

## FEE CALCULATION EXCEPTIONS

June 14, 2023





# WELCOME!

*A few items before we begin...*





# AGENDA

- Introduction
  - Overview
  - SEDAR+ Fee Calculation Errors Workaround guide
  - Summary of fee errors and exception codes
  - Summary of workarounds
- Fee Calculation Error Details
- Workaround Details
- Demonstrations
- Questions



# INTRODUCTION



# OVERVIEW

- System and Regulatory fees will be auto-calculated in SEDAR+
- Almost all fee calculations in SEDAR+ are working correctly
- There are a few instances where SEDAR+ will undercharge or overcharge fees at go-live
- The purpose of this presentation is to inform you about the miscalculations so you are not surprised and can implement the necessary workarounds to avoid being overcharged



# SEDAR+ FEE CALCULATION ERRORS WORKAROUND GUIDE

- This guide has been created to identify the fee calculation errors and summarize any action required to be taken by the filer, for each error
- The guide also contains helpful FAQs and contact information for each jurisdiction
- [SEDAR+ Frequently Asked Questions - Canadian Securities Administrators \(securities-administrators.ca\)](https://www.securities-administrators.ca/)
  - [How will fees be calculated?](#)
  - <https://www.securities-administrators.ca/wp-content/uploads/2023/06/Fee-Calculation-Errors-Workaround.pdf>



# TYPES OF FEE ERRORS

Two main types of fee errors in SEDAR+

1. When certain filings are made against a migrated filing or amend a filing that was originally filed outside SEDAR+
  - these errors are temporary and will eventually be eliminated as amendments stop being made against non-SEDAR+ initiated filings
2. In certain rare circumstances, when a new filing is made on SEDAR+ -
  - These errors will continue until calculations are updated in a future release



# FEE EXCEPTION CODE

- SEDAR+ requires payment of the calculated fee in order to file unless a filer enters a **fee exception code** at the time of filing
- The fee exception code zero's out the calculated system or regulatory fee
- A separate fee exception code is required
  - for each jurisdiction's regulatory fee
  - for a system fee
- After using a fee exception code to file with no fee, the recipient agency will create the correct outstanding fee in SEDAR+ and request the filer to return and pay the outstanding fee





# USING A FEE EXCEPTION CODE

- Before submitting a filing, SEDAR+ provides a 'Fee attributes' page where you will enter the code
- Codes may be entered for multiple jurisdictions, if required
- The fee attribute information is still required to be entered when using a fee exception code



# TYPES OF WORKAROUNDS WHEN SYSTEM OVERCHARGES

To workaround being overcharged by the system:

1. Obtain fee exception code to zero out fee
2. Enter 0 (zero) in fee attributes to zero out fee (applies only to “Certificate/ notice(s) re: proceeds of distribution” filings)

The recipient agency will create the correct outstanding fee in SEDAR+ and request the filer to return and pay the outstanding fee, where applicable.



# WORKAROUND WHEN SYSTEM UNDERCHARGES

When the system undercharges:

- I. A filer should pay the fee calculated by the system and submit the filing

The recipient agency or CSA Service Desk will create an outstanding fee for the undercharged amount and request the filer to return to SEDAR+ and pay the outstanding fee.



## FEE CALCULATION ERROR DETAILS



# TYPE I FEE CALCULATION ERRORS

- Apply when certain filings are made against migrated filings or that amend filings made outside SEDAR+
- These errors are temporary and will eventually be eliminated as amendments stop being made against non-SEDAR+ initiated filings



# TYPE I FEE ERRORS: FILINGS MADE AGAINST MIGRATED FILINGS OR THAT AMEND FILINGS MADE OUTSIDE SEDAR+

Fee Issue ID	Filing Type	Applicable Jurisdiction	Calculation issue
I-1	Shelf prospectus: the first few prospectus supplements filed against a prospectus filing that was originally filed on SEDAR	QC	Overcharging
I-2	Prospectus: Certificate / notice(s) re proceeds of distribution, for a prospectus filing that was originally filed on SEDAR	AB, BC, QC, SK	Overcharging
<b>Demo provided later</b>			
I-3	Take-over bid / Formal issuer bid: Notice of Change or Variation for filings originally filed on SEDAR	AB, NB, NS, NU, QC	Undercharging



