

FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO

NOTICE OF RULE UNDER THE *FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO ACT, 2016*

Rule 2022 – 001

ASSESSMENTS AND FEES

November 28, 2022

Introduction

Pursuant to subsection 22(1) of the *Financial Services Regulatory Authority of Ontario Act, 2016* (the **FSRA Act**), the Financial Services Regulatory Authority of Ontario (**FSRA**) is publishing for comment proposed amendments to Rule 2019-001 – *Assessments and Fees* (the **2019 Fee Rule**), which, if approved, will result in Rule 2022–001 – *Assessments and Fees* (the **2022 Fee Rule**).

With this Notice of Rule and Request for Comment (the **Notice**), FSRA is proposing changes to the 2019 Fee Rule that would rescind and replace the original fee structure with the 2022 Fee Rule.

For the text of the 2022 Fee Rule and a blackline showing changes to the 2019 Fee Rule, please see **Appendix A** and **Appendix B**, respectively, to this Notice. Interested persons are invited to make written representations to FSRA with respect to the proposed 2022 Fee Rule by February 27, 2023.

Background

The original 2019 Fee Rule was approved by the Minister of Finance on May 24, 2019, and came into force on June 8, 2019. FSRA committed to revisit and review the 2019 FSRA Fee Rule 3 years after it first came into force. This review is a one-time commitment to update the initial fees set during FSRA’s start-up phase to ensure fees align and reflect FSRA’s updated Fee Rule vision and principles (**V&Ps**). As a result, this Notice outlines FSRA’s proposed amendments to the 2019 Fee Rule, resulting in the 2022 Fee Rule.

The V&Ps guiding the amendments in this Fee Rule are as follows:

Vision Element	Corresponding Principles	Description
1. Simplicity	1.1 Low administrative burden for regulated entities	The administrative burden associated with paying assessments or fees should be minimized for regulated sector participants, unless necessary to achieve other principles.

Vision Element	Corresponding Principles	Description
	1.2 Low administrative burden for FSRA	Funding sources in FSRA's fee rule should aim to minimize, where appropriate, administrative or back office burden for FSRA.
2. Consistency	2.1 Competitiveness and level playing field	The fee rule should treat individuals and entities with similar characteristics the same way; it should not create unintended barriers or advantages for particular participants or regulated sectors.
3. Fairness	3.1 Sectors should bear their own costs	The direct costs for the regulation of a regulated sector should not be cross subsidized by another regulated sector.
	3.2 Common costs reasonably allocated	Common costs not allocable based on activity should be reasonably allocated to regulated sectors and to participants therein based on transparent, consistent and objective metrics.
4. Transparency	4.1 Accessibility and disclosure	Regulated sector participants should be able to easily access their assessment and fee calculations.
	4.2 Comprehensibility	Interested parties should be able to understand the fee rule and the calculations that drive their assessments and fees.
5. Future Focus	5.1 Prospective	FSRA will take into account direct costs experienced in a sector, and drivers of common cost increases, when setting future assessments and fees.
6. Effective and Efficient	6.1 Support regulatory objectives	The fee rule should, where practicable, reflect and support the unique regulatory objectives associated with the participants within each regulated sector (for example, on-time filing, limiting low-value regulatory activity, "parked licenses", etc.).
	6.2 Cost Effective	FSRA will seek to minimize costs where practicable and where such minimization will not create material or unacceptable regulatory risk.

For a blacklined version showing updates to the V&Ps outlined above, please see **Appendix C** to this Notice.

Substance and Purpose of the 2022 Fee Rule

The substance and purpose of the 2022 Fee Rule is to ensure that FSRA is a self-funded agency that operates in accordance with an updated version of FSRA's Fee Rule V&Ps (as originally set out in the [Notice of Rule and Request for Comment](#) published on October 5, 2018 with the Proposed Fee Rule (the **Original Notice**)), to enable FSRA to carry out its legislated mandate.

Fees are adjusted in the 2022 Fee Rule where the cost and effort associated with a regulatory activity is demonstrably not aligned with the V&Ps referred to in this Notice. However, it should be noted that FSRA is continually collecting data to permit future changing of fees to ensure fees are accurately based on regulatory activity.

In the process of drafting the 2022 Fee Rule, FSRA had the opportunity to review and update the V&Ps in the Original Notice that guided the 2019 Fee Rule. Through this review, some of the original V&Ps listed in the Original Notice have been removed or updated, resulting in a more focused set of V&Ps that still act as the foundation for the fees outlined in the 2022 Fee Rule.

V&Ps were either removed or updated in order to provide greater clarity, reduce redundancies, and to better reflect the operational realities FSRA faces when implementing and charging fees. These changes stem directly from the experience and knowledge gained by FSRA through three years of charging fees to regulated entities. As a result, the amended V&Ps are more reflective of the changes to the fees in the 2022 Fee Rule.

In the summary of the changes in the 2022 Fee Rule and alternatives considered, below, this Notice refers to the parts of the V&P driving those decisions. For example, where new fixed fees have been added or fixed fees have been increased, the relevant V&P driving these changes will be noted in parentheses following the explanation of the change.

Summary of the 2022 Fee Rule

This section describes substantive changes made to the 2019 Fee Rule that, if approved by the Minister, will become the 2022 Fee Rule. Please note that changes of a minor nature and changes made only for the purposes of clarification or drafting changes are generally not discussed.

Generally, the fixed fees for sectors that are subject to schedules of fees have been increased. These increases are due to the fact that current fees are materially below the costs associated with the regulatory activity in each respective sector (**V&P 5.1; 6.1; 6.2**)

Part 1 – Interpretation

This Part defines the terms used in the 2022 Fee Rule and deals with certain interpretation issues. No substantive changes have been made to this Part.

Part 2 – Sectoral Assessment Process

This Part sets out general rules to be followed by FSRA in connection with the sectoral assessment process.

