



ONTARIO  
SECURITIES  
COMMISSION

2020–2021  
OSC Statement of Priorities

# Report card

# 2020–2021 Report Card

Each year, the OSC publishes a Statement of Priorities that sets out the OSC's strategic goals, priorities, and specific initiatives for the year. Our priorities are aligned with our statutory mandate and the annual mandate letter from the Minister of Finance.

This Report Card contains performance highlights and success measures against the 2020–2021 OSC Statement of Priorities, demonstrating how we have fulfilled the obligations set out in our mandate letter.

Our 2020–2021 OSC Goals are:

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## GOAL 1

Promote  
confidence in  
Ontario's capital  
markets

## GOAL 2

Reduce  
regulatory  
burden

## GOAL 3

Facilitate  
financial  
innovation

## GOAL 4

Strengthen our  
organizational  
foundation

## Executive Summary

The Statement of Priorities sets out the OSC's strategic goals and the specific initiatives that the OSC will pursue in support of each of these goals. This document reports on the OSC's performance against the priorities set out in the 2020–2021 Statement of Priorities.

The OSC faced numerous challenges this past fiscal year in executing on the priorities set out in the 2020–2021 Statement of Priorities.

Most importantly, the COVID-19 pandemic had wide-ranging impacts on OSC operations, requiring the establishment of effective work-from-home arrangements and adjustments to how we execute our work (e.g. virtual enforcement examinations, dealing with provincial court backlogs, compliance review processes, virtual hearings, etc.). The pandemic also generated unplanned, incremental work on OSC initiatives to support industry participants during a time when they were also adjusting their operations (e.g. blanket relief orders). The impact of COVID-19 on daily operations also affected CSA interprovincial work approval processes and timelines, as well as policy delivery. COVID-19 related investor issues (e.g. increased scams, etc.) required additional attention to provide needed investor protection.

Workloads increased significantly in various operational areas as buoyant markets created a surge in novel products (e.g. crypto ETFs), as well as historically high volumes in prospectus filings. The finalization of the Capital Markets Modernization Taskforce recommendations was another significant factor affecting OSC operations.

The following is a summary highlighting the OSC achievements for the past fiscal year. These are specific initiatives that the OSC completed in support of each of the OSC goals.

### Promote confidence in Ontario's capital markets

- Published a new resource hub on *GetSmarterAboutMoney.ca* (COVID-19 and Your Money) to help investors manage the challenges of the pandemic with educational information and tools, financial support links, and fraud alerts
- Sent strong messages on OSC crypto regulatory priorities and enforcement around the world through:
  - the rare public release of an investigative report (including a microsite and embedded video) on the alleged QuadrigaCX fraud and misappropriation of millions in client assets
  - the initiation and subsequent settlement of enforcement proceedings against crypto asset trading platform Coinsquare, which admitted to conducting around 840,000 illicit wash trades worth almost \$5.5 billion on their platform
- Delivered 123 virtual and telephone-based investor outreach events, including 82 events for seniors and 36 events for multicultural communities, reaching 6,895 Ontarians
- Delivered a webinar to more than 300 participants providing guidance for small and medium-sized enterprises disclosing and reporting on the effects of the COVID-19 pandemic.
- With the CSA, published findings from a four-year research study that measured what investors know and think about fees and the performance of their investments, and how they interact with advisers
- Published OSC Staff Notice 11-790 *Protecting Aging Investors through Behavioural Insights*

- Identified and transferred a record number of cases for disruption or other alternative enforcement measures, of which 23% were international internet scams
- Whistleblower tips rose 13% from the last fiscal year, highlighting continued growth in awareness of the OSC Whistleblower Program
- Announced award payments of over \$1 million to four whistleblowers who provided critical information in advancing Enforcement proceedings with impactful regulatory messages
- Settled our first matter involving allegations of misconduct contrary to the whistleblower anti-reprisal provisions of the *Securities Act*
- Published final amendments to National Instrument (NI) 81-105 *Mutual Fund Sales Practices* on the prohibition of mutual fund trailing commissions where no suitability determination was required
- Published *The Investor Experience 2020* research study
- Published proposed amendments to NI 94-101 *Mandatory Central Counterparty Clearing of Derivatives* for comment on September 3, 2020, and developed and implemented a compliance program to ensure the requirements in NI 94-101 are followed
- Published qualitative and quantitative analysis of anticipated costs and benefits of 10 rule proposals
- Published CSA Consultation Paper 25-402 – Consultation on the Self-Regulatory Organization Framework for comment on June 25, 2020
- Published SRO Memoranda of Understanding in final form on March 25, 2021, effective April 1, 2021

## Reduce regulatory burden

- Completed 62 of the initiatives set out in the 2019 report *Reducing Regulatory Burden in Ontario's Capital Markets*
- By December 31, 2021, 85 of the initiatives are projected to be complete
- Published proposed amendments to NI 33-109 *Registration Information* intended to reduce regulatory burden and improve the quality of registration information we receive

## Facilitate financial innovation

- Published the Office of Economic Growth and Innovation (Innovation Office) Charter in October 2020
- Created the Modernizing Regulation Unit within the Innovation Office with the mandate to modernize regulation, including reducing regulatory burden on capital market participants
- The CSA and the IIROC published a notice on March 29, 2021, outlining securities law requirements that apply to crypto asset trading platforms
- Supported nine businesses through the CSA Sandbox, which included providing novel exemptive relief to smooth the progress of innovation and use of new technologies

## Strengthen our organizational foundation

- Launched the redeveloped OSC website on February 24, 2021
- Implemented new e-discovery solution (Relativity) and CSA Market Analysis Platform (MAP) and decommissioned the OSC legacy systems
- Completed the adoption of key systems:
  - Enforcement Information System Sandbox to support analytics
  - Compliance Field Review Enhancements
  - RAQ Enhancements (i.e. a new streamlined form that was auto-populated with registrant data, reducing the amount of data entry burden for registrants)
  - Various financial systems improvements (e.g. SEDI Integration, Cognos Reporting changes and improvements, SafePay, Vendor Workflow, Concur integration)
- Implemented additional tools and technology to allow staff to work remotely effectively and efficiently
- OSC published an updated Service Commitment in November 2020, which provides investors, registrants, and market participants with added transparency on the standards and timelines they can expect when interacting with the OSC

## GOAL 1

# Promote confidence in Ontario's capital markets

### Priority

## Implement the Client Focused Reforms

### Why it's important

We work to make Ontario an attractive place for investors. When rules are clear, fair and align the interests of registrants with the interests of their clients, investor outcomes improve. The Client Focused Reforms (CFR) establish a higher level of protection for investors and a higher standard of care for the investment industry.

### Success measures

- Investors will benefit from registrants addressing material conflicts of interest in the investor's best interest
- Registrants must consider specific factors when deciding if an investment product is suitable and whether their recommendations put the client's interest first
- Investors will receive greater clarity around the products and services they can expect from their registrants.
  - Registrants will need to:
    - explain the potential impact on a client's investment returns from management expense fees or other ongoing fees connected with the investment product (and their effect of compounding over time)
    - provide investors with more information about any restrictions on a client's ability to liquidate or resell an investment product
- Increased investor confidence in the industry by better aligning industry conduct with investor expectations, as reflected by fewer compliance review recommendations relating to information collection, inadequate KYP due diligence, and unsuitable investments

#### PLANNED ACTIONS

The OSC, with other CSA jurisdictions, will establish an implementation committee to provide guidance, respond to questions and otherwise assist registrants to operationalize the amendments

#### PROGRESS/OUTCOMES/MEASURES OF SUCCESS

**In Progress:** The CFR Implementation Committee continues to meet regularly with external stakeholders. Responses were published on September 28, 2020, December 18, 2020, and March 31, 2021, to questions received to assist registrants as they prepare for the new CFR requirements coming into effect on June 30, 2021 (Conflicts of Interest) and December 31, 2021 (Know-Your-Client, Know-Your-Product, Suitability, Relationship Disclosure Information, and all other reforms).

Responses to additional questions submitted to the CFR Implementation Committee will be published periodically as the guidance is developed.

