

**MEMORANDUM OF UNDERSTANDING REGARDING  
OVERSIGHT OF  
THE NEW SELF-REGULATORY ORGANIZATION OF CANADA (NEW  
SRO)  
AMONG:**

**ALBERTA SECURITIES COMMISSION  
AUTORITÉ DES MARCHÉS FINANCIERS  
BRITISH COLUMBIA SECURITIES COMMISSION  
MANITOBA SECURITIES COMMISSION  
FINANCIAL AND CONSUMER SERVICES COMMISSION OF NEW BRUNSWICK  
OFFICE OF THE SUPERINTENDENT OF SECURITIES, DIGITAL GOVERNMENT  
AND SERVICE NEWFOUNDLAND AND LABRADOR  
OFFICE OF THE SUPERINTENDENT OF SECURITIES, NORTHWEST TERRITORIES  
NOVA SCOTIA SECURITIES COMMISSION  
OFFICE OF THE SUPERINTENDENT OF SECURITIES, NUNAVUT  
ONTARIO SECURITIES COMMISSION  
PRINCE EDWARD ISLAND OFFICE OF THE SUPERINTENDENT OF SECURITIES  
FINANCIAL AND CONSUMER AFFAIRS AUTHORITY OF SASKATCHEWAN  
OFFICE OF THE YUKON SUPERINTENDENT OF SECURITIES**

(each a **Recognizing Regulator (RR)**, collectively the **Recognizing Regulators (RRs)**  
or the **Parties**)

The Parties agree as follows:

**1. Underlying Principles**

*a. Recognition*

The New SRO is recognized as a self-regulatory organization under applicable securities legislation by each of the RRs and is a regulation services provider pursuant to National Instrument 23-101 *Trading Rules*.

*b. Oversight Program*

To ensure effective oversight of the New SRO's performance of its functions, the Parties to this Memorandum of Understanding (**MOU**) have developed an oversight program (**Oversight Program**) with respect to the New SRO which includes:

- (i) review of information filed by the New SRO, as set out in section 4;
- (ii) non-objection process, as set out in section 5;

- (iii) oversight reviews of the New SRO, as set out in section 6; and
- (iv) review of By-Laws and Rules of the New SRO, as set out in section 7.

The purpose of the Oversight Program is to ensure that the New SRO is acting in accordance with its public interest mandate, and complying with the terms and conditions of the New SRO Recognition Order.

*c. Oversight Guiding Principles*

The guiding principles for the RRs' joint oversight of the New SRO are:

- (i) Harmonious direction – the RRs will strive to speak as one when giving direction to the New SRO;
- (ii) Transparency – each RR shares with other RRs important communications with the New SRO in a timely manner; and
- (iii) Efficiency – each RR will strive to conduct oversight in an effective manner while attempting to minimize the resources required from other RRs and the New SRO.

*d. Previous Memoranda of Understanding*

This MOU replaces the memoranda of understanding that took effect on April 1, 2021 between the applicable RRs of the Investment Industry Regulatory Organization of Canada (**IIROC**) and the Mutual Fund Dealers Association of Canada (**MFDA**) in respect of the oversight of IIROC and the MFDA.

**2. Definitions**

Unless otherwise defined or interpreted in this MOU, every term used in this MOU that is defined in subsection 1.1(3) of National Instrument 14-101 – *Definitions* has the meaning ascribed to it in that subsection.

**“Approved Person”** has the meaning ascribed to that term in the New SRO Rules.

**“Board”** has the meaning ascribed to that term in the New SRO Recognition Order.

**"Coordinators"** mean the two RRs that are designated as such from time to time by consensus of all the RRs.

**“Independent Director”** has the meaning ascribed to that term in the New SRO Recognition Order.

**“Member”** has the meaning ascribed to that term in the New SRO Recognition Order.

**“Reviewing Regulator”** means an RR that is participating in an oversight review of the New SRO.

**“Rule”** means any rule, policy, form, fee model or other similar instrument of the New SRO.

**“Rule Change”** means a new Rule, or an amendment, a revocation or a suspension of an existing Rule.

**“New SRO Recognition Order”** means an order issued by each RR pursuant to its securities legislation recognizing the New SRO as a self-regulatory organization.

### 3. **General Provisions**

#### *a. Oversight Committee*

The RRs will establish an oversight committee (**Oversight Committee**) which will act as a forum and venue for the discussion of issues, concerns and proposals related to the oversight of the New SRO.

Each of the RRs shall designate from time to time representatives on the Oversight Committee.

The Oversight Committee will provide to the Chairs of the RRs an annual written report that will include a summary of all oversight activities conducted during the previous period (**Annual Report on Oversight Activities**). The Annual Report on Oversight Activities will also be published.

#### *b. Coordinators*

The two RRs that are designated as Coordinators are tasked with the role of coordinating, communicating and scheduling activities of the Oversight Program between the RRs, and between the RRs and the New SRO. The Coordinators must not make any unilateral decision, or give unilateral direction, with respect to the New SRO.