With respect to the preparation of budgets by FSRA, the requirement to post a draft budget on the FSRA website has been removed and replaced with a requirement to consult with the regulated sectors as part of the FSRA's annual business plan process (**V&P 1.2; 6.1**)

“Contingency Reserve” has been replaced with “Operating Reserve”:

- The maximum amount has been changed from \$4 million to 5% of the total budget for any given assessment period. If the operating reserve amount reaches its maximum 5% amount, and the budget is reduced in a subsequent assessment period, FSRA will not reduce the operating reserve amount, but will also not increase it. If the budget subsequently expands, then FSRA may increase the operating reserve amount up to 5% of the budget. (**V&P 1.2; 5.1; 6.1; 6.2**)
- A new provision has been added where if funds are used from the operating reserve for a specific variable fee sector, then that sector shall include that cost for replacing such funds in the operating reserve as a sector-specific cost for calculating a future assessment following the withdrawal of those funds (**V&P 2.1; 3.1; 3.2**)

Part 3 – Credit Unions Sector Assessments and Fees

This Part sets out the fee and assessment provisions for the credit unions sector, comprising credit unions and caisse populaires (collectively, **credit unions**).

Activity fees for credit unions have been updated (**V&P 2.1; 3.2; 4.1; 4.2; 5.1; 6.2**). The variable fee structure for credit unions remains unchanged. There are increases in activity fees for the following matters:

- Application for incorporation of a credit union or caisse populaire – *Credit Unions and Caisses Populaires Act, 2020*, subsection 12(1);
- Approval of the articles of incorporation – *Credit Unions and Caisses Populaires Act, 2020*, subsection 13(1);

New activity fees have been introduced for the following matters (**V&P 4.1; 5.1; 6.1**):

- New Businesses Review
- Mortgage Discharge

Part 4 – Insurance Sector Assessments and Fees

This Part sets out the fee and assessment provisions for the insurance sector.

With regards to insurance sector assessments:

- The definition of “direct written premiums” for the insurance sectors has been amended to now be recorded as they are reflected in the insurer’s most recent annual audited financial statements presented to the insurer’s prudential regulator (**V&P 4.2; 5.1**).
- The formula for calculating an Ontario prudentially regulated insurer’s share of an assessment of the insurance sector for an assessment period in respect of insurance prudential supervision activities has been updated to include required capital for assumed reinsurance. Required capital replaces direct written premiums as the variable for calculating the prudential portion of the insurance fee. Required capital was chosen as the base variable for prudential insurance

fees because it better reflects the supervisory activities and risks associated with this regulated sector (**V&P 4.2; 5.1; 6.1**).

Agent and adjuster licence fees have been increased (**V&P 2.1; 5.1; 6.1**).

Part 5 – Loan and Trust Sector Assessments and Fees

This Part sets out the fee and assessment provisions for the loan and trust sector. No substantive changes have been made to this Part.

Part 6 – Mortgage Brokering Sector Assessments and Fees

This Part sets out the fee and assessment provisions for the mortgage brokering sector.

Increased fees for mortgage administrators, brokerages, and Level 2 agents are proposed due to FSRA increased supervisory costs stemming from these entities taking on increased duties and responsibilities.

The fee payable for a mortgage administrator's license has been increased by updating the assessment formula (**V&P 2.1; 5.1; 6.1**).

Mortgage agent licensing fees have been updated to reflect the introduction of "Mortgage Agent Level 1" and "Mortgage Agent Level 2" licenses in Ontario Regulation 409/07.

Fees for non-qualified syndicated mortgages have been removed as these fees are now collected by the Ontario Securities Commission.

Part 7 – Pension Sector Assessments and Fees

This Part sets out the fee and assessment provisions for the pension sector.

The proposed assessment formulas have been updated to better reflect the proportionately larger costs associated with pension plans servicing high volumes of members. Due to the complexity and size of these plans, FSRA incurs higher costs relating to the regulatory supervision of risks and issues associated with larger pension plans, as well as corresponding administration issues associated with these plans (**V&P 1.1; 2.1; 3.1; 3.2; 4.2; 6.1; 6.2**).

Minor modifications have been made to the distribution table regarding a pension administrator's share of an assessment of the pension sector in respect of a particular pension plan (**V&P 1.1; 2.1; 3.2; 4.1; 5.1**).

Part 8 – Financial Professionals Sector Assessments and Fees

This Part sets out the fee and assessment provisions for the financial professionals sector. No substantive changes have been made to this Part.

Part 9 – Pooled registered Pension Plan (PRPP) Sector Assessments and Fees

This Part sets out the fee and assessment provisions for the PRPP sector (i.e. pooled registered pension plan sector). No substantive changes have been made to this Part.

Part 10 – Innovation Office Fees

This Part sets out the fees to cover the services provided by FSRA’s Innovation Office.

New fees, and definitions of terms used in the fees, have been introduced for use of the Innovation Office’s advisory services with regards to “Test and Learn Environment” opportunities, as outlined below (**V&P 1.1; 1.2; 2.1; 3.2; 4.2; 6.2**).

These fees are introduced in order to create a fee structure that avoids cross-subsidization by non-innovators in regulated sectors and to create appropriate incentives for innovators to engage with FSRA’s innovation office moving forward (**V&P 2.1; 3.1; 4.1; 4.2; 5.1**).

The proposed fees are modest to prevent barriers to entry for innovation opportunities (**V&P 2.1**).

DESCRIPTION	FEE
Activity Test and Learn Environment Application Review	\$50/hour per hour of review up to a maximum amount of \$5,000 per application (or review).
Status Test and Learn Environment Application Review	\$50/hour per hour of review up to a maximum amount of \$5,000 per application (or review).
Meeting with or requests for written feedback from the Authority initiated by the inquiring party for all matters relating to an intake form.	\$0 for the initial meeting \$500 per meeting or request for written feedback.
Meetings with or requests for written feedback from the Authority initiated by deemed frequent inquirers for all matters relating to an intake form.	\$1,000 per meeting or request for written feedback.

Further, the Authority may:

- waive fees based on the consideration of the size, nature, or complexity of the applicant or the application, as well as documented extenuating circumstances provided by the applicant (**V&P 1.1; 5.1; 6.1**);
- set a maximum of subsequent meetings or requests for written feedback (**V&P 1.2; 5.1; 6.2**);
- exceed the maximum amount of fees prescribed in the table above provided that the inquiring party consents to paying more and the Authority continues to charge the same hourly fee; and

A provision was included so that if the Authority determines that a meeting or request for written feedback from the Authority initiated by an inquiring party constitutes a new innovation opportunity, then the Authority shall give notice to the inquiring party if the Authority intends to charge fees relating to the new innovation opportunity (**V&P 4.1; 4.2**).