**Priority**

Continue CSA Policy Consultations on Mutual Fund DSC and OEO Embedded Commissions

**Why it's important**

When investors understand the costs of their investments, they are better positioned to make decisions that support their overall financial goals. A more transparent fee model for mutual funds better balances the interests of investors with those of advisors and mitigates any potential conflicts of interest.

**Success measures**

- Limiting DSC sales practices that are harmful to investors in Ontario
- Instead of embedded fees, investors are charged applicable direct fees for mutual fund trades on order-execution-only platforms

PLANNED ACTIONS	PROGRESS/OUTCOMES/MEASURES OF SUCCESS
Review public comments on the OSC proposal	<p><b>Completed:</b> Review of public comments on the Ontario Deferred Sales Charge (DSC) proposal is complete. The DSC proposal is an expanded public consultation of the CSA proposed OEO dealers embedded fees amendments published on September 13, 2018.</p>
Work with the CSA with a focus on transitional issues when finalizing the CSA proposal	<p><b>Completed:</b> Final amendments to NI 81-105 <i>Mutual Fund Sales Practices</i>, on the prohibition of mutual fund trailing commissions where no suitability determination was required, were published on September 17, 2020, with an effective date of June 1, 2022.</p> <p>Publication of these amendments provides a clear final policy direction. With this clarity, dealers and investment fund managers can transition to adopting trailer-free mutual fund options as well as converting or transferring existing trailing commission paying mutual fund products to trailer-free options on order execution only dealers. By June 1, 2022, under the final amendments, no mutual fund products with trailing commissions are permitted where no suitability determination is required.</p> <p><i>Subsequent Event:</i></p> <p>In May 2021, the OSC announced that staff will bring forward final amendments to implement a DSC ban, which would go into effect on June 1, 2022. Under the amendments, the payment of upfront sales commissions by fund organizations to dealers resulting from new sales will be prohibited, harmonizing the DSC ban across Canada. Rule amendments to implement a DSC ban were adopted by the Commission on June 3, 2021.</p>

## Priority

# Improve the Retail Investor Experience and Protection

## Why it's important

Financial markets are evolving and becoming increasingly complex, with new investment opportunities and products continually being introduced. Investors are the lifeblood of our capital markets, and they must have the information they need to make informed financial decisions.

## Success measures

- Financial education resources and channels such as GetSmarterAboutMoney.ca continue to be used by large numbers of investors and seen as a leader in Canada and internationally
- Regulatory framework to address issues of financial exploitation and cognitive decline among older and vulnerable investors published for comment
- Timely and responsive investor research conducted and published
- Effectiveness of OSC policies and programs improved through the integration of behavioural insights

PLANNED ACTIONS	PROGRESS/OUTCOMES/MEASURES OF SUCCESS
Stakeholder consultations on ways to improve the investor experience	<p><b>Completed:</b> Published the <i>Investor Experience 2020</i> research study that explored several topics relevant to the retail investing experience in Canada including working with an advisor, understanding investments, avoiding investment fraud, and the impact of the COVID-19 pandemic.</p> <p><b>Ongoing/Delayed:</b> Further consultation on improving the investor experience for retail investors has been delayed due to reduced staff capacity as well as the work related to the Capital Markets Modernization Taskforce.</p>
Continue expansion of the use of behavioural insights in OSC policy work	<p><b>Completed:</b> Published OSC Staff Notice 11-790 <i>Protecting Aging Investors through Behavioural Insights</i>, which identifies behaviourally informed techniques dealers and advisers can use to encourage their older clients to provide the necessary information for enhanced investor protection measures.</p>

PLANNED ACTIONS	PROGRESS/OUTCOMES/MEASURES OF SUCCESS
<p>A focus on investor education and financial literacy activities</p>	<p><b>Completed:</b> Focused on the following priorities to advance financial literacy across communities:</p> <ul style="list-style-type: none"> <li>– Published a new resource hub on <i>GetSmarterAboutMoney.ca</i> (COVID-19 and Your Money) to help investors manage the challenges of the pandemic with educational information and tools, financial support links, and fraud alerts</li> <li>– Modernized and relaunched the investor questions and answer website as <i>InvestingQuestions.ca</i> to improve search functionality and overall user experience</li> <li>– Developed innovative initiatives, including social media campaigns, to educate investors. These included a Reddit-based initiative and Twitter chats, resulting in a reach of 2.4 million and 16.4 million respectively</li> <li>– Delivered 123 virtual and telephone-based investor outreach events, including 82 events for seniors and 36 events for multicultural communities, reaching 6,895 Ontarians</li> </ul> <p><b>In Progress:</b> Initiated refresh of <i>GetSmarterAboutMoney.ca</i></p>
<p>Continue implementation of the OSC Seniors Strategy, including consultation on the proposed regulatory framework to address issues of financial exploitation and cognitive decline among older and vulnerable investors</p>	<p><b>Completed:</b> Consultations on the proposed regulatory framework to address financial exploitation and diminished mental capacity among older and vulnerable investors closed on July 20, 2020. The CSA project committee reviewed and considered all stakeholder comments.</p> <p>Published articles on topics such as the impact of COVID-19 on RRIFs and retirement savings, as well as steps for seniors to take before offering a financial lifeline to family members during the pandemic.</p> <p><b>In Progress:</b> The CSA project committee is finalizing amendments to <i>NI 31-103 Registration Requirements, Exemptions, and Ongoing Registrant Obligations and Related Instruments</i> and the <i>Companion Policy</i>, and preparing the materials that will accompany the amendments, with the view to publishing the final amendments in early summer 2021, subject to all necessary approvals.</p> <p>Issued a call for applications to refresh the membership of the Seniors Expert Advisory Committee.</p>
<p>Collaboration on financial literacy initiatives with the Government of Ontario, including the Ministry of Finance, Ministry of Education, and Ministry of Seniors and Accessibility</p>	<p><b>Completed:</b> The newly formed Ontario Intra-governmental Committee on Financial Literacy, chaired by the Director of the Investor Office, will strengthen collaboration and dialogue among provincial ministries and agencies on initiatives and opportunities to improve financial literacy in Ontario.</p>



## Priority

# Continue to Expand Systemic Risk Oversight

## Why it's important

Appropriate safeguards are necessary to protect market participants and investors and to allow the market to flourish.

## Success measures

- Published amendments to the Business Conduct Rule for derivatives dealers
- Expanded database development completed
- Operational procedures for new compliance and oversight processes documented
- New templates for systemic risk analysis operationalized
- Increased use of analytical support for internal reporting, presentations, research, inter-agency projects, and policy development
- Improved resilience and preparedness through effective coordination and cooperation with regulatory partners

PLANNED ACTIONS	PROGRESS/OUTCOMES/MEASURES OF SUCCESS
Subject to Ministerial pre-approval, publish amendments to the Business Conduct Rule for derivatives dealers, limiting the scope of the rule and outlining jurisdictions that will be granted equivalency	<b>Ongoing/Delayed:</b> A revised version of the proposed Business Conduct Rule will be published for comment. The scope of the rule has been narrowed to ensure that access to derivatives products will not be unduly limited and includes a list of jurisdictions that will be granted equivalency.
Work with CSA on the next version of the proposed Derivatives Dealer Registration Rule	<b>In Progress:</b> The OSC continues to work with the CSA on the next version of the proposed Derivatives Dealer Registration Rule.
Establish a monitoring regime for data relevant to the applicability of a proposed margin rule for uncleared derivatives to Ontario entities	<b>Completed:</b> The OSC, along with other CSA members, implemented a harmonized monitoring process involving current data from derivatives trade repositories. The most recent review found no material changes in the prior findings. The OSC will continue to monitor and review the data for any material changes.