The Coordinators will serve for four years on a staggered rotation basis among the two designated RRs. Initially, one of the two Coordinators will be replaced after two years, and thereafter each Coordinator will have a four-year term, such that a

new Coordinator will be designated to replace a current Coordinator every two years. Designation of a new Coordinator will be made one year in advance of the end of an exiting Coordinator's term.

*c. Staff Contact*

The Coordinators will provide the New SRO with key staff contacts in each jurisdiction for the purposes of matters arising under this MOU or relating to oversight in general.

*d. Status Meetings*

The Coordinators will organize quarterly conference calls and an annual in-person meeting of the Oversight Committee and New SRO staff. The purpose is to discuss matters relating to the Oversight Program of the New SRO, issues relating to the regulation of New SRO's Members and other matters that are of interest to the RRs and the New SRO. The Coordinators are also responsible for taking minutes of these calls and in-person meetings.

**4. Review of Information Filed**

Any comments of the staff of the RRs on information filed by the New SRO will be sent to the Coordinators, with a copy to staff of the other RRs. The Coordinators will request that the New SRO respond to comments raised by the RRs and copy staff of the other RRs on its response.

**5. Non-Objection Process**

The RRs have developed a non-objection process, as set out in Appendix A.

**6. Oversight Reviews**

The RRs have developed procedures for performing periodic reviews of New SRO's functions, as set out in Appendix B.

**7. Review of By-laws and Rules**

The RRs have developed a Joint Rule Review Protocol (**Protocol**) for coordinating the review and approval of, or non-objection to, New SRO by-laws and Rules, as set out in Appendix C.

**8. Information Sharing and Confidentiality**

(a) Without limiting the transparency guiding principle in section 1(c) or any information sharing agreements to which an RR or the New SRO is a party, each RR will share with other RRs, and authorize the New SRO to share on a

timely basis with other RRs in circumstances where other RRs may be significantly impacted:

- (i) directives from an RR to the New SRO, and
- (ii) other information or data communicated between the RR and the New SRO,

excluding circumstances where an RR is obligated to maintain confidentiality from other parties, namely where personal information is concerned.

- (b) All notices, reports, documents and any other information or data shared amongst any of the RRs pursuant to this MOU are shared exclusively for the regulatory purposes of the RRs, and with the expectation that they be shared and maintained in confidence, except as may otherwise be required by applicable law. Necessary and appropriate safeguards should be maintained to protect the confidentiality of documents. If any RR is required to disclose or provide access to such information or data provided by another RR, the recipient RR should assert all appropriate legal exemptions or privileges with respect to such information or data as may be available, and notify and obtain the written consent of the other RR, where permissible, prior to complying with such a requirement.

## **9. Authority**

Nothing in this MOU is intended to limit the powers of any of the RRs under applicable securities legislation to take any measures authorized or required under such legislation.

## **10. Appendices**

The MOU represents the RRs' commitment to a coordinated and cooperative approach to conducting the Oversight Program, and the appendices are integral to the execution of this commitment.

## **11. Amendments to and Withdrawal from this MOU**

This MOU may be amended from time to time, as mutually agreed upon by the RRs. Any amendments must be in writing and approved by the duly authorized representatives of each RR in accordance with the applicable legislation of each province or territory.

This MOU may be terminated if mutually agreed upon by the RRs.

Each RR can, at any time, withdraw from this MOU on at least 90 days' written notice to the Coordinators and to each RR.

**12. Effective Date**

This MOU comes into effect on [●].

**IN WITNESS WHEREOF** the duly authorized signatories of the parties below have signed this MOU as of the Effective Date of the MOU stated above.

**ALBERTA SECURITIES COMMISSION**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**AUTORITÉ DES MARCHÉS FINANCIERS**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**BRITISH COLUMBIA SECURITIES COMMISSION**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**MANITOBA SECURITIES COMMISSION**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**FINANCIAL AND CONSUMER SERVICES COMMISSION OF NEW BRUNSWICK**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**OFFICE OF THE SUPERINTENDENT OF SECURITIES, DIGITAL GOVERNMENT AND SERVICE NEWFOUNDLAND AND LABRADOR**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**MINISTER FOR INTERGOVERNMENTAL AFFAIRS NEWFOUNDLAND AND LABRADOR, OR DESIGNATE**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**OFFICE OF THE SUPERINTENDENT OF SECURITIES, NORTHWEST TERRITORIES**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**NOVA SCOTIA SECURITIES COMMISSION**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**OFFICE OF THE SUPERINTENDENT OF SECURITIES, NUNAVUT**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**ONTARIO SECURITIES COMMISSION**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**PRINCE EDWARD ISLAND OFFICE OF THE  
SUPERINTENDENT OF SECURITIES**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**FINANCIAL AND CONSUMER AFFAIRS  
AUTHORITY OF SASKATCHEWAN**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**OFFICE OF THE YUKON SUPERINTENDENT  
OF SECURITIES**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