Part 11 – General Fees

This Part sets out general fees for certificates and photocopies. No substantive changes have been made to this Part.

Part 12 – Effective Date

This Part sets out the effective date of the 2022 Fee Rule.

The transitional provisions have been removed in their entirety from this section.

Alternatives Considered

1) Operating Reserve Amount

The 2022 Fee Rule replaces “contingency reserve amount” with “operating reserve amount” in section 2.3 of the Rule.

FSRA decided that a maximum percentage based amount for the operating reserve amount would be implemented on a going forward basis as opposed to an alternative fixed/flat amount. FSRA considered using 5% vs 10% of the budget as the operating reserve amount, but decided on 5% as the previous contingency reserve amount of \$4 million dollars represented 5% of FSRA’s budget at the time the 2019 Fee Rule came into force.

2) Insured Deposits and Total Assets as the drivers for Credit Union Assessment calculations

The 2022 Fee Rule has no changes to the assessment structure for Credit Union fees. Currently, Credit Union fee assessments are driven by Risk-Weighted Assets (**RWA**) as a reliable measure of both the size and the risk of a Credit Union. Further, the calculation of RWA is standardized for the entire industry with its calculation methodology outlined in FSRA’s Capital Adequacy Requirements Rule. RWA data is readily available and is reported on a monthly basis for the purposes of capital ratio calculations.

As an alternative, FSRA considered Insured Deposits and Total Assets as the drivers for the Assessment calculation, but ultimately FSRA determined that both these measures lack the risk dimension that RWA provides (**V&P 1.2; 4.1; 4.2; 5.1; 6.2**).

3) The use of “Direct Written Premiums” in Insurance Sectors

For the assessment formulas in section 4 of the 2022 Fee Rule for prudential assessments, the alternative of using required capital or risk-weighted assets as a substitute for Direct Written Premiums (**DWP**) was considered. However, it was decided that Required Capital and Risk-Weighted Assets focus more on the risk profile and safety and soundness of the individual insurers and do not reflect well the consumer interaction model (**V&P 2.1; 3.2; 4.1; 4.2; 5.1; 6.2**).

These alternatives were also considered for the other insurance assessments in part because of the anticipated change to calculating DWP under IFRS 17, which will result in different types of products having different timelines for when premium is realized as earned, meaning that the distribution of fees will change.

A decision was made to stick to DWP until the practical implications of switching to IFRS 17 are understood (**V&P 4.2; 5.1; 6.2**).

4) Fee options in the Mortgage Brokering Sector

While the proposed changes in the 2022 Fee Rule provides a robust fiscal foundation for the Mortgage Brokering Sector, FSRA nevertheless considered a few other fee options that align with our level of supervision including:

- differentiating fee levels for Brokerages / Brokers / Agents;
- removing fee exemption for Principal Brokers; and
- shifting the cost of supervision to Brokerages.

However, these structures would reduce the fee for at least some of the participants, which is not appropriate given the already low barrier to entry in the industry. Maintaining the current fee for Brokerages, Brokers and Agents presently remains to be the superior option (**V&P 1.1; 2.1; 5.1; 6.2**)

5) Alternatives to Pension Fees

FSRA has decided to continue with Pension Fees outlined in the 2019 Fee rule while incorporating minor modifications. This option was chosen largely because all elements of the 2019 Fee Rule still reflect FSRA's fee principles (i.e., simplicity, consistency, fairness, transparency, future focus, and efficient and effective).

Other alternatives were ultimately not pursued because they were either more likely to produce results inconsistent with FSRA's fee principles, would rely heavily on internal estimates of regulatory effort that may not be accurate, or would have a disproportionate impact on different sized pension plans (**V&P 2.1; 4.1; 4.2; 6.1; 6.2**).

6) Ability to Amend Fees under the *Prepaid Hospital and Medical Services Act*

Currently, FSRA lacks the statutory authority to amend fees that companies must pay under the *Prepaid Hospital and Medical Services Act*. The *Prepaid Hospital and Medical Services Act* prescribes the fees payable to the Authority, and as such these statutorily prescribed amounts cannot be amended via FSRA's rule-making process.

While these fees presently cannot be amended by Rule, FSRA is exploring the possibility of legislative amendment to bring the setting of these fees under FSRA's jurisdiction.

Unpublished Materials

In proposing the 2022 Fee Rule, the Authority has not relied on any significant unpublished study, report, decision or other written materials.

Anticipated Costs and Benefits

In terms of qualitative benefits, the 2022 Fee Rule updates better aligns with an updated version of V&Ps, reflects changes to market conditions, and incorporates feedback

received from the regulated sectors. The proposed changes will help ensure that the Fee Rule is up to date and aligns with market realities.

In terms of quantitative benefits, the 2022 Fee Rule continues to support FSRA's preferred approach for operating as an independent, self-funded agency, and to assess the regulated sectors, consistent with the FSRA Fee Rule V&Ps that have been updated based on the Original Notice. The 2022 Fee Rule will continue to ensure that FSRA is financially able to fulfill its regulatory mandate.

Regulations to be Revoked

FSRA does not intend to make any recommendations with respect to the amendment or revocation of a regulation or provision in a regulation that relates to the implementation of the 2022 Fee Rule. FSRA expects that in due course certain regulations or provisions in regulations will be amended or revoked in a manner consistent with the intent of the Interim Fee Rule.

