed by individual regulators may be relatively modest when viewed in isolation but can represent a significant additional cost when considered cumulatively. Over time, higher regulatory costs can create barriers to entry and growth, contribute to industry consolidation and ultimately reduce competition and investment choices available to investors.

2. Reconsider the proposed increase in exempt distribution filing fees for registrants

We are concerned with the proposed 50% increase in the base fee for filing a report about a distribution of securities under a prospectus exemption, from $200 to $300.

Portfolio managers frequently manage pooled funds and other investment vehicles that rely on prospectus exemptions and may therefore file a significant number of exempt distribution reports. In addition to provincial filing fees, market participants incur separate SEDAR+ system fees in connection with these filings. Firms operating nationally may also incur filing fees in multiple jurisdictions in connection with the same distribution.

The cumulative impact is particularly important in the current environment. The BCSC's proposed 50% increase follows other recent or proposed regulatory fee increases across Canada. For example, the OSC has proposed increasing its Form 45-106F1 filing fee from $350 to $500, an increase of approximately 43%. The cumulative impact of filing and system fees across jurisdictions is significant.

We also believe there is an important distinction between registered firms and their managed investment vehicles, on the one hand, and issuers that do not otherwise contribute to the regulatory system through ongoing participation or activities fees, on the other. Registered portfolio managers are already subject to ongoing regulatory supervision and contribute to the costs of the regulatory system through annual registration maintenance fees and other activity fees.

The BCSC indicates that fees paid by registrants are intended to recover the significant costs associated with examining registrants, responding to complaints, developing rules and guidance, investor education and other regulatory oversight. The Proposals would also increase registrants' share of the BCSC's overall fee revenue from approximately 29% to 30%. Against this backdrop, we question whether it is appropriate to impose a further 50% increase on exempt distribution filings made by registrants and their managed investment vehicles without considering the other regulatory fees those firms already pay.

Accordingly, we encourage the BCSC to adopt a differentiated approach. In our view, the current $200 base filing fee should be maintained for registrants and their affiliated or managed issuers, while the proposed $300 fee could apply to issuers that do not otherwise contribute to the capital market regulation costs.

We recognize that a differentiated fee should be based on criteria that are clear and straightforward to administer. To facilitate consideration of this approach, we suggest that Item 16(1) of section 22 of the *Securities Regulation*, B.C. Reg. 196/97, could be amended by revising paragraph (d) and adding a new paragraph (d.1) as follows:

> ***(d)*** *if the issuer is a registered firm, or is managed by a registered firm that is required to pay a fee under item 1, $200,*
>
> ***(d.1)*** *in any other case, $300, or…*

We would be pleased to work with BCSC staff on alternative drafting that achieves the same policy objective and appropriately captures pooled funds and other investment vehicles managed by registered firms.

More broadly, we encourage the BCSC and other CSA jurisdictions to continue exploring opportunities to improve the efficiency of exempt market oversight through technology, data analytics and risk-based supervisory approaches. The significant volume of exempt distribution reporting across Canada should present opportunities to improve regulatory oversight without proportionately increasing the cost associated with each filing.

3. Clarify the maintaining-registration fee payable in the year registration is obtained

The Proposals would replace the existing fee for seeking registration as an individual or firm with a fee for maintaining registration that would apply starting in the year the individual or firm becomes registered. Registrants would continue to pay a maintaining-registration fee in each subsequent year.

We would appreciate clarification regarding how the fee will operate where a firm or individual becomes registered partway through a year. In particular, it is not clear whether the maintaining-registration fee payable in the initial year will be prorated based on the date registration is obtained. Without proration or another appropriate mechanism, a registrant that becomes registered late in a fee year could potentially be required to pay the full annual maintenance fee and then become liable for another annual maintenance fee within a relatively short period.

We recommend that the BCSC clarify the intended operation of this provision and consider providing for proration, or another appropriate adjustment, so that the amount payable in the initial year reasonably reflects the period during which the individual or firm is actually registered.

4. Support for the proposed 30-day period for notices of proceeds

We support the BCSC's proposal to amend Item 24(1)(b) to provide that, in the case of a continuous distribution, the notice of proceeds and related fee would be due within 30 days after the issuer files the applicable documents to continue distributing its securities. As the

BCSC recognizes, the current requirement does not provide sufficient time between completion of a distribution and preparation of the required notice and payment of the related fee, particularly given the operational complexity involved in determining the amount of the distribution. We appreciate the BCSC's responsiveness to feedback from market participants on this issue. Providing a clear 30-day period is a practical change that better aligns the regulatory requirement with firms' operational processes without compromising the BCSC's regulatory objectives.

We encourage the BCSC to build on this positive change by also addressing the significant administrative burden associated with making these filings through SEDAR+. Members have noted that proceeds information must be entered directly for each fund and that system limitations and time-outs can make the filing process very time-consuming, particularly for large fund complexes making proceeds-related filings across multiple jurisdictions. We encourage the BCSC, working with the other CSA jurisdictions responsible for SEDAR+, to prioritize opportunities to streamline the filing process itself. Reducing the time and administrative effort required to complete these filings would represent meaningful burden reduction for market participants and reduce associated compliance costs.

5. Promote greater harmonization of regulatory fees across the CSA

Finally, we encourage the BCSC and other CSA jurisdictions to make increased efforts to promote consistency and harmonization in regulatory fee structures.

Firms operating nationally are subject not only to the aggregate amount of regulatory fees imposed across jurisdictions, but also to the administrative burden associated with different provincial fee models, filing requirements and methodologies. These differences can result in unnecessary complexity and, in some cases, duplicative costs.

PMAC has previously recommended that the CSA establish a working group to develop model approaches for matters, including regulatory fees, that may not readily be addressed through National or Multilateral Instruments.

The concurrent consideration of fee increases in several Canadian jurisdictions underscores the importance of this work. We encourage the BCSC to work with its CSA colleagues to develop a more consistent and coordinated approach to regulatory fees, with the objective of reducing unnecessary complexity and the cumulative cost burden on firms operating nationally.

CONCLUSION

We recognize the importance of ensuring that the BCSC has sufficient resources to effectively fulfill its mandate. At the same time, regulatory fees should remain transparent and proportionate to demonstrated regulatory costs, particularly given the cumulative cost pressures facing market participants across Canada.

We encourage the BCSC to reconsider the proposed increase in exempt distribution filing fees for registrants and their managed investment vehicles, clarify the application of the maintaining-registration fee in the initial year of registration, and continue working with other CSA jurisdictions to improve the efficiency and harmonization of Canada's regulatory fee framework.

If you have any questions or wish to discuss this further, please contact Katie Walmsley (kwalmsley@pmac.org) or Victoria Paris (vparis@pmac.org).

Yours truly,

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