# TYPE I FEE ERRORS: FILINGS MADE AGAINST MIGRATED FILINGS OR THAT AMEND FILINGS MADE OUTSIDE SEDAR+

<b>Fee Issue ID</b>	<b>Filing Type</b>	<b>Applicable Jurisdiction</b>	<b>Calculation issue</b>
I-4	Report of Exempt Distribution that amends a filing originally filed in paper format (i.e. outside of SEDAR, the BCSC e-services or OSC e-portal).	Impacts all jurisdictions except ON, BC and PE	Overcharging
I-5	Report of exempt distribution that amends a filing originally filed in SEDAR or on the OSC e-portal and the amendment results in additional fees owing	Impacts all jurisdictions except BC and PE	Undercharging



## TYPE 2 FEE CALCULATION ERRORS

- Apply when a new filing is made on SEDAR+, in certain rare circumstances
- These errors will continue until calculations are updated in a future release





## TYPE 2 FEE ERRORS: NEW FILINGS MADE ON SEDAR+

Fee Issue ID	Filing Type	Applicable Jurisdiction	Calculation issue
2-1	Certain applications, pre-filings and waiver applications made for more than one profile	ON	Undercharging
2-2	Prospectus pre-files under CSA SN 43-310	AB	Overcharging
2-3	Pre-filings related to a prospectus under NP 11-202	AB, BC, MB, NB, NS, ON, QC, SK	Undercharging
2-4	Prospectus filings that have a related pre-filing	AB	Overcharging

# TYPE 2 FEE ERRORS: NEW FILINGS MADE ON SEDAR+

Fee Issue ID	Filing Type	Applicable Jurisdiction	Calculation issue
2-5	Amended and restated prospectus filings by a subset of all funds in the group	Impacts all jurisdictions except ON and BC	Overcharging
2-6	Report of Exempt Distribution filed late, and the late period is longer than 20 days and extends beyond March 31.	NB	Undercharging
2-7	Prospectus: Combination subtypes – When there is more than one instance of using the new subtypes to add a fund or jurisdiction to the filing  <b>Demo provided later</b>	Impacts all jurisdictions except ON	Overcharging



## WORKAROUND DETAILS

# ACTIONS TO BE TAKEN BY FILERS

## Overcharging Workaround

## Fee Issue ID

### 1. Obtain fee exception code(s) to zero out fee

Contact the CSA Service desk for codes if multiple jurisdictions involved

1-4, 2-5, **2-7**

Contact the recipient agency if only one jurisdiction is involved

1-1, 2-2

Recipient agency will contact the filer if need for code is anticipated

2-4

### 2. Enter 0 (zero) in fee attributes to zero out the fee

**1-2**

The recipient agency will create the correct outstanding fee in SEDAR+ and request the filer to return and pay the outstanding fee, where applicable.



# ACTIONS TO BE TAKEN BY FILERS

## Undercharging Workaround

## Fee Issue ID

1. Filer should pay the fee calculated by the system and submit the filing

1-3, 1-5, 2-1, 2-3, 2-6

The recipient agency will create an outstanding fee in SEDAR+ for the undercharged amount and request the filer to return and pay the outstanding fee.





# DEMONSTRATION



## DEMONSTRATION OF FEE ISSUE 2-7

- In this demonstration, a long form prospectus has already been filed
- Previously, BC and Saskatchewan were added to the prospectus filing using one of the combination subtypes
- Now the filer would like to add Manitoba to the filing
- We know from the fee calculation errors guide that SEDAR+ will not calculate the filings fees correctly, so the filer will need to use the following workaround

# DEMONSTRATION OF FEE ISSUE 2-7

- Before creating the submission to add the new jurisdiction, the filer will need to contact the CSA Service Desk to request fee exception codes
- We have created templates to assist filers in requesting these fee exception codes

Send To: [sedarplus@csa-acvm.ca](mailto:sedarplus@csa-acvm.ca)

Cc:

Subject: Request for SEDAR+ fee exception code - <Enter impacted filing type>


*\*Use this template to contact the CSA Service desk for fee exception codes if you require fee exception codes from multiple jurisdictions for the same filing.*

Issuer name (as it appears in SEDAR+)	
Profile number	
Filing number	
Filer contact name	
Filer email address	
Jurisdictions for which a fee exception code is required (DELETE those that do not apply)	Alberta British Columbia Manitoba New Brunswick Newfoundland and Labrador Northwest Territories Nova Scotia Nunavut Ontario Prince Edward Island Québec Saskatchewan Yukon
Fee Issue ID in this document <LINK> (or the reason for the fee exception code if the Fee Issue ID is not known).	