## **Appendix A Non-Objection Process**

### **1. Purposes of non-objection process**

The RRs agree and hereby adopt a non-objection process for the following purposes:

- (a) nomination of each candidate for an Independent Director position;
- (b) appointment of the Chief Executive Officer (**CEO**);
- (c) changes to the Board skills matrices;
- (d) changes to the CEO skills sub-matrix; and
- (e) approval of a Board exemption, or an amendment or extension to a Board exemption, from a Rule that could have a significant impact on:
  - (i) Members and others subject to New SRO's jurisdiction; or
  - (ii) the capital markets generally, including, for greater clarity, particular stakeholders or sectors.

### **2. Non-objection criteria**

Without limiting the discretion of each RR, the RRs agree to consider these factors when following the non-objection process:

- (a) whether the proposed action subject to the non-objection process is in the public interest;
- (b) whether the New SRO has provided sufficient analysis; and
- (c) whether there are conflicts with applicable laws or the terms and conditions of New SRO's recognition.

### **3. Required filings**

- (a) **Language requirements.** The New SRO will file the information required under this section concurrently in both English and French.
- (b) **Filings.** The New SRO will file the following information with staff of the RRs, and upon request by any RR, any other document or information:



- (i) under subsection 1(a):
  - (A) documentation including the analysis undertaken to confirm the independence of a candidate.
- (ii) under subsection 1(b):
  - (A) documentation including the analysis undertaken to support the selection of the CEO;
  - (B) confirmation that the CEO nominee has passed the fit and proper assessment by the Board; and
  - (C) completed CEO skills sub-matrix.
- (iii) under subsection 1(c):
  - (A) Board skills matrices reflecting proposed changes, including rationale.
- (iv) under subsection 1(d):
  - (A) CEO skills sub-matrix reflecting proposed changes, including rationale.
- (v) under subsection 1(e):
  - (A) memorandum and supporting information used by the Board to inform their decision.

#### 4. Non-Objection Process

- (a) **Confirming receipt.** Upon receipt of the materials filed under subsection 3(b), staff of the Coordinators will, as soon as practicable, send written confirmation of receipt to the New SRO, with a copy to staff of the other RRs.
- (b) **RR review.** Staff of each RR will provide any comments in writing to staff of the other RRs within 10 business days of receiving the materials filed under subsection 3(b), or as otherwise agreed upon by staff of the RRs. The process to provide comments and obtain responses from the New SRO will be established and agreed upon by staff of the RRs. If no comments are provided by staff of an RR within the prescribed period, then that RR will be deemed not to object.

- (c) **Intention to object.** After completing the comment process provided under subsection 4(b) above, if all RRs do not intend to object, staff of the Coordinators will send a written notice of non-objection to the New SRO and will copy staff of all RRs. If staff of any RR intends to recommend that the RR objects, the RRs will use best efforts to adhere to the following:
- (i) within a reasonable timeline agreed upon by staff of the RRs, staff of any RR who intends to make a recommendation that the RR objects will advise staff of the other RRs, in writing, of their intended recommendation and provide reasons for it;
  - (ii) within 5 business days of receiving or sending a notice of intended recommendation, staff of the Coordinators will convene a conference call with staff of the other RRs and, as applicable, the New SRO;
  - (iii) if the intended recommendation still exists after any such discussion, staff of the applicable RRs will, within a reasonable timeline agreed upon by staff of the RRs, recommend to their respective decision makers that they object;
  - (iv) if the decision maker of any RR intends to object, the Coordinators will provide written notification to the New SRO with reasons for the intended objection and copy staff of the other RRs, and will give the New SRO an opportunity to present written submissions;
  - (v) after considering the written submissions provided by the New SRO, if any of the RRs still intends to object, then the RRs shall use the process provided under section 12 of Appendix C of this MOU, but not including the process described at section 13, with necessary adaptations;
  - (vi) if any RR objects after having completed the process described in paragraph 4(c)(v), it will provide promptly a written confirmation of objection to staff of the other RRs. Staff of the Coordinators will then provide to the New SRO a written notice of objection and will copy staff of the other RRs;
  - (vii) if after completing the process described in paragraph 4(c)(v), RRs that intended to object as described in paragraph 4(c)(iv) do not object, they will provide promptly a written non-objection confirmation to staff of the other RRs. RRs that did not intend to object will be deemed not to object. Staff of the Coordinators will then send a written notice of non-objection to the New SRO and will copy staff of the other RRs.

## **Appendix B Oversight Reviews**

The RRs will carry out periodic coordinated oversight reviews of the New SRO for the purposes of: (i) evaluating whether selected regulatory processes are effective, efficient, and are applied consistently and fairly; and (ii) assessing compliance with the terms and conditions of recognition.