PLANNED ACTIONS	PROGRESS/OUTCOMES/MEASURES OF SUCCESS
Propose amendments to the Trade Reporting Rule concerning internationally adopted data standards	<b>Ongoing:</b> Work is continuing with the CSA to draft the the Trade Reporting Rule amendments and implement the international reporting standards. The expected publication for comment is in October 2021.
In coordination with other IOSCO members, design and implement enhanced data collection to monitor vulnerabilities associated with the use of leverage in the asset management industry	<b>Ongoing:</b> Designed a survey to facilitate monitoring of leverage and liquidity in the investment fund sector. Data collection will start in the first quarter of fiscal year 2021-2022 and be conducted in coordination with other CSA members. The data collection survey will be conducted annually.
Subject to Ministerial pre-approval, publish for comment a revised version of the Clearing Rule and Companion Policy	<b>Completed:</b> The OSC, along with other CSA members, published proposed amendments for comment on September 3, 2020, and is in the process of drafting final amendments to NI 94-101 <i>Mandatory Central Counterparty Clearing of Derivatives</i> (the “Clearing Rule”) and <i>Companion Policy</i> . Publication of final amendments is anticipated in 2021.
Work with other provincial and federal agencies to enhance the identification of financial system vulnerabilities and promote financial system resilience	<p><b>Completed:</b> The OSC shares information with other provincial and federal agencies as a member of the Heads of Regulatory Agencies (HoA). The HoA membership consists of the Bank of Canada (Chair of the HoA), Department of Finance Canada, Office of the Superintendent of Financial Institutions, Alberta Securities Commission, Autorité des marchés financiers (Quebec), British Columbia Securities Commission, and the OSC.</p> <p>The HoA created the Systemic Risk Surveillance Committee (SRSC) to collaborate and share information to improve financial system monitoring and systemic risk assessment. The OSC is a member of the SRSC along with other provincial and federal agencies with an interest in promoting financial stability. The SRSC reports to the HoA and informs the discussion at the HoA level.</p> <p><b>Ongoing:</b> OSC will contribute analysis and insights to the SRSC, whose work informs the Bank of Canada’s assessment of financial system vulnerabilities and risks.</p>
Develop compliance review program for the Clearing Rule	<b>Completed:</b> A compliance program was developed and implemented to ensure the requirements in NI 94-101 <i>Mandatory Central Counterparty Clearing of Derivatives</i> are followed.
Create data quality reports to inform decisions as to which reporting counterparties should be reviewed	<b>In Progress:</b> The OSC continues to develop a process that incorporates data quality metrics to inform which entities undergo a compliance review.

PLANNED ACTIONS	PROGRESS/OUTCOMES/MEASURES OF SUCCESS
<p>Conduct ad hoc compliance reviews on issues as they become present in the data</p>	<p><b>Completed:</b> The OSC conducted nine ad hoc compliance reviews of derivatives market participants during the year where we noted instances of incomplete and incorrect submitted data. The OSC will continue to perform these ad hoc reviews when necessary to improve the quality of the data it receives.</p>
<p>Design and build an enhanced derivatives data mart that ingests and relates data from multiple reporting entities</p>	<p><b>Completed:</b> A strategic review of the derivatives data mart project was completed which focused on scope, goals, and timelines.</p> <p><b>Ongoing/Delayed:</b> The initial phase of building an enhanced derivatives data mart was completed. Further phases of development are required to enable all desired functionality of this multi-year project. The Derivatives and Digital Solutions branches will collaborate going forward to deliver on the goals identified through the strategic review.</p>
<p>Provide inter-provincial data support and analytics</p>	<p><b>Ongoing/Delayed:</b> Completed a redevelopment program to accommodate the system re-architecture at one of the trade repositories that provides data, including data we receive on behalf of other provincial securities commissions. As a result, inter-provincial support and analytics were delayed but will resume in early 2021.</p>

## Priority

### Bring Timely and Impactful Enforcement Actions

## Why it's important

Securities misconduct doesn't just hurt the investors who lose money, it threatens the trust people have in our markets.

## Success measures

- Implementation of new tools supports the increased use of data to support case selection and investigation decisions
- Enhanced profile for the OSC Whistleblower Program increases the number of credible tips
- Increased number of visible, effective disruption actions completed
- Increased visibility of priority case outcomes with strong regulatory messages aligned with OSC strategic priorities
- Improved use of data analytics in market conduct cases to strengthen the detection of harmful conduct
- In conjunction with our CSA partners, roll out the first phase of the Market Analysis Platform implementing a data repository with analytic tools to enhance enforcement effectiveness, including insider trading and market manipulation investigations

PLANNED ACTIONS	PROGRESS/OUTCOMES/MEASURES OF SUCCESS
<p>Continue to identify and develop surveillance and analytical tools including working with the CSA to Implement the Market Analysis Platform (MAP)</p>	<p><b>Completed:</b> Launched MAP Phase 1. General and closing statistics algorithms were developed and implemented for use in some types of market manipulation assessments.</p> <p><b>In Progress:</b> Enforcement continues to support next-phase developments of MAP following the initial launch. Enforcement has identified opportunities in using market tools and vendors to increase monitoring and analysis capabilities within crypto asset markets. Development of algorithms to help insider trading assessments of negative news events is progressing.</p> <p><b>Ongoing/Delayed:</b> Development continues towards full functionality of MAP.</p>

PLANNED ACTIONS	PROGRESS/OUTCOMES/MEASURES OF SUCCESS
<p>Focus investigative and litigation resources on cases expected to have a strong regulatory impact and that are aligned with our strategic priorities</p>	<p><b>Completed:</b> Sent strong messages on OSC crypto regulatory priorities and enforcement around the world through:</p> <ul style="list-style-type: none"> <li>– the public release of an investigative report (including its microsite and embedded video) on the QuadrigaCX fraud and misappropriation of millions in client assets</li> <li>– publication of the settlement agreement reached with Coinsquare who admitted to conducting around 840,000 illicit wash trades on their platform worth almost \$5.5 billion.</li> </ul> <p>Enforcement’s regulatory actions continued with the shift to working remotely. A virtual examination best practices guide was developed by April 2020 and all examinations shifted to virtual.</p> <p>Completed a record number of assessments, primarily due to increases in complaints from the public and to expedite support for an Enforcement project sweep.</p> <p><b>In Progress:</b> Eleven active and impactful investigations are ongoing. One quasi-criminal fraud trial was heard in Ottawa in January 2021. A decision is pending. A quasi-criminal fraud case is currently being heard in provincial court in Toronto.</p> <p><b>Ongoing/Delayed:</b> Abbreviated assessment practices were implemented beginning in January 2021 due to high volumes and are ongoing. Provincial courts remain backlogged due to the COVID-19 pandemic.</p>
<p>The quasi-criminal team will work in cooperation with policing partners and continue to focus on fraudulent behaviour and recidivism</p>	<p><b>In Progress:</b> Two joint investigations are ongoing with the RCMP and Integrated Market Enforcement Team. Initiated a selection process for onboarding an OPP officer on a three-year secondment.</p> <p><b>Ongoing/Delayed:</b> The OPP secondment has been delayed 5-6 months due to the COVID-19 pandemic.</p>

PLANNED ACTIONS	PROGRESS/OUTCOMES/MEASURES OF SUCCESS
<p>Proactive and timely disruption activities mitigate or stop investor harms</p>	<p><b>Completed:</b> A record number of cases were identified and transferred for disruption or other alternative enforcement measures, with 23% of the total assessed, primarily related to an increase in global internet scams.</p> <p>Completed 122 disruption activities, including issuing warning letters cautioning against potential misconduct, alerting the public through press releases and warnings on the OSC website, and actively engaging with regulatory and law enforcement partners.</p> <p>Additional disruption action continued despite the pandemic including receiverships, off-boarding of clients, freeze directions, and additional warning letters.</p>
<p>The Whistleblower group will triage tips to focus action on impactful enforcement proceedings with effective regulatory messages</p>	<p><b>Completed:</b> Whistleblower tips rose by 13% from the previous fiscal year, highlighting continued growth in awareness of the OSC Whistleblower Program.</p> <p>The OSC announced award payments of \$1.1 million to four whistleblowers who provided critical information in advancing enforcement proceedings with impactful regulatory messages. One of those awards was accounted for in the 2019–2020 fiscal year and not announced until April 2020 for confidentiality reasons.</p> <p>Enforcement settled its first matter involving allegations of misconduct contrary to the whistleblower anti-reprisal provisions of the Securities Act.</p> <p>The OSC also publicly issued joint whistleblower guidance with IIROC appealing to whistleblowers to submit tips on potential abusive trading in the securities of Ontario reporting issuers.</p>

## Priority

### Enhance Economically Focused Rulemaking

## Why it's important

Part of our role as a regulator is to be transparent about what we are doing, why it matters, and the impact we expect it to have. We are working to ensure that proposed rules are supported by a robust, publicly available analysis of the anticipated benefits and costs for stakeholders.