# DEMONSTRATION OF FEE ISSUE 2-7

- The CSA Service Desk will provide the requested fee exception codes to the filer

 Send	From ▾	sedarplus@csa-acvm.ca
	To...	<input type="checkbox"/> <a href="mailto:filer@test.ca">filer@test.ca</a>
	Cc...	<input type="checkbox"/> <a href="mailto:prospectusreviews@bcsc.bc.ca">prospectusreviews@bcsc.bc.ca</a> ; <input checked="" type="checkbox"/> <a href="mailto:Prospectus.Reviews@asc.ca">Prospectus.Reviews@asc.ca</a> ; <input type="checkbox"/> <a href="mailto:corpfin@gov.sk.ca">corpfin@gov.sk.ca</a>
Subject		Request for SEDAR+ fee exception code - Fee Issue 2-7

Dear filer,

Here are the three fee exception codes requested:

ABQ7LR  
BCFAUN  
SKENPC

Please find attached instructions on how to use a fee exception code.

# DEMONSTRATION OF FEE ISSUE 2-7

- These fee exception codes can be entered, at the time of filing, on the 'fee attributes' page
- After the submission has been submitted, each applicable recipient agency will create an outstanding fee for any amount owing in their jurisdiction

## Fee attributes

To complete fee calculations, provide additional details below

Apply fee exception code?

Yes

No

Add code

Fee exception code

ABQ7LR

[Remove](#)

Fee exception code

BCFAUN

[Remove](#)

Fee exception code

SKENPC

# DEMONSTRATION OF FEE ISSUE 2-7

- The filer will then pay the outstanding fees through SEDAR+:

## Actions

### Authority

[Grant filing authority for a filing](#)

[Maintain](#)

[Maintain filing](#)

[Post formal document](#)

[Pay outstanding fees](#)

### Submission

Selections have defaulted to submission(s) with outstanding fees

Long form prospectus (NI 41-101) - 06...

Select which outstanding fee you want to pay

☒ Select all outstanding fees (if applicable)

Saskatchewan

☒ Filing fee for preliminary and amendment to preliminary prospectus / Filing fee

British Columbia

☒ Amendment filing fee / Filing fee

Alberta

☒ Prospectus Filing Fee for Submission 3 / Filing fee

### Fees

All fees are in Canadian Dollar (CAD)

Jurisdiction	Description	Fee type	Amount
Alberta	Prospectus Filing Fee for Submission 3	Filing fee	\$250.00
British Columbia	Amendment filing fee	Filing fee	\$250.00
Saskatchewan	Filing fee for preliminary and amendment to preliminary prospectus	Filing fee	\$100.00
Total fees			\$600.00
Balance to be paid			\$600.00

# DEMONSTRATION OF FEE ISSUE 1-2

- When filing a Certificate / notice(s) re proceeds of distribution in SEDAR+ against a prospectus filing that originated in SEDAR, the following workaround will need to be followed:
- On the 'fee attributes' page, the filer will need to enter '0' (zero) in the 'net proceeds' or 'gross proceeds' field for each issuer

Certificate / notice(s) re proceeds of distribution (ZDKB)

Issuer ABC Balanced Fund

Gross proceeds in AB

0.00

Gross proceeds in BC

0.00

Gross value distributed in QC during last financial year

0.00



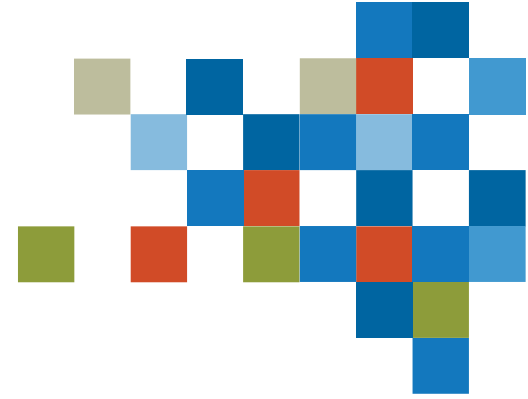
## DEMONSTRATION OF FEE ISSUE 1-2

- This will prevent SEDAR+ from charging a fee for this submission
- Each applicable recipient agency will create an outstanding fee for any amount owing in their jurisdiction
- It is important to note that in SEDAR+, the Certificate / notice(s) re proceeds of distribution will need to be filed in the same filing as the prospectus to which it pertains



# KEY TAKEAWAYS

1. Review the SEDAR+ Fee Calculation Errors Workaround guide
2. Become familiar with the known instances of fee calculation errors and workarounds
3. If you expect to make a filing where overcharging will occur, contact the CSA Service Desk or recipient agency as soon as you are aware to obtain the fee exception codes
4. Respond promptly to requests to pay outstanding fees in the system



QUESTIONS?