Appendix A

FEE RULE- CONSOLIDATED

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FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO
RULE 2022 – 001
ASSESSMENTS AND FEES

PART 1 INTERPRETATION

1.1 Definitions

- (1) In this Rule,
- (a) “activity fees” means fixed fees for an identified regulatory activity such as licensing fees, filing fees, etc., or supervising and regulating a fixed fee sector, including overhead costs;
 - (b) “assessment period” means the fiscal year of the Authority or other period of time with respect to which the Authority makes an assessment under this Rule;
 - (c) “Authority” means the Financial Services Regulatory Authority of Ontario continued under subsection 2(1) of the FSRA Act;
 - (d) “Board” means the board of directors of the Authority;
 - (e) “Chief Executive Officer” means the Chief Executive Officer of the Authority appointed under subsection 10(2) of the FSRA Act;
 - (f) “common costs” in respect of a particular assessment period means the expenses and expenditures of the Authority which the Authority determines or estimates are not direct costs in respect of any particular regulated sector in respect of that assessment period, including all amounts in respect of the operating reserve amount, as set out in the final budget;
 - (g) “credit union” means a credit union or caisse populaire to which the *Credit Unions and Caisses Populaires Act, 2020* applies;
 - (h) “credit unions sector” means the sector referred to in clause (a) of the definition of “regulated sector” in section 1 of the FSRA Act;
 - (i) “direct costs” in respect of a particular regulated sector and a particular assessment period means the expenses and expenditures of the Authority which the Authority determines or estimates directly relate to the particular regulated sector in respect of that assessment period, as set out in the final budget;
 - (j) “fee” means a fee for the purposes of subsection 21(2) of the FSRA Act;
 - (k) “final budget” means, in respect of an assessment period, the budget approved by the Board;
 - (l) “financial professionals sector” means the sector referred to in clause (a.1) of the definition of “regulated sector” in subsection 1(1) of the FSRA Act;
 - (m) “fiscal year” means April 1st to March 31st of the following calendar year;
 - (n) “fixed fee sectors” means the sectors subject to fixed schedules of fees, including

the credit unions sector, the insurance sector, the loan and trust sector, the mortgage brokering sector, the financial professionals sector and the pension sector;

- (o) “FSRA Act” means the *Financial Services Regulatory Authority of Ontario Act, 2016*;
- (p) “insurance sector” means the sector referred to in clause (b) of the definition of “regulated sector” in section 1 of the FSRA Act;
- (q) “loan and trust sector” means the sector referred to in clause (c) of the definition of “regulated sector” in section 1 of the FSRA Act;
- (r) “mortgage brokering sector” means the sector referred to in clause (d) of the definition of “regulated sector” in section 1 of the FSRA Act;
- (s) “mortgage brokering sector common cost contribution” means in respect of the mortgage brokering sector, the difference, positive or negative, between the total fees that the Authority estimates will be charged in respect of the mortgage brokering sector in respect of an assessment period and the total estimated direct costs of the mortgage brokering sector in respect of that assessment period
- (t) “operating reserve amount” means the amount described in subsection 2.3(1);
- (u) “pension sector” means the sector referred to in clause (e) of the definition of “regulated sector” in section 1 of the FSRA Act;
- (v) “PRPP sector” means the sector that is referred to in clause (f) of the definition of “regulated sector” in section 1 of the FSRA Act;
- (w) “sector assessments” means an assessment for the purposes of subsection 21(2) of the FSRA Act;
- (x) “variable rate sectors” means the sectors subject to variable assessment fees, including the credit unions sector, the insurance sector, the loan and trust sector, the financial professionals sector and the pension sector.

1.2 Interpretation

- (1) The Authority’s expenses and expenditures that may be recovered through assessments and fees in respect of one or more assessment periods includes, as the Board determines is appropriate in the Authority’s final budget, amounts in respect of the expenses and expenditures incurred and made by the Authority.
- (2) The Authority’s expenses and expenditures that may be recovered through assessments and fees in respect of one or more assessment periods may include amounts assessed by the Lieutenant Governor in Council in respect of:
 - (a) expenses and expenditures referred to in section 15 of the FSRA Act that have been assessed on the Authority by the Minister; and
 - (b) expenses and expenditures referred to in section 15 of the *Financial Services Tribunal Act, 2017* that have been assessed on the Authority by the Lieutenant

Governor in Council.

- (3) References in this Rule to the Chief Executive Officer include reference to an authorized delegate of the Chief Executive Officer.
- (4) Words and phrases not defined in this Rule have the same meaning as ascribed thereto under section 1 of the FSRA Act unless a contrary intention appears.
- (5) Every use of the words “including” or “includes” in this Rule is to be construed as meaning “including, without limitation” or “includes, without limitation”, respectively.

PART 2 SECTORAL ASSESSMENT PROCESS

2.1 Preparation of Budgets by Authority

- (1) In respect of each assessment period, the Authority shall prepare a draft budget which sets out:
 - (a) the estimated total expenses and expenditures of the Authority in respect of the assessment period and a description of the direct costs estimated for each regulated sector and the common costs estimated for the Authority;
 - (b) the total fees that the Authority estimates will be charged in respect of the regulated sectors in respect of the assessment period; and
 - (c) the total estimated assessment in respect of each regulated sector and within such sector, as applicable.
- (2) The Authority shall undertake consultation with the regulated sectors as part of the Authority’s annual business plan process in finalizing such budget.
- (3) The Authority shall post the final budget in respect of an assessment period on the website of the Authority on a date to be determined by the Authority. Invoices for assessments in respect of variable rate sectors will only be issued after the Authority posts such final budget.

2.2 Determination and Allocation of Direct Costs and Common Costs by Regulated Sector

- (1) In respect of the estimated total expenses and expenditures of the Authority in respect of an assessment period, each budget prepared by the Authority under section 2.1 shall set out the direct costs in respect of each regulated sector and within such sector, as applicable, in respect of the assessment period covered by the budget, together with the aggregate common costs in respect of the assessment period.
- (2) Each budget prepared by the Authority under section 2.1 shall allocate the common costs in respect of the assessment period covered by the budget among the regulated sectors on such basis as the Authority determines appropriate; provided that unless otherwise specified by the Authority in the budget, common costs remaining after the mortgage brokering sector common cost contribution (if any) estimate is deducted from the overall common cost estimate in respect of the assessment period covered by the budget shall be allocated in the budget among the variable rate sectors based on their *pro rata* share of the aggregate direct costs of the variable rate sectors in respect of that assessment period.

2.3 Operating Reserve Amount

- (1) The Authority shall maintain an operating reserve amount that may be used to respond to unforeseen events or circumstances.
- (2) The operating reserve amount in respect of a particular assessment period shall not exceed 5% of the total budget for that assessment period.
- (3) Notwithstanding subsection 2, if the operating reserve amount carried over from a previous assessment period is greater than 5% of the total budget, then
 - (a) the Board shall not include allocations to the operating reserve amount under 2.3(1) for that assessment period; and
 - (b) the Authority shall not be required to reduce the operating reserve amount.
- (4) No amount in respect of the operating reserve amount shall be used or applied by the Authority, except as authorized by the Board.
- (5) If any portion of an operating reserve amount is unused at the end of an assessment period, it shall be held as an operating reserve amount for the next assessment period.
- (6) If funds are used from the operating reserve for a specific variable fee sector, then that sector shall include that cost for replacing such funds in the operating reserve as a sector-specific cost for calculating a future assessment following the withdrawal of those funds.