## Success measures

- High-quality analyses are delivered within agreed timelines
- Rulemaking is supported by impact analyses that confirm the costs of the proposed changes are proportionate to the benefits sought and aligned with the OSC's mandate
- Post-implementation reviews confirm that no major potential impacts were missed in the initial analysis
- Reviews will confirm whether the intended benefits have been achieved and if further policy change should be considered
- Published analysis generates positive feedback from internal and external stakeholders

PLANNED ACTIONS	PROGRESS/OUTCOMES/MEASURES OF SUCCESS
<p>Develop a more comprehensive and structured approach to analyzing costs and benefits that includes qualitative and quantitative analysis of anticipated costs and benefits for all OSC rulemaking initiatives</p>	<p><b>In Progress:</b> Work to enhance the OSC's internal framework for assessing the impact of regulatory policy continues based on lessons learned from analyses completed during the year. Once completed, the framework will be used as a template for future impact analysis, helping to ensure a consistent and transparent approach.</p>
<p>Provide analytical support and advice on impact analyses for regulatory initiatives</p>	<p><b>Completed:</b> Published qualitative and quantitative analysis of anticipated costs and benefits in support of ten rule proposals.</p> <p><b>Ongoing:</b> Continue to deliver research and analysis on anticipated impacts of proposed rulemaking to help ensure that proposals are informed by analysis of potential impacts.</p>
<p>Conduct retrospective reviews of past regulatory changes to assess if intended impacts were achieved</p>	<p><b>Completed:</b> With the CSA, published findings from a four-year research study that measured what investors know and think about fees and the performance of their investments, and how they interact with advisers. The research found improvements between 2016 and 2019 in 40% of the issues examined, particularly in knowledge about fees. The insights gleaned from the research will help inform future CSA policy-making and educational efforts to improve the investing experience for Canadians.</p> <p><b>In Progress:</b> Research continues into the trends related to mutual fund fees and product offerings.</p>

## Priority

Initiate Consultation to Consider the Current Self-Regulatory Organization Framework

## Why it's important

The Self-Regulatory Organizations (SROs) have critical public interest responsibilities and their structure should reflect today's financial industry, which has evolved significantly since the current model was established. The CSA is undertaking a consultation to modernize the SRO model to better protect investors, streamline regulation, and ultimately to better serve the public interest.

## Success measures

- Updated SRO recognition orders that are consistent with our oversight activities and that maintain appropriate levels of investor protection
- Consideration and public feedback on whether the current SRO framework is appropriate in light of the evolution of the market

PLANNED ACTIONS	PROGRESS/OUTCOMES/MEASURES OF SUCCESS
Consultation paper published for comment	<b>Completed:</b> Published CSA Consultation Paper 25-402 – Consultation on the Self-Regulatory Organization Framework for comment on June 25, 2020.
Clarify and streamline SRO Memoranda of Understanding and recognition orders	<b>Completed:</b> Published SRO Memoranda of Understanding in final form on March 25, 2021, effective April 1, 2021.



## Priority

### Support Transition to the Cooperative Capital Markets Regulatory System

## Why it's important

The proposed cooperative capital markets regulatory system (CCMR) is intended to give Canadians a straightforward and uniform approach to capital markets regulation. This approach would provide an opportunity for enhanced investor protection, foster efficient rulemaking, and promote globally competitive markets in Canada.

## Success measures

- The OSC is ready to seamlessly transition to the proposed Cooperative Capital Markets Regulatory System

PLANNED ACTIONS	PROGRESS/OUTCOMES/MEASURES OF SUCCESS
<p>Re-prioritize, mobilize resources, and adopt change management activities once workstreams are activated to prepare for CCMR launch</p>	<p><b>Completed:</b> Human Resource policies were reviewed and recommended for the CCMR, with organization structure design completed to reflect all participating jurisdictions and change management plans established and implemented in alignment with phases of organization design.</p>
<p>Work with other CCMR partners to develop effective legislation, regulations, and efficient regulatory oversight processes</p>	<p><b>Completed:</b> Provided input on draft legislation at the request of the Ministry of Finance. Together with the General Counsel's Office and the Enforcement workstream, provided input on the application of Evidence Acts in the participating jurisdictions. Together with GCO, provided input on a consultation draft of the CMRA Act.</p> <p><i>Subsequent Event:</i></p> <p>Effective March 31, 2021, the Capital Markets Authority Implementation Organization (CMAIO), which was established to assist in the transition to the CCMR, put its operations on pause.</p>

## GOAL 2

# Reduce regulatory burden

### Priority

## Complete Actions Identified in the OSC Burden Reduction Plan

### Why it's important

Reducing regulatory burden and enhancing competitiveness in Ontario markets will save time and money for issuers, registrants, investors, and other market participants. The OSC has committed to an ongoing program of burden reduction aimed at eliminating unnecessary rules and processes while protecting investors and the integrity of our markets.

### Success measures

- New tools and use of technology to assist with navigating the regulatory process
- More transparency around our processes
- More manageable timelines for certain filings
- Greater clarity and flexibility on what is required to fulfill regulatory requirements
- Less duplication of requirements and form filings
- Improved coordination of reviews
- A more tailored regulatory approach that considers the size and type of businesses
- Clearer communication from staff
- Improved coordination between the OSC and our regulatory partners
- Rules and guidance that are easier to read and understand
- Information will be easier to find and better organized on our website

PLANNED ACTIONS	PROGRESS/OUTCOMES/MEASURES OF SUCCESS
Complete the burden reduction items identified in the Report for completion by the planned dates	<p><b>Completed:</b> The OSC has completed 62 of the initiatives set out in the 2019 report <i>Reducing Regulatory Burden in Ontario's Capital Markets</i>.</p> <p><b>In Progress:</b> By December 31, 2021, 85 of the initiatives (79% of the total) are projected to be complete.</p> <p><b>Ongoing/Delayed:</b> Thirty-three of the initiatives have been delayed due to impacts of the COVID-19 pandemic. Many of these are joint CSA projects and so follow CSA timelines.</p>

PLANNED ACTIONS	PROGRESS/OUTCOMES/MEASURES OF SUCCESS
Engage in further study on the items identified for follow up in the Report	<p><b>Completed:</b> Created the Office of Economic Growth and Innovation with a mandate that includes leading and facilitating the OSC’s continuing efforts to reduce regulatory burden, including the recommendations identified in the burden reduction report.</p> <p><b>In Progress:</b> The OSC continues to pursue opportunities to reduce undue burden and to make its interface with market participants easier and less costly, including new ideas beyond those identified in the 2019 report.</p>
Issue regular status updates on the progress against the actions identified in the Report	<p><b>Completed:</b> The OSC published a status update on May 27, 2020, for the decisions and recommendations published in the <i>Reducing Regulatory Burden in Ontario’s Capital Markets</i> issued in November 2019. This status update is consistent with our commitment to provide market updates on the progress of implementing the report’s decisions and recommendations.</p>

## GOAL 3

# Facilitate financial innovation

### Priority

Develop and Begin Implementation of Multi-Year Plan for the Office of Economic Growth and Innovation

### Why it's important

Innovation offers economic opportunity and choices for investors. We support the creation of a globally competitive and efficient capital markets regulatory system that helps innovative businesses succeed and attracts investments from around the world. The OSC has established a dedicated office to lead our efforts in reducing burden, supporting innovation, and facilitating capital formation to drive competitiveness in our markets.