An RR may choose to participate in a coordinated review of a New SRO office depending on the functions carried out in that office, or may choose to rely on another RR for the review of the New SRO office. In cases where an RR chooses not to review the New SRO office in its jurisdiction, the other RRs may conduct a review of that New SRO office.

Each RR may also perform an independent review of the New SRO to deal with significant and/or local issues. Any RR that intends to perform such a review will notify staff of the other RRs prior to conducting such a review.

The scope of the review will be determined by utilizing a risk-based methodology established and agreed upon by staff of the RRs.

When conducting a coordinated review, the Reviewing Regulators will use best efforts to adhere to the following within any timelines established among themselves:

- 1) The Reviewing Regulators will establish and agree on a work plan for the coordinated review that sets the target completion date for each step, including conducting the review, reviewing draft reports, confirming factual accuracy, translating and publishing the final report, and follow-up plans.
- 2) The coordinated review of New SRO's offices will be conducted at the same time and, for each New SRO office, a Reviewing Regulator will be designated as the regulator who has overall responsibility for the review of that office.
- 3) The Reviewing Regulators will develop and use a uniform review program and uniform performance benchmarks to conduct the coordinated review and will ensure the review is appropriately staffed in their respective jurisdiction.
- 4) The Coordinators will, as needed, arrange for communication among the Reviewing Regulators during the course of a review, to discuss the progress of the work completed and to ensure appropriate consistency in the Reviewing Regulators' approach.
- 5) Each Reviewing Regulator will share with all other Reviewing Regulators the results of its review, including draft findings and, upon request, supporting materials.

- 6) Unless otherwise agreed upon, the Coordinators will draft a review report and share it among the Reviewing Regulators to ensure it meets all of their expectations and requirements, as applicable. The review report will:
  - a) take into account the draft findings and comments of the Reviewing Regulators, and
  - b) use a common set of criteria to rate the significance and urgency of findings.
- 7) If the Reviewing Regulators disagree on the content of the draft review report, the Reviewing Regulators will follow the process provided in section 12 of Appendix C of this MOU for resolution.
- 8) After the Reviewing Regulators are mutually satisfied with the draft review report, the Coordinators will forward the draft review report to the New SRO to confirm factual accuracy.
- 9) The New SRO will review the draft review report for factual accuracy and respond to the Reviewing Regulators with comments.
- 10) The Reviewing Regulators will consider New SRO's comments and revise the review report as necessary.
- 11) The Coordinators will send the revised review report to the New SRO for its formal response.
- 12) On receipt of New SRO's formal response, the Reviewing Regulators will incorporate such formal response and any follow-up plans into the review report as applicable.
- 13) Each Reviewing Regulator will seek the necessary internal approval to publish the final review report, taking into account language translation needs where applicable.
- 14) When each Reviewing Regulator has obtained the necessary internal approvals, the Coordinators will, and the other Reviewing Regulators may, publish the final review report.

## **Appendix C**

### **Joint Rule Review Protocol**

#### **1. Scope and purpose**

The RRs have entered into this Protocol to establish uniform procedures for their review of and decision-making about Rule Changes proposed by the New SRO.

Any review of a new by-law, amendment to an existing by-law or revocation of an existing by-law proposed by the New SRO will follow the process for review of and decision-making about Rule Changes set out in this Protocol, with the necessary adaptations.

#### **2. Classifying Rule Changes**

- (a) **Classification.** The New SRO will classify each proposed Rule Change as “housekeeping” or “public comment”.
- (b) **Housekeeping Rule Changes.** A “housekeeping” Rule Change is a Rule Change that has no material impact on investors, issuers, registrants, the New SRO, the Canadian Investor Protection Fund (**CIPF**) or the Canadian capital markets generally and that:
  - (i) makes necessary changes of an editorial nature (such as correcting a textual mistake or inaccurate cross-reference, correcting a translation, making a formatting change, or standardization of terminology),
  - (ii) changes the routine internal processes, practices, or administration of the New SRO,
  - (iii) is necessary to conform to applicable securities legislation, statutory or legal requirements, accounting or auditing standards, or to other New SRO Rules or by-laws (including those that the RRs have approved or non-objected to, but which the New SRO has not yet made effective), or
  - (iv) establishes or changes a due, fee or other charge imposed by the New SRO under a Rule that the RRs have previously approved or non-objected to.
- (c) **Public comment Rule Changes.** A “public comment” Rule Change is any Rule Change that is not a housekeeping Rule Change.
- (d) **RRs’ disagreement with classification.** If staff of an RR thinks that the New SRO incorrectly classified a proposed Rule Change as housekeeping, the RRs and the New SRO will use best efforts to adhere to the following:

- (i) Within 5 business days of the date of New SRO's filing under section 3, staff of the RR who intends to disagree with the classification will advise staff of the other RRs, in writing, that they intend to disagree and provide reasons for its intended disagreement.
- (ii) Within 3 business days of receiving or sending a notice of disagreement, staff of the Coordinators will discuss the classification, and may arrange a conference call, with staff of the other RRs and, as applicable, the New SRO.
- (iii) If disagreement with the classification still exists after any such discussion, staff of the Coordinators will notify the New SRO of the disagreement, in writing, with a copy to staff of the other RRs within 10 business days of the date of New SRO's filing.
- (iv) If staff of the Coordinators send a notice of disagreement to the New SRO under paragraph 2(d)(iii), the New SRO will reclassify the proposed Rule Change as a public comment Rule Change or withdraw the proposed Rule Change by filing a written notice with staff of the RRs indicating that it will be withdrawing the Rule Change.
- (v) If the New SRO does not receive any such notice of disagreement within 10 business days of the date of New SRO's filing, the New SRO will assume that staff of the RRs agree with the classification.

### 3. Required filings

- (a) **Language requirements.** The New SRO will file the information required under this section concurrently in both English and French, accompanied with an attestation from a certified translator.
- (b) **Filings for housekeeping Rule Changes.** The New SRO will file the following information with staff of the RRs for each proposed housekeeping Rule Change:
  - (i) a cover letter that indicates the classification of the proposed Rule Change and the applicable provisions in subsection 2(b),
  - (ii) the Board resolution, including the date that the proposed Rule Change was approved and a statement that the Board has determined that the proposed Rule Change is in the public interest,
  - (iii) the text of the proposed Rule Change and, where applicable, a blacklined version showing the changes to an existing Rule,

- (iv) a statement as to whether the proposed Rule Change involves a Rule that the New SRO, its Members or Approved Persons must comply with in order to be exempted from a requirement of securities legislation and any applicable references to such requirement,
  - (v) confirmation that the New SRO followed its established internal governance practices in approving the proposed Rule Change and considered the need for consequential amendments,
  - (vi) a statement as to whether the proposed Rule Change conflicts with applicable laws or the terms and conditions of New SRO's recognition, and
  - (vii) a notice for publication including:
    - (A) a brief description of the proposed Rule Change,
    - (B) the reasons for the housekeeping classification, and
    - (C) the anticipated effective date of the proposed Rule Change.
- (c) **Filings for public comment Rule Changes.** The New SRO will file the following information and data with staff of the RRs for each proposed public comment Rule Change:
- (i) a cover letter that indicates the classification of the proposed Rule Change,
  - (ii) the Board resolution, including the date that the proposed Rule Change was approved, and a reasonable explanation of why the Board has determined that the proposed Rule Change is in the public interest,
  - (iii) the text of the proposed Rule Change, and, where applicable, a blacklined version showing the changes to an existing Rule,
  - (iv) the items in subparagraphs 3(b)(iv), (v) and (vi), and
  - (v) a notice for publication including:
    - (A) Information that must be included:
      - a. a concise statement, together with supporting analysis (including applicable quantitative analysis), of the nature, purpose and effect (including any regional-specific effect) of the proposed Rule Change,

- b. an explanation as to how the New SRO has taken the public interest into account when developing the Rule Change, why the proposed Rule Change is in the public interest, and the anticipated effects of the proposed Rule Change on investors, issuers, registrants, the New SRO, CIPF and the Canadian capital markets generally,
- c. a description of the Rule Change,
- d. a description of the Rule-making process, including the context in which the New SRO developed the proposed Rule Change, the process followed and the consultation process undertaken, including applicable stakeholder engagements, when developing the Rule Change,
- e. the anticipated effective date of the proposed Rule Change, and
- f. a request for public comment together with details on how to submit comments within the stated comment period deadline, and a statement that the New SRO will publish all comments received during the comment period on its public website.

(B) Information that must be included, if relevant:

- a. where the proposed Rule Change requires investors, issuers, registrants, the New SRO, or CIPF to make technological systems changes, a description of the implications of the proposed Rule Change and, where possible, a discussion of material implementation issues and plans,
- b. any issues considered and any alternative approaches considered, including the reasons for rejecting those alternative approaches, and
- c. a reference to other jurisdictions including an indication as to whether another regulator in Canada, the United States or another jurisdiction has a comparable requirement or is contemplating making a comparable requirement and, if applicable, a comparison of the proposed Rule Change to the requirement of the other jurisdiction.

**4. Review criteria**



Without limiting the discretion of the RRs, the RRs agree that the following are factors that staff of the RRs should consider when reviewing proposed Rule Changes:

- (a) whether a proposed Rule Change is in the public interest,
- (b) whether the New SRO has provided sufficient analysis of the nature, purpose and effect of a proposed Rule Change, and
- (c) whether the proposed Rule Change conflicts with applicable laws or the terms and conditions of New SRO's recognition.