PART 3 CREDIT UNIONS SECTOR ASSESSMENTS AND FEES

3.1 Assessments

- (1) Definitions – In this section 3.1,
 - (a) “budgeted credit unions sector expenses and expenditures for the assessment period” means, in respect of a particular assessment period, the total amount of direct costs of, and common costs that the Authority allocates to, the credit unions sector in respect of the assessment period, as set out in the final budget;
 - (b) “budgeted credit unions sector fees for the assessment period” means, in respect of a particular assessment period, the total amount of fees that the Authority estimates will be charged to credit unions in respect of the assessment period, as set out in the final budget;
 - (c) “central” means a central to which the *Credit Unions and Caisses Populaires Act, 2020* applies; and
 - (d) “RWA” means, with respect to a credit union, the amount calculated in accordance with section 10 of Rule 2021 – 002 “Capital Adequacy Requirements for Credit Unions and Caisses Populaires” and set forth as the credit union’s risk weighted assets in the most recent annual audited financial statements filed under section 198 or 199 of the *Credit Unions and Caisses Populaires Act, 2020* on or before a date determined by the Authority for the purposes of preparing a final budget.

- (2) A credit union's share of an assessment of the credit unions sector under subsection 21(2) of the FSRA Act for an assessment period is the amount calculated using the formula,

$$(A - B) \times C/D$$

in which,

"A" is the total of all budgeted credit unions sector expenses and expenditures for the assessment period,

"B" is the total of all budgeted credit unions sector Activity fees for the assessment period, not including credit unions sector Assessment amounts

"C" is the amount of the RWA of the credit union, and

"D" is the amount of the total RWA of all credit unions excluding the RWA of all leagues.

- (3) A credit union shall pay its assessment within 30 days after the date of the invoice for the assessment in the manner and to the account specified by the Authority in such invoice.¹¹

3.2 Fees

- (1) The fees payable with respect to matters under the *Credit Unions and Caisses Populaires Act, 2020* are listed opposite the description in the following table.

DESCRIPTION	FEE
Application for incorporation of a credit union or caisse populaire – <i>Credit Unions and Caisses Populaires Act, 2020</i> , subsection 12(1)	\$30,000 per application
Approval of the articles of incorporation – <i>Credit Unions and Caisses Populaires Act, 2020</i> , subsection 13(1)	\$7,500 per approval + any external costs
Application for receipt for an offering statement based on face amount – <i>Credit Unions and Caisses Populaires Act, 2020</i> , subsection 70(1)	Lesser of: <ul style="list-style-type: none"> • \$2,500 plus 50 basis points (i.e., \$2,500 + 0.50% of the maximum aggregate dollar amount of securities offered); and • \$20,000 Per application
Application by extra-provincial credit union for registration - <i>Credit Unions and Caisses Populaires Act, 2020</i> , subsection 273(1)	\$750 per application

¹¹ Assessments in respect of the Deposit Insurance Reserve Fund are not covered by this Rule. They continue to be covered by subsection 225(1) of the *Credit Unions and Caisses Populaires Act, 2020*.

New Businesses Review (This entails a review of a credit union's application under the <i>Credit Unions and Caisses Populaires Act, 2020</i> , subsection 139(2), to deal in goods or engage in a trade or business that is not otherwise authorized by the Act, regulations, or Authority Rules)	\$7,500 per review
Mortgage Discharge	\$300 per discharge

- (2) Fees not refundable – A fee paid by person or entity under this section 3.2 is not refundable and may not be credited toward any subsequent fee payable by the person or entity.

PART 4 INSURANCE SECTOR ASSESSMENTS AND FEES

4.1 Assessments

- (1) Definitions – In this section 4.1,
- (a) “accident and sickness insurance” has the meaning ascribed to that term in an order made under section 43 of the *Insurance Act*;
 - (b) “accident, sickness and life insurance” means either or both accident and sickness insurance and life insurance;
 - (c) “accident, sickness and life insurance conduct activities” means those activities of the Authority identified by the Authority as related to regulating the conduct of insurers, including the classes of insurer outlined in section 42(1) of the *Insurance Act* (and their agents and other representatives or distribution channel participants) providing accident, sickness and life insurance in Ontario and other activities of the Authority related to regulating and supervising accident, sickness and life insurance which are not related to conducting prudential, capital adequacy, liquidity or solvency supervision;
 - (d) “automobile insurance” has the meaning ascribed to that term in an order made under section 43 of the *Insurance Act*;
 - (e) “automobile insurance approval activities” means those activities of the Authority identified by the Authority as related to automobile insurance in Ontario, including all activities of the Authority relating to holders of a service provider’s licence under Part VI (Automobile Insurance) of the *Insurance Act* other than Automobile insurance conduct activities;
 - (f) “direct written premiums for accident, sickness and life insurance” means, with respect to an insurer, including the classes of insurer outlined in section 42(1) of the *Insurance Act*, at any particular point in time, the premiums paid to the insurer for accident, sickness and life insurance in Ontario as reflected in its most recent annual audited financial statements presented to the insurer’s prudential regulator, other than premiums for accident, sickness and life insurance paid to the insurer under agreements for reinsurance;
 - (g) “direct written premiums for accident and sickness insurance” means, with respect to an insurer, including the classes of insurer outlined in section 42(1) of the *Insurance Act*, at any particular point in time, the premiums paid to the insurer for accident and sickness insurance in Ontario as reflected in its most recent

annual audited financial statements presented to the insurer's prudential regulator, other than premiums for accident and sickness insurance paid to the insurer under agreements for reinsurance;