### Success measures

- The Office of Economic Growth and Innovation (Innovation Office) is fully operational and delivering on its mandate
- Accelerated innovation in financial services through the proliferation of technology, reduced costs, and increased competition
- Impacts of regulatory actions are assessed in the context of small or medium-sized market participants
- Increased innovation supports capital formation and economic growth within Ontario

PLANNED ACTIONS	PROGRESS/OUTCOMES/MEASURES OF SUCCESS
<p>Identify and recommend improvements to processes, programs, and decision-making at the OSC that will contribute to economic growth and innovation and develop performance measures that can be used to show evidence of successful delivery</p>	<p><b>Completed:</b> The Innovation Office published its Charter in October 2020 that sets out its strategic objectives, vision, and proposed initiatives.</p> <p>Recruited the Innovation Office team, including Modernizing Regulation and Outreach &amp; Engagement units that align with the strategic objectives in its Charter.</p> <p><b>In Progress:</b> Development and implementation of a broader outreach and engagement strategy are underway to achieve more timely input and feedback and engage stakeholder groups more proactively.</p> <p>Development of improved processes to address novel, innovative ideas is underway and includes the following additional tools for eligible businesses:</p> <ul style="list-style-type: none"> <li>– enhancing the LaunchPad support program to provide businesses with tailored support and resources that align with their stage of development</li> <li>– refining the LaunchPad support forum to gather additional information to assist in tailoring support we provide which could include educational content, access to a directory of external consultants offering pro bono initial consultations and/or a meeting with Innovation Office and OSC operational staff</li> <li>– developing a program to provide businesses with a controlled testing environment for Ontario’s capital markets. Details on this initiative will be announced later in 2021.</li> </ul> <p><b>Ongoing/Delayed:</b> Performance measures will be delayed until key functions have been operationalized.</p>
<p>Oversee the process for identifying opportunities to reduce regulatory burden including conducting outreach programs with market participants to solicit their insight and input</p>	<p><b>Completed:</b> Created the Modernizing Regulation Unit within the Innovation Office with the mandate to modernize regulation, including reducing regulatory burden on capital market participants.</p> <p><b>In Progress:</b> The Innovation Office is designing a process to effectively manage and integrate ongoing efforts across the OSC to reduce regulatory burden.</p> <p>Developing methods to gather timely feedback from stakeholders in the innovation community is underway. We plan to seek structured feedback from stakeholders through surveys, Requests for Comment, and other interactive processes.</p>

PLANNED ACTIONS	PROGRESS/OUTCOMES/MEASURES OF SUCCESS
<p>Develop and implement innovation programs for the OSC to test innovative ideas</p>	<p><b>In Progress:</b> The Innovation Office is building a dedicated website to support the innovation community.</p> <p><b>Ongoing:</b> The OSC participates with international regulators in the Global Financial Innovation Network’s (GFIN) cross-border testing initiative that offers firms an environment to test their innovative financial products, services, and business models across international borders. Reviews of applicants for the second cohort of firms are in progress.</p>
<p>Monitor innovation and economic growth initiatives and engage actively with innovation hubs and similar groups within domestic and global regulatory organizations</p>	<p><b>Completed:</b> The Innovation Office works closely with stakeholders and regulators to strengthen partnerships, monitor innovation, and economic growth initiatives, and improve access to opportunities for businesses and investors on a domestic and international level. We met with over 230 stakeholders and attended/hosted 19 events in the year.</p> <p><b>Ongoing:</b> Engagement included:</p> <ul style="list-style-type: none"> <li>– collaboration with the CSA Regulatory Sandbox, an initiative consisting of several Canadian securities regulators designed to support businesses offering novel and innovative products, services, and applications throughout Canada</li> <li>– participation in the GFIN, which includes a cross-border testing initiative and a framework for cooperation between financial services regulators on innovation topics, sharing different experiences, trends, and approaches</li> <li>– pursuing fintech co-operation agreements with certain international financial regulators to make it easier for Canadian and Ontario-based innovators to attract and do business with investors around the globe</li> <li>– enhancing our outreach and engagement with external stakeholders such as innovation hubs and post-secondary fintech programs that work directly with future entrepreneurs and businesses at various stages of development; and</li> <li>– participating in a forum with IOSCO, the Fintech Network, and the ICO Consultation Network to discuss regulatory issues, trends, and emerging risks regarding initial coin offerings.</li> </ul>

## Priority

# Engage with Fintech and Support Innovation in Capital Markets

## Why it's important

By working with innovative businesses, the OSC has an opportunity to directly identify opportunities for modernizing regulation and reducing burden for Ontario capital markets. Supporting innovation in capital markets, while balancing the need for investor protection and market stability, can help improve efficiency and reduce costs for investors.

## Success measures

- Costs and time to market for innovations are reduced
- Potential tools are identified, assessed, and implemented
- Lessons from working with innovative businesses are used to modernize regulation for the benefit of Ontario businesses
- Positive feedback from stakeholders regarding guidance issued and support provided to fintech businesses
- OSC LaunchPad website updated to reflect new fintech-related notices, news releases or guidance

PLANNED ACTIONS	PROGRESS/OUTCOMES/MEASURES OF SUCCESS
Evaluate additional tools to assist fintech firms that want to test novel products and services	<b>In Progress:</b> The Innovation Office is developing a user-friendly dedicated website to support the innovation community and our mandate to foster innovation, economic growth and capital formation.
Identify issues and potential regulatory gaps relating to fintech developments and integrate lessons from working with innovative businesses	<b>Completed:</b> The CSA and IIROC published a notice on March 29, 2021, outlining securities law requirements that apply to crypto asset trading platforms (CTPs), including interim regulatory approaches that may be available to CTPs and are intended to foster innovation and provide flexibility while ensuring the CTPs operate in an appropriately regulated environment.
Issue guidance and notices on key issues affecting these businesses	<b>Completed:</b> Refer to the CTP notice described above for more details.
Work with the OSC Fintech Advisory Committee to ensure we are responsive to unique issues faced by innovative businesses	<b>In Progress:</b> The new Outreach & Engagement Team is implementing a broader outreach and engagement strategy. As part of this process, we are assessing the continued role of the OSC Fintech Advisory Committee and how to use this forum effectively.

PLANNED ACTIONS	PROGRESS/OUTCOMES/MEASURES OF SUCCESS
<p>Engage with other international regulators that have similar innovation initiatives to better understand international trends and developments</p>	<p><b>Completed:</b> Members of the CSA, including the OSC, signed a fintech co-operation agreement with the Financial Supervisory Commission of Taiwan (the FSC) effective June 11, 2020. The agreement provides a comprehensive framework for cooperation and referrals related to the innovation functions that were established through the CSA Regulatory Sandbox initiative and the FSC.</p>
<p>Enhance and maintain a dedicated microsite to provide the fintech community with important insights and information into securities law requirements including information for start-ups on whether and how securities regulations may apply to their business</p>	<p><b>In Progress:</b> The Innovation Office microsite is under development and is scheduled to go live in Q1 2021/2022. The microsite will provide an enhanced user experience and easy navigation to recent publications and news, information about securities law requirements, and enhanced support for businesses that would like to seek support from the LaunchPad program.</p>
<p>Work with the CSA Sandbox to issue timely approvals for Ontario fintech businesses to operate in Canada as registered firms (offering novel products and services) or marketplaces</p>	<p><b>Completed:</b> Nine businesses were supported through the CSA Sandbox this year. Support included providing novel exemptive relief to smooth the progress of innovation and the use of new technologies. Several businesses received time-limited registration or exemptive relief.</p> <p><b>Ongoing:</b> Continue to provide direct support to several novel businesses as part of the OSC LaunchPad, which included 54 businesses this year.</p>



## GOAL 4

# Strengthen our organizational foundation

### Priority

Continue  
Redevelopment of  
CSA National Systems

### Why it's important

Feedback from market participants has identified CSA national systems, including filing systems, as an area for improvement. We are working together with our CSA partners to provide users with integrated solutions for filing and service delivery.