## 5. **Review and approval process for housekeeping Rule Changes**

- (a) **Confirming receipt.** Upon receipt of the materials filed under subsection 3(b), staff of the Coordinators will, as soon as practicable, send written confirmation of receipt of the proposed housekeeping Rule Change to the New SRO, with a copy to staff of the other RRs.
- (b) **Approval.** Except where a notice of disagreement has been sent to the New SRO in accordance with paragraph 2(d)(iii), the proposed Rule Change will be deemed approved or non-objected to on the eleventh business day following the date of New SRO's filing under section 3.

## 6. **Review process for public comment Rule Changes**

- (a) **Confirming receipt.** Upon receipt of the materials filed under subsection 3(c), staff of the Coordinators will, as soon as practicable, send written confirmation of receipt of the proposed public comment Rule Change to the New SRO, with a copy to staff of the other RRs.
- (b) **Publication and public comment period.** As soon as practicable, staff of the Coordinators and the New SRO will, and staff of the other RRs may:
  - (i) coordinate a publication date among themselves, and
  - (ii) publish on their respective public websites or bulletin the materials referred to in paragraphs 3(c)(iii) and (iv) for the comment period recommended by the New SRO, commencing on the date the proposed public comment Rule Change appears on the public website or in the bulletin of the Coordinators.
- (c) **Publishing and responding to public comments.** Within 3 business days of the end of the subsection 6(b) comment period, the New SRO will publish any public comments on its public website, if it has not already done so. The New SRO will also prepare a summary of public comments and responses to those

public comments, if any, and send them to staff of the RRs within any timelines established by staff of the RRs.

- (d) **RR review.** After the subsection 6(b) comment period has ended, and, if applicable, the New SRO has provided the summary and responses required by subsection 6(c), staff of the RRs will, in writing, provide any significant comments to staff of the other RRs within any timelines established among themselves.
- (e) **RRs have no comments.** If staff of the Coordinators do not receive and do not have any significant comments within the period provided for under subsection 6(d), staff of the RRs will be deemed not to have any comments and proceed immediately to the approval or non-objection process in section 8.
- (f) **RRs have comments.** If staff of the Coordinators receive or have significant comments within the period provided for under subsection 6(d), staff of the RRs and, as applicable, the New SRO will use best efforts to adhere to the following process using timelines established among themselves:
  - (i) After the end of the period provided for under subsection 6(d), staff of the Coordinators will prepare and send to staff of the other RRs a draft comment letter that incorporates their own significant comments and the significant comments raised by staff of the other RRs and may, if deemed necessary, identify different views among staff of the RRs.
  - (ii) Staff of the RRs will provide any significant comments on the draft comment letter, in writing, to staff of the Coordinators and the other RRs; and if staff of the Coordinators do not receive any such comments within the timelines agreed upon, staff of the other RRs will be deemed not to have any comments.
  - (iii) Following the other RRs' response (or deemed response), staff of the Coordinators will consolidate all comments received and, when finalized to the satisfaction of staff of the RRs, send the comment letter to the New SRO, with a copy to staff of the other RRs.
  - (iv) The New SRO will respond, in writing, to the comment letter sent by staff of the Coordinators, with a copy to staff of the other RRs.
  - (v) After receiving New SRO's response, staff of the RRs will provide any significant comments, in writing, to staff of the other RRs; if staff of the Coordinators do not receive and do not have any such comments within the timelines agreed upon, staff of the RRs will:
    - (A) be deemed not to have any comments, and

(B) proceed immediately to the approval or non-objection process in section 8.

- (vi) Staff of the RRs and, as applicable, the New SRO will follow the process in paragraphs 6(f)(i) to (v) when staff of the RRs have significant comments on New SRO's response to any comment letter.
- (vii) Staff of the Coordinators will attempt to resolve any issues that staff of the RRs have raised on a timely basis and will consult with staff of the other RRs or the New SRO, as needed.
- (viii) If staff of the RRs disagree about the substantive content of the comment letter in paragraph 6(f)(i) or whether to recommend approval of or non-objection to the Rule Change, staff of the Coordinators will invoke section 12.
- (ix) If the New SRO fails to respond to comments of staff of the RRs within 120 days of receipt of the most recent comment letter from staff of the RRs (or such other time agreed upon by staff of the RRs), the New SRO may withdraw the Rule Change in accordance with section 13 or staff of the RRs will, if they agree among themselves to do so in writing, recommend that their respective decision makers object to or not approve the Rule Change.

## **7. Revising and republishing public comment Rule Changes**

- (a) **Language requirements.** If, subsequent to its publication for comment, the New SRO revises a public comment Rule Change, the New SRO will file any such revision, which will include, as applicable, a blacklined version to the original published version, a blacklined version to the existing Rule, and the text of the revised Rule Change concurrently in both English and French, accompanied with an attestation from a certified translator.
- (b) **Revising Rule Changes.** If such a revision changes the Rule Change's substance or effect in a material way, staff of the Coordinators may, in consultation with the New SRO and staff of the other RRs, require the revised Rule Change to be republished for an additional comment period. Upon republication, the previously published Rule Change will be superseded.
- (c) **Published documents.** If a public comment Rule Change is republished, the revised request for comments will include, as applicable, the information filed under subsection 7(a), the date of Board approval (if different from the original published version), New SRO's summary of public comments received and responses for the previous request for comments, together with an explanation of the revisions to the Rule Change and the supporting rationale for the revisions, including why the revisions are in the public interest.