- (h) "direct written premiums for automobile insurance" means, with respect to an insurer, including the classes of insurer outlined in section 42(1) of the Insurance Act, at any particular point in time, the premiums paid to the insurer for automobile insurance in Ontario as reflected in its most recent annual audited financial statements presented to the insurer's prudential regulator, other than premiums for automobile insurance paid to the insurer under agreements for reinsurance;
- (i) "direct written premiums for property and casualty insurance" means, with respect to an insurer, including the classes of insurer outlined in section 42(1) of the Insurance Act, at any particular point in time, the premiums paid to the insurer for property and casualty insurance in Ontario as reflected in its most recent annual audited financial statements presented to the insurer's prudential regulator, other than premiums for property and casualty insurance paid to the insurer under agreements for reinsurance, and for greater certainty includes direct written premiums for automobile insurance;
- (j) "fraternal society" has the meaning ascribed to that term in section 1 of the *Insurance Act*;
- (k) "insurance" has the meaning ascribed to that term in section 1 of the *Insurance Act*;
- (l) "insurance prudential supervision activities" means those activities of the Authority identified by the Authority as related to conducting prudential, capital adequacy, liquidity and solvency supervision of Ontario prudentially regulated insurers, including the classes of insurer outlined in section 42(1) of the *Insurance Act*;
- (m) "insurer" has the meaning ascribed to that term in section 1 of the *Insurance Act* ;
- (n) "life insurance" has the meaning ascribed to that term in an order made under section 43 of the *Insurance Act*;
- (o) "Ontario prudentially regulated insurer" means an insurer, including the classes of insurer outlined in section 42(1) of the *Insurance Act* that is organized or incorporated under the laws of Ontario and that is providing either or both:
 - (i) property and casualty insurance; or
 - (ii) accident and sickness insurance,
- (p) "property and casualty insurance" means insurance other than accident and sickness insurance and life insurance;
- (q) "property and casualty insurance conduct activities" means those activities of the Authority identified by the Authority as related to regulating the conduct of insurers, including the classes of insurer outlined in section 42(1) of the *Insurance Act* (and their agents and other representatives or distribution channel participants) providing property and casualty insurance in Ontario and other

activities of the Authority related to regulating and supervising property and casualty insurance other than:

- (i) automobile insurance approval activities; and
 - (ii) insurance prudential supervision activities;
- (r) “required capital” means:
- (i) for an Ontario prudentially regulated insurer, the capital or assets required to be maintained under section 102(8) of the *Insurance Act*;
 - (ii) for an Ontario prudentially regulated insurer who is exempt under section 102(9) of the *Insurance Act* from maintaining the capital or assets required to be maintained under section 102(8) of the *Insurance Act*, the capital or assets that would be required to be maintained under 102(8) if they did not qualify for the exemption under 102(9) of the *Insurance Act*; or
 - (iii) for a reciprocal exchange prudentially regulated by the Authority, the amount of cash or investments required to be maintained under section 386(1) of the *Insurance Act*.
- (s) “total budgeted expenses and expenditures for accident, sickness and life insurance conduct activities” means, in respect of a particular assessment period, the total amount of direct costs of, and common costs that the Authority allocates to, accident, sickness and life insurance conduct activities within the insurance sector in respect of the assessment period, as set out in the final budget;
- (t) “total budgeted expenses and expenditures for automobile insurance approval activities” means, in respect of a particular assessment period, the total amount of direct costs of, and common costs that the Authority allocates to, automobile insurance approval activities within the insurance sector, including expenses and expenditures for activities of the Authority relating to holders of a service provider’s licence under Part VI (Automobile Insurance) of the *Insurance Act*, in respect of the assessment period, as set out in the final budget,
- (u) “total budgeted expenses and expenditures for insurance prudential supervision activities” means, in respect of a particular assessment period, the total amount of direct costs of, and common costs that the Authority allocates to, insurance prudential supervision activities within the insurance sector in respect of the assessment period, as set out in the final budget;
- (v) “total budgeted expenses and expenditures for property and casualty insurance conduct activities” means, in respect of a particular assessment period, the total amount of direct costs of, and common costs that the Authority allocates to, property and casualty insurance conduct activities within the insurance sector in respect of the assessment period, as set out in the final budget;
- (w) “total budgeted fees for accident, sickness and life insurance conduct activities” means, in respect of a particular assessment period, the total amount of fees that the Authority estimates will be charged in respect of accident, sickness and life insurance conduct activities in respect of the assessment period, as set out in the final budget;

- (x) “total budgeted fees for automobile insurance approval activities” means, in respect of a particular assessment period, the total amount of fees that the Authority estimates will be charged in respect of automobile insurance approval activities in respect of the assessment period including, those fees in respect of service providers contemplated by section 4.3, as set out in the final budget;
 - (y) “total budgeted fees for property and casualty insurance conduct activities” means, in respect of a particular assessment period, the total amount of fees that the Authority estimates will be charged in respect of property and casualty insurance conduct activities in respect of the assessment period, as set out in the final budget;
 - (z) “total budgeted fees for insurance prudential supervision activities” means, in respect of a particular assessment period, the total amount of fees that the Authority estimates will be charged in respect of insurance prudential supervision activities in respect of the assessment period, as set out in the final budget;
- (2) The direct costs of, and the common costs that the Authority allocates to, the insurance sector in respect of the assessment period under Part 2 shall, in the case of direct costs be further determined or estimated as directly related to automobile insurance approval activities, property and casualty insurance conduct activities, accident, sickness and life insurance conduct activities or insurance prudential supervision activities, and in the case of common costs be further allocated within the insurance sector in accordance with this section 4.1.
- (3) The share of an insurer, including the classes of insurer outlined in section 42(1) of the *Insurance Act*, of an assessment of the insurance sector under subsection 21(2) of the FSRA Act for an assessment period is the following:
- (a) for an insurer in respect of automobile insurance approval activities, the share calculated in accordance with subsection 4.1(4);
 - (b) for an insurer in respect of property and casualty insurance conduct activities, the share calculated in accordance with subsection 4.1(5);
 - (c) for an insurer in respect of accident, sickness and life insurance conduct activities, the share calculated in accordance with subsection 4.1(6); and
 - (d) for an Ontario prudentially regulated insurer in respect of insurance prudential supervision activities, the share calculated in accordance with subsection 4.1(7),

provided however that each insurer, including the classes of insurer outlined in section 42(1) of the *Insurance Act* other than a fraternal society shall pay a minimum assessment of \$1,000 and each fraternal society shall pay a minimum assessment of \$100.