### Success measures

- Launch of SEDAR+ meets user needs and is aligned with OSC local systems
- Improved operational functions and more efficient service delivery to market participants
- CSA Systems Fee Rule is completed within applicable timelines

PLANNED ACTIONS	PROGRESS/OUTCOMES/MEASURES OF SUCCESS
Support the CSA initiative to implement SEDAR+, a modern, accessible, integrated, searchable, secure, and robust database, and system to deliver capabilities that support existing regulatory requirements and can be easily modified to support the future needs of market participants and regulators	<p><b>In Progress:</b> The first phase of SEDAR+, which is focused on issuer filings and will replace the Cease Trade Order database, the Disciplined List, SEDAR, and local exempt distribution reporting and issuer exempt relief systems, will be rolled out gradually. Business readiness work is in progress.</p> <p>Once all phases of the program are completed, SEDAR+ will be the CSA's national system for all market participants for filings, disclosure, payment, and information searching in Canada's capital markets.</p>

PLANNED ACTIONS	PROGRESS/OUTCOMES/MEASURES OF SUCCESS
Amend the CSA Systems Rule and CSA Systems Fee Rule	<p><b>Completed:</b> Comments received on Proposed Repeal and Replacement of Multilateral Instrument MI 13-102 <i>System Fees for SEDAR and NRD</i> (SFR) and <i>Proposed National Systems Renewal Program Rule and Related Amendments</i> NI 13-103 – System Replacement Rule) were reviewed.</p> <p><b>In Progress:</b> Final materials for MI 13-102 and NI 13-103 are expected to be published in January 2022.</p>
Complete work on OSC local systems and related processes, workflows, and policies to ensure they are aligned with SEDAR+ when it is launched	<p><b>In Progress:</b> System and process updates of the eight impacted OSC local systems are ongoing to integrate with SEDAR+ functionality. Operational readiness work is in progress.</p> <p><b>Ongoing/Delayed:</b> The scheduled deployment of the eight impacted OSC applications remains aligned with the SEDAR+ program.</p>

**Priority**

Modernize OSC  
Technology Platform

**Why it's important**

Strong technology systems support us in providing efficient and effective regulation. We are modernizing our OSC technology platform to enhance our operations and better serve those we regulate.

**Success measures**

- Insights gained from improved data reporting and analytics
- Improved information security oversight and reporting
- Successful implementation of the Information Security Program results in secure operations of OSC systems
- Improved cybersecurity defence agility
- Increased awareness of information security risks among staff

PLANNED ACTIONS	PROGRESS/OUTCOMES/MEASURES OF SUCCESS
Improved data reporting and analytics	<p><b>In Progress:</b> The Digital Solutions Branch is working with other OSC branches to understand the capability needs around data and analytics. The need for an Enterprise Data Analytics and Reporting (e-DARP) platform was identified and is now part of the overall platform strategy. Work is underway to develop requirements and an implementation plan for e-DARP. Completion of a modern e-DARP will enhance OSC productivity and effectiveness.</p>
Continuation of OSC data governance activities with additional data elements added	<p><b>Completed:</b> Master Data Management Phase 1: the de-duplication of Issuers and Registrant Firms was completed.</p> <p><b>In Progress:</b> With the establishment of the DSB, the data governance practice is being revamped. Data cataloging activities are progressing.</p>
Enhanced derivatives database developed with improved reporting and analytics	<p><b>In Progress:</b> The initial phase of building an enhanced derivatives data mart that included enhanced reporting and analytics is complete. Further development phases are required to enable all desired functionality on this multi-year project.</p>
OSC website redevelopment	<p><b>Completed:</b> The redeveloped OSC website launched on February 24, 2021. Along with a refreshed design, to make it easier for users to find information quickly and simply, the website features expanded search functionality, mobile responsiveness, enhanced site navigation, streamlined content, and consolidated instruments.</p>

PLANNED ACTIONS	PROGRESS/OUTCOMES/MEASURES OF SUCCESS
Introduction of additional data management and analytical tools	<p><b>Completed:</b> Completed key systems – namely:</p> <ul style="list-style-type: none"> <li>– Enforcement Information System Sandbox</li> <li>– Compliance Field Review enhancements</li> <li>– RAQ enhancements (i.e. a new streamlined form that was auto-populated with registrant data, reducing the amount of data entry burden for registrants)</li> <li>– Various financial systems improvements (e.g. SEDI Integration, Cognos Reporting changes and improvements, SafePay, Vendor Workflow, Concur integration)</li> </ul> <p><b>In Progress:</b> Work is underway to identify the requirements and an implementation plan to create an enterprise-wide, modern, scalable, and well-governed data, analytics, and reporting platform.</p> <p>The COVID Market Analysis Project was initiated to develop a process and a tool to monitor market risk and the consequences of large fluctuations in the derivatives markets.</p>
Ongoing platform currency upgrades and improvements to various internal operational systems	<p><b>Completed:</b> Migration to Windows 10 from Windows 7, various systems upgrades (e.g. Windows Server, SQL Server, etc.), and an e-hearing solution (i.e. FileMaker) upgrade.</p>
Implementation of additional tools and technology to allow staff to work more effectively and efficiently from home	<p><b>Completed:</b> Additional tools and technology were implemented to allow staff to work remotely more effectively and efficiently, including Microsoft Teams, Microsoft Whiteboard, Microsoft Forms, Microsoft MyAnalytics, CISCO Jabber Softphones for some OSC staff, and additional laptop and mobile devices as required.</p>
Replacement of legacy systems with new modern technology	<p><b>Completed:</b> Implemented a new e-discovery solution, Relativity, and decommissioned the legacy Summation system. Implemented a new CSA Market Analytics Platform and decommissioned MICA, the OSC legacy application.</p> <p><b>In Progress:</b> OSC legacy systems are being modernized using new technologies and platforms. As the first step, an OSC platforms landscape was published. Existing legacy systems will be ported to the new platforms as a multi-year initiative. Currently working on the prioritization of these initiatives.</p>

PLANNED ACTIONS	PROGRESS/OUTCOMES/MEASURES OF SUCCESS
<p>Improve ongoing information security operations and remediation of information security risks</p>	<p><b>Completed:</b> Improved the security incident investigation and response process.</p> <p>Performed regular review of privileged access accounts. Successfully completed the annual ICFR audit.</p> <p><b>In Progress:</b> Continue to improve the vulnerability scanning and patch management process.</p>
<p>Continue to improve information security governance</p>	<p><b>In Progress:</b> Updating and creating new information security policies and standards.</p>
<p>Implement additional information security tools and technology</p>	<p><b>Completed:</b> Improved network perimeter protection by upgrading to a next generation firewall.</p> <p>Implemented a new Privileged Access Management tool.</p> <p>Implemented a new security awareness training platform.</p> <p><b>Ongoing/Delayed:</b> Work is underway to implement new access control and monitoring tools.</p>
<p>Continue ongoing information security awareness training for all staff</p>	<p><b>Completed:</b> Conducted regular information security awareness and phishing simulation campaigns.</p>

**Priority**

Ensure Competitiveness and Clear Service Standards

**Why it's important**

Maintaining effective and transparent service standards is integral to strengthening accountability and building trust with our stakeholders.

**Success measures**

- Improved understanding of relative competitiveness of Ontario capital markets
- Better service and trend analysis
- Improved transparency for stakeholders

PLANNED ACTIONS	PROGRESS/OUTCOMES/MEASURES OF SUCCESS
Report on metrics that track the competitiveness of Ontario's capital markets relative to other jurisdictions	<b>In Progress/Delayed:</b> Staff continue to research peer markets and regulators to identify appropriate measures of market competitiveness. Progress on this item was delayed as the COVID-19 pandemic and other developments that led to the redeployment of OSC staff.
Enhanced and expanded service standards will be introduced covering a broader range of regulatory processes and services	<b>Completed:</b> In November 2020, the OSC published an updated Service Commitment that provides investors, registrants, and market participants with added transparency on the standards and timelines they can expect when interacting with the OSC. The updated Service Commitment encompasses more processes and interactions with the OSC, provides additional clarity to stakeholders, and enhances tracking and accountability.
Results against those standards will be tracked relative to securities regulators in leading jurisdictions	<b>Ongoing:</b> The updated Service Commitment, published in November 2020, was informed by a comprehensive review of the OSC's current service standards as well as the service standards of securities regulators in leading jurisdictions.  The OSC will publicly report on the results of its service standards. The results of this years' service standards can be found at the end of this Report.

## Priority

Improve Efficiency and Regulatory Responsiveness through Internal Innovation

## Why it's important

As the market evolves and technological change continues, the OSC is working to stay at the forefront of digital transformation for its internal processes to support effective market surveillance and regulation.