- (d) **Applicable provisions.** Any republished public comment Rule Change will be subject to all provisions in this Protocol applicable to public comment Rule Changes, except where otherwise provided for in this Protocol.

## 8. **Approval process for public comment Rule Changes**

- (a) **Coordinators seek approval.** Staff of the Coordinators will use their best efforts to seek approval of or non-objection to the Rule Change within 30 business days of the end of the review process set out in section 6.
- (b) **Coordinators circulate documents.** After the Coordinators make a decision about a Rule Change, staff of the Coordinators will promptly circulate to staff of the other RRs applicable documentation relating to the Coordinators' decision.
- (c) **Other RRs seek approval.** Staff of the other RRs will use their best efforts to seek approval or non-objection within 30 business days of receipt of applicable documentation from staff of the Coordinators.
- (d) **Other RRs communicate decision to Coordinators.** Staff of each RR will promptly inform staff of the Coordinators in writing after a decision about the Rule Change has been made.
- (e) **Coordinators communicate decision to the New SRO.** Staff of the Coordinators will promptly communicate to the New SRO, in writing, the decision about the Rule Change, including any conditions, upon receipt of notification of the other RRs' decisions.

## 9. **Effective date of Rule Changes**

- (a) **Public comment Rule Changes.** Public comment Rule Changes (other than Rule Changes implemented under section 11) will be effective on the later of:
  - (i) the date the Coordinators publish the notice of approval or non-objection in accordance with subsection 10(a), and
  - (ii) the date designated by the New SRO under subparagraph 3(c)(iv)(A) or the date as determined by the New SRO.
- (b) **Housekeeping Rule Changes.** Housekeeping Rule Changes will be effective on the later of:
  - (i) the date of deemed approval or non-objection in accordance with subsection 5(b), and
  - (ii) the date designated by the New SRO under subparagraph 3(b)(iv)(C).

(c) **Revisions to the effective date of a Rule Change.** The New SRO will advise staff of the RRs in writing if it has not made a Rule Change effective by the date designated by the New SRO under subsection 9(a), and will include the following information:

- (i) the reasons it has not yet made the Rule Change effective,
- (ii) New SRO's projected timeline for making the Rule Change effective, and
- (iii) the impact on the public interest of not making the Rule Change effective by the date designated by the New SRO under subsection 9(a).

## 10. Publishing notice of approval

(a) **Public comment Rule Changes.** For any public comment Rule Change, staff of the Coordinators and the New SRO will both publish a notice of approval of or non-objection on their respective public websites, together with:

- (i) if applicable, New SRO's summary of comments received and responses,
- (ii) if changes were made to the version published for public comment, a blacklined version of the revised Rule Change compared to the previously published public comment Rule Change, and
- (iii) if requested, a blacklined version to the existing Rule.

(b) **Housekeeping Rule Changes.** For any housekeeping Rule Change, staff of the Coordinators will prepare a notice of deemed approval or non-objection and both the Coordinators and the New SRO will publish the notice, together with the materials referred to in paragraphs 3(b)(iii) and (iv), on their respective public websites.

(c) **Publication by other RRs.** Any other RRs may publish notices of approval at their own discretion.

## 11. Immediate implementation

(a) **Criteria for immediate implementation.** If the New SRO identifies an urgent need to implement a proposed public comment Rule Change because of a substantial risk of material harm to investors, issuers, registrants, other market participants, the New SRO, CIPF or the Canadian capital markets generally, the New SRO may make the proposed public comment Rule Change effective immediately, subject to subsection 11(d), and provided that:

- (i) The New SRO provides staff of each RR with written notice of its intention to rely upon this procedure at least 10 business days before the Board considers the proposed public comment Rule Change for approval, and
  - (ii) New SRO's written notice in paragraph 11(a)(i) includes:
    - (A) the date on which the New SRO intends the proposed public comment Rule Change to be effective, and
    - (B) an analysis in support of the need for immediate implementation of the proposed public comment Rule Change.
- (b) **Notice of disagreement.** If staff of an RR does not agree that immediate implementation is necessary, staff of the RRs and, as applicable, the New SRO will use best efforts to adhere to the following:
- (i) Staff of each RR which disagrees with the need for immediate implementation will, within 5 business days after the New SRO provides notice under subsection 11(a), advise staff of the other RRs in writing that they disagree and provide the reasons for its disagreement.
  - (ii) Staff of the Coordinators will promptly notify the New SRO in writing of the disagreement.
  - (iii) Staff of the New SRO and staff of the RRs will discuss and attempt to resolve any concerns raised on a timely basis but, if the concerns are not resolved to the satisfaction of staff of all RRs, the New SRO cannot immediately implement the proposed public comment Rule Change.
- (c) **Notice of no disagreement.** Where there is no notice of disagreement under and within the timelines set out in paragraph 11(b)(i), or where concerns have been resolved under paragraph 11(b)(iii), staff of the Coordinators will immediately provide written notice of no disagreement to the New SRO, with a copy to staff of the other RRs, indicating that it may now seek Board approval to immediately implement the proposed public comment Rule Change.
- (d) **Effective date.** Proposed public comment Rule Changes that the New SRO immediately implements in accordance with section 11 will be effective on the later of the following:
- (i) the date the Board approves the Rule Change, and
  - (ii) the date designated by the New SRO in its written notice to staff of the RRs.

- (e) **Subsequent review of Rule Change.** A public comment Rule Change that is implemented immediately will subsequently be published, reviewed, and approved or non-objected to in accordance with the applicable provisions of this Protocol.
- (f) **Subsequent disapproval of Rule Change.** If the RRs subsequently object to or do not approve a public comment Rule Change that the New SRO immediately implemented, the New SRO will promptly repeal the public comment Rule Change and inform its Members of the RRs' decision.

## 12. Disagreements

If any disagreement, either among the RRs or between the RRs and the New SRO, about a matter arising out of or relating to this Protocol cannot be resolved through staff discussions, staff of the RRs will use best efforts to adhere to the following using timelines established among themselves:

- (a) If staff of one of the RRs notifies the other RRs that in their view there is a disagreement that cannot be resolved through staff discussions, then staff of the Coordinators will arrange for senior staff of the RRs to discuss the issues and attempt to reach a consensus.
- (b) If, following such discussions, a consensus is not reached, staff of the Coordinators will escalate the disagreement as applicable and, ultimately, to the RRs' Chairs or other senior executives of the RRs or such other process as agreed to by staff of the RRs.
- (c) If, following such escalation, a consensus is not reached, the New SRO may withdraw the Rule Change in accordance with section 13 or staff of the RRs will recommend that their respective decision makers object to or not approve the Rule Change.

## 13. Withdrawing Rule Changes

- (a) **Filing notice of withdrawal.** If the New SRO withdraws a proposed public comment Rule Change that the RRs have not yet approved or non-objected to, the New SRO will file with staff of the RRs a written notice indicating that it will be withdrawing the Rule Change.
- (b) **Contents of notice of withdrawal.** The written notice in subsection 13(a) must contain:
  - (i) the reason the New SRO submitted the proposed Rule Change,
  - (ii) any date that the Board approved the proposed Rule Change,

- (iii) any prior publication dates,
  - (iv) the Board resolution supporting the withdrawal of the proposed Rule Change, if applicable,
  - (v) the reasons the New SRO is withdrawing the proposed Rule Change, and
  - (vi) the impact of withdrawing the proposed Rule Change on the public interest.
- (c) **Publishing notice of withdrawal.** Where the proposed Rule Change being withdrawn had previously been published for comment under subsection 6(b), staff of the Coordinators and the New SRO will both publish a notice on their public websites stating that the New SRO will be withdrawing the proposed Rule Change, together with the reasons the New SRO is withdrawing the proposed Rule Change.

#### **14. Reviewing and amending Protocol**

Staff of the RRs will, when they agree it is necessary to do so, conduct a joint review of the operation of this Protocol in order to identify issues relating to:

- (a) the effectiveness of this Protocol,
- (b) the continuing appropriateness of the timelines and other requirements set out in this Protocol, and
- (c) any necessary or desirable amendments to this Protocol.

#### **15. Waiving or varying Appendix C**

- (a) **New SRO request.** The New SRO may file a written request with the RRs to waive or vary any part of this Protocol and, in such a case, the RRs will use best efforts to adhere to the following using timelines established among themselves:
- (i) An RR who objects to the granting of the waiver or variation will, in writing, notify the other RRs of its objection, together with the reasons for its objection.
  - (ii) If the Coordinators do not receive or send any notice of objection within the agreed upon timelines, the RRs are deemed to not object to the waiver or variation.



- (iii) The Coordinators will provide written notice to the New SRO as to whether or not the waiver or variation has been granted.
- (b) **RR request.** The RRs may waive or vary any part of this Protocol if all of the RRs agree in writing to such waiver or variation.
- (c) **General.** A waiver or variation may be specific or general and may be made for a time or for all time as mutually agreed to by the RRs.

## **16. Publishing materials**

If staff of the Coordinators publish any materials under this Protocol, staff of the other RRs may also publish the same materials, and in such a case, staff of the Coordinators will coordinate the publication date with staff of the other RRs.