- (4) For the purposes of paragraph 4.1(3)(a), an insurer’s share of an assessment of the insurance sector (which includes the classes of insurer outlined in section 42(1) of the *Insurance Act*) for an assessment period in respect of automobile insurance approval activities is the amount calculated using the formula,

$$(A/B) \times (C-D)$$

in which,

“A” is the insurer’s (including the classes of insurer outlined in section 42(1) of the *Insurance Act*) direct written premiums for automobile insurance,

“B” is the total insurance sector direct written premiums for automobile insurance,

“C” is the total budgeted expenses and expenditures for automobile insurance approval activities, and

“D” is the total budgeted fees for automobile insurance approval activities.

- (5) For the purposes of paragraph 4.1(3)(b), an insurer’s share of an assessment of the insurance sector (which includes the classes of insurer outlined in section 42(1) of the *Insurance Act*) for an assessment period in respect of property and casualty insurance conduct activities is the amount calculated using the formula,

$$(A/B) \times (C-D)$$

in which,

“A” is the insurer’s (including the classes of insurer outlined in section 42(1) of the *Insurance Act*) direct written premiums for property and casualty insurance,

“B” is the total insurance sector direct written premiums for property and casualty insurance,

“C” is the total budgeted expenses and expenditures for property and casualty insurance conduct activities, and

“D” is the total budgeted fees for property and casualty insurance conduct activities.

- (6) For the purposes of paragraph 4.1(3)(c), an insurer’s share of an assessment of the insurance sector (which includes the classes of insurer outlined in section 42(1) of the *Insurance Act*) for an assessment period in respect of accident, sickness and life insurance conduct activities is the amount calculated using the formula,

$$(A/B) \times (C-D)$$

in which,

“A” is the insurer’s (including the classes of insurer outlined in section 42(1) of the *Insurance Act*) direct written premiums for accident, sickness and life insurance,

“B” is the total insurance sector direct written premiums for accident, sickness and life insurance,

“C” is the total budgeted expenses and expenditures for accident, sickness and life insurance conduct activities, and

“D” is the total budgeted fees for accident, sickness and life insurance conduct

activities.

- (7) For the purposes of paragraph 4.1(3)(d), an Ontario prudentially regulated insurer's share of an assessment of the insurance sector (which includes the classes of insurer outlined in section 42(1) of the Insurance Act) for an assessment period in respect of insurance prudential supervision activities is the amount calculated using the formula,

$$(A/B) \times (C-D)$$

in which,

"A" is the Ontario prudentially regulated insurer's (including the classes of insurer outlined in section 42(1) of the Insurance Act) required capital,

"B" is the sum of the total required capital for all Ontario prudentially regulated insurers (including the classes of insurer outlined in section 42(1) of the Insurance Act),

"C" is the total budgeted expenses and expenditures for insurance prudential supervision activities, and

"D" is the total budgeted fees for insurance prudential supervision activities.

- (8) An insurer (including the classes of insurer outlined in section 42(1) of the Insurance Act) shall pay its assessments within 30 days after the date of the invoice for the assessment in the manner and to the account specified by the Authority in such invoice.

4.2 Fees (General)

- (1) The fees payable with respect to matters under the *Insurance Act* are listed opposite the description in the following table.

DESCRIPTION	FEES
Licence application fee for a new Ontario incorporated insurer – <i>Insurance Act</i> , subsection 42(1)	\$4,000 per application
Agent and adjuster licence fees:	
a) Life & Accident and Sickness Insurance Agent licence fee - <i>Insurance Act</i> , subsection 392.3(1)	a) \$170 per 2-year licence per individual
b) Property and Casualty Insurance Agent licence fee - <i>Insurance Act</i> , subsection 392.3(1)	b) \$150 per 2-year licence per individual
c) Corporation agent licence fee - <i>Insurance Act</i> , subsection 400(1)	c) \$400 per 2-year licence per corporation
d) Partnership agent licence fee - <i>Insurance Act</i> , subsection 399(1)	d) \$200 per 2-year licence per partnership
e) Adjuster licence fee - <i>Insurance Act</i> , section 397	e) \$75 per 1-year licence per individual
f) Adjuster licence fee for a partnership (<i>Insurance Act</i> , subsection 399(1)), or a corporation (<i>Insurance Act</i> , subsection 400(1))	f) \$200 per 1-year licence per partnership or corporation

Certificate issued by Chief Executive Officer - <i>Insurance Act</i> , subsection 25(2)	\$25 per certificate
Photocopying: rate manuals per category of automobile insurance	\$100

- (2) Fees not refundable – A fee paid by person or entity under this section 4.2 is not refundable and may not be credited toward any subsequent fee payable by the person or entity.

4.3 Fees (Service Providers)

- (1) The fees payable under the *Insurance Act* relating to service providers are the amounts determined according to this section 4.3.
- (2) Definitions - In this section 4.3,
- (a) “listed expenses” means listed expenses in connection with statutory accident benefits within the meaning of section 288.1 of the *Insurance Act*;
 - (b) “number of claimants” means the total number of persons in respect of whom the applicant for a service provider’s licence or the licensee, as applicable, received payment for one or more listed expenses in the calendar year prior to the year in which payment of the applicant’s regulatory fee or the licensee’s annual regulatory fee is required, calculated per accident; and
 - (c) “number of locations” means,
 - (i) in respect of an applicant for a service provider’s licence, the number of physical locations at which the applicant intends to operate a business that could give rise to listed expenses;
 - (ii) in respect of a licensed service provider that was licensed and operated a business in the calendar year prior to the year in which payment of the annual regulatory fee is required, the number of physical locations at which the licensee operated the business, while licensed, that gave rise or could have given rise to listed expenses in that calendar year, or
 - (iii) in respect of any other licensed service provider, the number of physical locations in respect of which the licence was issued,
- (3) Service provider licence application fee – A person or entity who applies for a service provider’s licence shall pay a licence application fee of \$337.00 when the licence application is submitted to the Chief Executive Officer.
- (4) Applicant’s regulatory fee – A person or entity who applies for a service provider’s licence shall pay a pro-rated applicant’s regulatory fee when the licence application is submitted to the Chief Executive Officer, calculated using the formula,

$$(A + B) \times (X/12)$$

in which,

“A” is \$128.00 multiplied by the number of locations of the applicant,

“B” is \$15.00 multiplied by the number of claimants of the applicant, if any, and

“X” is the number of whole and partial calendar months remaining in the fiscal year, calculated from the date application is made until March 31st.