## Success measures

- Interactions with businesses are easier and more efficient
- Enhanced service/innovation culture in the OSC
- The OSC demonstrates the ability and capacity to deliver transformational change on complex projects and initiatives

PLANNED ACTIONS	PROGRESS/OUTCOMES/MEASURES OF SUCCESS
Provide a framework, shared standards, and tools to effectively adapt to complex change and realize business benefits	<p><b>In Progress:</b> Applying change framework and tools to key initiatives including Information Security Modernization, Business Continuity Planning, SEDAR+, and responding to the Capital Markets Modernization Task Force. Communication and training interventions identified and implemented based on change needs analysis.</p>
Support staff to proactively identify and remove barriers to change	<p><b>In Progress:</b> Providing change management training to managers and employees involved in key OSC initiatives (e.g. IS Modernization, BCP). Enabling employees and managers to anticipate and address change resistance and provide additional support to enable successful change adoption.</p>
Assess OSC internal regulatory processes and address key process inefficiencies	<p><b>Completed:</b> Identified process automation as a key enabler. Identified priority automation use-cases across the branches. Published a process automation platform strategy.</p> <p><b>In progress:</b> Implementing the process automation platform.</p>
Increase the use of online applications that save time and reduce the occurrence of missing information	<p><b>In progress:</b> Part of the goal of the new Digital Solutions Branch is to create a digital culture and facilitate the adoption of modern platforms and applications. DSB is working with the regulatory branches to understand the gaps and create a roadmap.</p>

# 2020–2021 Service Standard Results

## Performance Measures against the OSC Service Commitment

### Background

The [OSC Service Commitment](#) was created to provide investors, registrants, and market participants with transparency on the standards and timelines they can expect when interacting with the OSC.

This year, the OSC updated the Service Commitment in response to the Ontario Government's five-point capital markets plan, stakeholder recommendations in the 2019 report *Reducing Regulatory Burden in Ontario's Capital Markets*, and to reflect our commitment to

accountability and transparency. The revised Service Commitment encompasses more processes and provides additional clarity around timing. A measure of how we performed against the updated service standards can be found below.

### Performance Measurement

Each service standard has a corresponding **performance target**, which represents our commitment to the service level that stakeholders can expect when interacting with the OSC. The performance target generally applies to routine matters

and assumes that applications and filings are received in an acceptable form. For more information on what this means, refer to the full [OSC Service Commitment](#) document on the OSC website.

**Performance results** against each standard are collected and presented quarterly for greater transparency.

### Important Note

As the OSC provided an updated Service Commitment this year, a number of new service standards were put into place mid-year. We have presented the data for these standards based on when we were able to adopt the new processes and implement tracking capabilities (quarters where tracking was not

available have been denoted with N/A). Furthermore, a small number of new standards will not be reported on until next fiscal year due to factors such as the COVID-19 pandemic. These standards have been identified in the results section below.



## 2020–2021 Summary

This year, while facing an unprecedented volume of prospectuses, and shifting the organization to a fully operational remote environment due to the COVID-19 pandemic, the OSC continued to deliver on its core business operations in addition to providing timely pandemic-related support to investors and market participants. For the 2020–2021 fiscal year, the OSC met 86%<sup>1</sup> of its quarterly performance targets.

### 1.0 General Questions and Complaints

Service	Target	Q1	Q2	Q3	Q4
<b>1.1</b> Answer telephone calls received at the OSC Inquiries and Contact Centre <i>(Note: This target accounts for a 5% call abandonment rate which may include spam, robocalls, misdials, and signal issues among other uncontrollable variables.)</i>	<b>95%</b>	97%	97%	97%	97%
<b>1.2</b> Answer telephone calls received at the OSC Inquiries and Contact Centre <i>within 60 seconds</i>	<b>80%</b>	92%	91%	92%	89%
<b>1.3</b> Respond to written inquiries or complaints about routine matters received by e-mail, mail, fax, or online form <i>within 3 working days or less</i>	<b>95%</b>	99%	99%	99%	99%

### 2.0 Investing and Personal Finance Questions

Service	Target	Q1	Q2	Q3	Q4
<b>2.1</b> Respond to questions received through <i>InvestingQuestions.ca</i> <i>within 10 working days</i> of receiving the question	<b>80%</b>	87%	100%	98%	100%

<sup>1</sup> This includes 96 out of 112 quarterly results where the performance result was met in comparison to the performance target.

### 3.0 Prospectus Filings with the OSC<sup>1</sup>

Service	Target	Q1	Q2	Q3	Q4
<b>Prospectus Filings</b>					
For preliminary or pro forma prospectuses					
<b>3.1</b> Provide a first comment letter for long form prospectus or simplified prospectus <i>within 10 working days</i> of the date of the preliminary receipt (for preliminary filings) and related materials in acceptable form	<b>80%</b>	100%	100%	80%	96%
<b>3.2</b> Provide a first comment letter for short form prospectus or shelf prospectus <i>within 3 working days</i> of the date of the preliminary receipt and related materials in acceptable form	<b>80%</b>	98%	100%	95%	100%
<b>3.3</b> Complete our review for routine offerings <i>within 40 working days</i> of the issuance of a receipt (for preliminary filings) and receipt of related materials in acceptable form	<b>80%</b>	92%	98%	96%	95%
<b>3.4</b> Issue receipt by end of the <i>same working day</i> for final prospectus materials filed by noon EST	<b>100%</b>	100%	100%	100%	100%
<b>Prospectus Amendments</b>					
Filing a preliminary prospectus amendment before the OSC issues a comment letter					
<b>3.5</b> Issue a comment letter for long form prospectus or simplified prospectus on the later of the date that is <i>5 working days</i> after the date of the receipt for the preliminary prospectus amendment and the original due date for the comment letter	<b>80%</b>	N/A	100%	100%	100%
<b>3.6</b> Issue a comment letter for short form prospectus or shelf prospectus <i>within 3 working days</i> after the date of the receipt for the preliminary prospectus amendment and the original due date for the comment letter	<b>80%</b>	N/A	100%	100%	100%
<b>Prospectus Amendments</b>					
Filing an amendment to a prospectus after a final receipt has been issued by the OSC					
<b>3.7</b> Issue a comment letter for long form prospectus or simplified prospectus <i>within 3 working days</i> after the date that related materials are received in acceptable form	<b>80%</b>	N/A	N/A	N/A	98%
<b>3.8</b> Issue a comment letter for short form prospectus or shelf prospectus <i>within 2 working days</i> after the date that related materials are received in acceptable form	<b>80%</b>	N/A	N/A	N/A	100%

<sup>1</sup> Prospectus filing results typically include those reviewed by Corporate Finance and Investment Funds and Structured Products. Due to building tracking capabilities, the Q1-Q3 results for service standards 3.1, 3.2, and 3.4 reflect only the prospectuses reviewed by Corporate Finance; the Q4 results for these standards include the prospectuses reviewed by both branches.

Service	Target	Q1	Q2	Q3	Q4
<b>Prospectus Amendments</b>					
Providing our decision on amendment filings					
<b>3.9</b> Complete our review for routine offerings <i>within 40 working days</i> of the issuance of a receipt (for preliminary filings) and receipt of related materials in acceptable form	<b>80%</b>	100%	100%	100%	100%

#### 4.0 Exemption Applications, Recognition/Designation, and Exemption from Recognition Applications with the OSC

Service	Target	Q1	Q2	Q3	Q4
<b>Exemption Applications<sup>1</sup></b>					
<b>4.1</b> Issue first comment letters <i>within 10 working days</i> of receiving a complete and adequate application in acceptable form	<b>80%</b>	100%	100%	96%	99%
<b>4.2</b> Provide a decision on requests for routine exemptive relief <i>within 40 working days</i> of receiving a complete and adequate application	<b>80%</b>	91%	96%	89%	89%
<b>Application for recognition/designation, and exemption from recognition<sup>2</sup></b>					
<b>4.3</b> Issue first comment letters <i>within 20 working days</i> of receiving a complete and adequate application in acceptable form	<b>80%</b>	Nil Applications	Nil Applications	100%	100%
<b>4.4</b> Complete our review for routine items <i>within 6-9 months</i> from receipt of a final application	<b>80%</b>	100%	100%	Nil Applicable Reviews	Nil Applicable Reviews

<sup>1</sup> Exemption application results include those reviewed by a number of OSC branches including Corporate Finance (CF), Office of Mergers & Acquisitions (OMA), Market Regulation (MR), Derivatives (DER), Compliance & Registrant Regulation (CRR), and Investment Funds and Structured Products (IFSP). Due to building tracking capabilities and the service standard being new to some branches, the Q1 and Q2 results for service standard 4.1 represents all aforementioned branches except CF, CRR and IFSP; the Q3 result represents all branches except CRR and IFSP; the Q4 result represents all branches except CRR. CRR will begin reporting on this standard starting Fiscal 2021-22.

<sup>2</sup> Recognition/designation and exemption from recognition application results include those reviewed by Corporate Finance and Market Regulation. Due to building tracking capabilities, the Q1 and Q2 results for service standards 4.3 and 4.4 includes only the applications reviewed by Market Regulation; the Q3 and Q4 results for these standards include the applications reviewed by both branches.

## 5.0 Circular Filings with the OSC

Service	Target	Q1	Q2	Q3	Q4
<b>Management Information Circulars (Conflict of Interest Transactions)</b>					
<b>5.1</b> Provide comments, if applicable, <i>within 5 working days</i> from the date of filing of the circular	<b>90%</b>	N/A	N/A	N/A	100%
<b>5.2</b> Complete our review <i>within 14 working days</i> from the date of filing of the circular	<b>80%</b>	N/A	N/A	N/A	100%
<b>Take-over/Issuer Bid Circulars</b>					
<b>5.3</b> Provide comments, if applicable, <i>within 7 working days</i> from the date of filing of the circular	<b>90%</b>	N/A	N/A	N/A	100%
<b>5.4</b> Complete our review <i>within 21 working days</i> from the date of filing of the circular	<b>80%</b>	N/A	N/A	N/A	100%
<b>Dissident Proxy Circulars</b>					
<b>5.5</b> Provide comments, if applicable, <i>within 5 working days</i> from the date of filing of the circular	<b>90%</b>	N/A	N/A	N/A	Nil Circulars Filed
<b>5.6</b> Complete our review <i>within 14 working days</i> from the date of filing of the circular	<b>80%</b>	N/A	N/A	N/A	Nil Circulars Filed

## 6.0 Registration Material Filings with the OSC

Service	Target	Q1	Q2	Q3	Q4
<b>New Business Submissions</b>					
<b>6.1</b> Acknowledge applications <i>within 5 working days</i> after receipt	<b>95%</b>	94% <sup>1</sup>	100%	94% <sup>1</sup>	96%
<b>6.2</b> Provide initial comments on firm registration applications <i>within 30 working days</i> of receiving a complete and adequate application in acceptable form	<b>80%</b>	Data is currently unavailable. Tracking for this standard will begin in Fiscal 2021-2022.			
<b>6.3</b> Provide a decision on routine applications and notify you <i>within 90 working days</i> of receiving a complete and adequate application in acceptable form	<b>80%</b>	100%	67% <sup>1</sup>	100%	67% <sup>1</sup>
<b>Dealing Representatives</b>					
<b>6.4</b> Provide a decision on routine applications <i>within 5 workings days</i> of receiving a complete and adequate application in acceptable form	<b>80%</b>	89%	91%	78% <sup>1</sup>	26% <sup>2</sup>
<b>Advising Representatives, Associate Advising Representatives, and CCO's</b>					
<b>6.5</b> Provide a decision on routine applications <i>within 20 working days</i> of receiving a complete and adequate application in acceptable form	<b>80%</b>	82%	67% <sup>1</sup>	64% <sup>1</sup>	75% <sup>1</sup>
<b>Notice of Termination</b>					
<b>6.6</b> Complete our acknowledgement of a notice of termination <i>within 24 hours</i> of receipt	<b>100%</b>	N/A	100%	100%	100%

<sup>1</sup> OSC staff shifting to work from home on March 16, 2020, as a result of the COVID-19 pandemic, applied pressure to registration staff's ability to process registration applications within typical service timelines, as communicated in the public e-mail blast to stakeholders on April 22, 2020. Also, the Compliance & Registrant Regulation Branch (CRR) experienced a series of staff vacancies throughout each quarter this year, which reduced staff capacity to process registration applications. Mitigation measures were deployed to reduce the impact of staff vacancies including reallocating certain registration work to other CRR staff.

<sup>2</sup> The Q4 performance result for processing dealing representative applications is a reflection of staff completing a greater number of applications in the quarter; this includes reviewing applications that were received earlier in the year but were unable to be processed within the five working days timeline due to reduced staff capacity.

## 7.0 OSC Reviews

Service	Target	Q1	Q2	Q3	Q4
<b>Continuous Disclosure Reviews (Full Reviews)</b>					
<b>7.1</b> Respond to issuer's correspondence <i>within 10 working days</i> of receipt	<b>80%</b>	N/A	N/A	N/A	100%
<b>7.2</b> Complete our review <i>within 120 days</i> from the issuance of our first comment letter	<b>80%</b>	N/A	N/A	N/A	Nil Applicable Reviews
<b>Insider Reporting Reviews</b>					
<b>7.3</b> Respond to the issuer's correspondence <i>within 10 working days</i> of receipt	<b>80%</b>	Data is currently unavailable. Reviews have been temporarily suspended due to COVID-19. Reporting will begin when review program resumes.			
<b>7.4</b> Complete our review <i>within 120 days</i> from the issuance of our first comment letter	<b>80%</b>				
<b>Compliance Reviews – Registrants</b> Risk-based assessment of the registrant's compliance with Ontario securities laws and commodity futures laws					
<b>7.5</b> Complete our review and communicate our findings <i>within 10 weeks</i> of the initial meeting with the registrant (this excludes sweeps)	<b>80%</b>	Data is currently unavailable. Tracking for this standard will begin in Fiscal 2021-2022.			

## 8.0 Requesting OSC Records (Calling or Emailing Records and Information Management)

Service	Target	Q1	Q2	Q3	Q4
<b>Requesting copies of company filings or Commission hearing materials</b>					
<i>(Note: This pertains to records available to the public through Records and Information Management only. This does not include records related to current proceedings before the Commission, as they are separately handled through the OSC Registrar.)</i>					
<b>8.1</b> Acknowledge receipt of your request <i>by the end of the next working day</i>	<b>100%</b>	100%	100%	100%	100%
<b>8.2</b> Complete requests <i>within 5 working days</i>	<b>100%</b>	94% <sup>1</sup>	90% <sup>1</sup>	98% <sup>1</sup>	93% <sup>1</sup>
<b>Registrants requesting copies of their own registration records and related forms</b>					
<b>8.3</b> Acknowledge receipt of your request <i>by the end of the next working day</i>	<b>100%</b>	100%	100%	100%	100%
<b>8.4</b> Complete requests <i>within 5 working days</i>	<b>100%</b>	100%	97% <sup>1</sup>	98% <sup>1</sup>	94% <sup>1</sup>

<sup>1</sup> Delays in completing record requests resulted from a number of factors including: COVID-19 restrictions limiting staff from accessing the office to review and process the physical records, errors in fulfilling shipping records from offsite storage to the office, the number of records to be scanned, the time needed for the business area and/or legal review, and time needed to address confidentiality concerns.

## 9.0 Requesting Support from OSC LaunchPad

Service	Target	Q1	Q2	Q3	Q4
<b>9.1</b> Acknowledge your Request for Support (RFS) form <i>within 2 working days</i> of receipt	<b>100%</b>	100%	100%	100%	100%
<b>9.2</b> Conduct our eligibility review and contact you <i>within 10 working days</i> of receipt of your RFS form	<b>80%</b>	100%	100%	100%	100%
<b>9.3</b> For eligible businesses, a telephone call or in-person meeting will be held to provide direct support <i>within 20 working days</i> of receipt of your RFS Form	<b>80%</b>	94%	100%	100%	88%
<b>9.4</b> If you are eligible to receive continued support from OSC LaunchPad, <i>within 20 working days</i> of your direct support meeting, we may ask you to provide us with additional materials or a filing	<b>80%</b>	100%	83%	86%	100%