- (5) Licensees’ annual regulatory fee – A licensed service provider shall pay a regulatory fee annually when the service provider’s annual information return is submitted to the Chief Executive Officer, calculated using the formula,

$$A + B$$

in which,

“A” is \$128.00 multiplied by the number of locations of the licensee, and

“B” is \$15.00 multiplied by the number of claimants of the licensee.

- (6) Fees not refundable – A fee paid by person or entity under this section 4.3 is not refundable and may not be credited toward any subsequent fee payable by the person or entity.

PART 5 LOAN AND TRUST SECTOR ASSESSMENTS AND FEES

5.1 Assessments

- (1) Definitions – In this Part 5,
- (a) “budgeted loan and trust sector expenses and expenditures for the assessment period” means, in respect of a particular assessment period, the total amount of direct costs of, and common costs that the Authority allocates to, the loan and trust sector in respect of the assessment period, as set out in the final budget;
 - (b) “budgeted loan and trust sector fees for the assessment period” means, in respect of a particular assessment period, the total amount of fees that the Authority estimates will be charged to loan and trust corporations in respect of the assessment period, as set out in the final budget; and
 - (c) “loan or trust corporation” means a corporation registered under the *Loan and Trust Corporations Act*.
- (2) A loan or trust corporation’s share of an assessment of the loan and trust sector under subsection 21(2) of the FSRA Act for an assessment period is the amount calculated using the formula,

$$(A - B)/C$$

in which,

“A” is the total of all budgeted loan and trust sector expenses and expenditures for the assessment period,

“B” is the total of all budgeted loan and trust sector fees to be charged for the assessment period, and

“C” is the number of loan or trust corporations registered under the *Loan and Trust Corporations Act* as at such date prior to the assessment period as the Authority may determine.

- (3) A loan or trust corporation shall pay its assessment within 30 days after the date of the invoice for the assessment in the manner and to the account specified by the Authority in such invoice.

5.2 Fees

- (1) The fees payable with respect to matters under the *Loan and Trust Corporations Act* are listed opposite the description in the following table.

DESCRIPTION	FEE
Application for initial registration – <i>Loan and Trust Corporations Act</i> , subsection 31(5)	\$2,500 per application

- (2) Fees not refundable – A fee paid by person or entity under this section 5.2 is not refundable and may not be credited toward any subsequent fee payable by the person or entity.

PART 6 MORTGAGE BROKERING SECTOR ASSESSMENTS AND FEES

6.1 Assessments

- (1) No assessments are payable to the Authority in respect of the mortgage brokering sector under subsection 21(2) of the FSRA Act.

6.2 Fees (General)

- (1) Definitions – In this Part 6,
- (a) “mortgage” has the same meaning as in section 1 of the *Mortgages Act*;
 - (b) “mortgage agent” or “agent” has the same meaning as section 1 of the *Mortgage Brokerages, Lenders and Administrators Act, 2006*;
 - (c) “mortgage administrator” has the same meaning as section 1 of the *Mortgage Brokerages, Lenders and Administrators Act, 2006*;
 - (d) “mortgage broker” or “broker” has the same meaning as section 1 of the *Mortgage Brokerages, Lenders and Administrators Act, 2006*;
 - (e) “mortgage brokerage” or “brokerage” has the same meaning as section 1 of the *Mortgage Brokerages, Lenders and Administrators Act, 2006*; and

- (f) “principal broker” means an individual designated as a principal broker pursuant to s. 7(6) of the *Mortgage Brokerages, Lenders and Administrators Act, 2006*.
- (2) The required fees payable under the *Mortgage Brokerages, Lenders and Administrators Act, 2006* are the amounts determined according to this section 6.2.
- (3) Mortgage brokerage licence – The applicable fee for an application for a mortgage brokerage licence under subsection 7(1) of the *Mortgage Brokerages, Lenders and Administrators Act, 2006* is the following:
- (a) For a licence that is to take effect at any other point during a fiscal year, the amount calculated using the formula,

$$\mathbf{\$100 + (A \times \$883/12)}$$

in which,

“A” is the number of whole and partial calendar months between the date on which the application is submitted and the beginning of the fiscal year that immediately follows.

- (3.1) On or before the day on which a fiscal year ends, a corporation, partnership, sole proprietorship or other entity that has a mortgage brokerage licence shall pay a regulatory fee in respect of the next fiscal year of \$883.
- (4) Mortgage broker’s licence – The applicable fee for an application for a mortgage broker’s licence under subsection 8(1) of the *Mortgage Brokerages, Lenders and Administrators Act, 2006* is the following:
- (a) For a licence that is to take effect at any other point during a fiscal year, the amount calculated using the formula,

$$\mathbf{\$100 + (A \times \$883/12)}$$

in which,

“A” is the number of whole and partial calendar months between the date on which the application is submitted and the beginning of the fiscal year that immediately follows.

- (4.1) The applicable fee for an application to renew a mortgage broker’s licence is \$883.
- (4.2) An applicant is not required to pay the fee described in subsection 6.2(4) if, on the date the individual submits the application in respect of a period described in that subsection, the individual is a mortgage agent and has paid all applicable fees for mortgage agents under the *Mortgage Brokerages, Lenders and Administrators Act, 2006* in respect of that period.
- (4.3) An applicant is not required to pay the fee described in subsection 6.2(4) or (4.1) if, before the application is submitted, the mortgage brokerage on whose behalf the individual is authorized to deal in mortgages or trade in mortgages in Ontario notifies the Chief Executive Officer that the individual will be designated as its principal broker when the individual’s licence takes effect.

- (4.4) Subsection 6.2(4.3) does not apply if the mortgage brokerage has previously designated another individual as its principal broker in respect of the same fiscal year.
- (5) Mortgage agent's licence – The applicable fee for an application for a mortgage agent's licence under subsection 9(1) of the *Mortgage Brokerages, Lenders and Administrators Act, 2006* is the following:

- (a) For Mortgage Agent Level 1 Licence pursuant to subsection 14(1) of the *Mortgage Brokerages, Lenders and Administrators Act, 2006* and subsection 5.0.1 of Ontario Regulation 409/07,
- i. For a licence that is to take effect at any other point during a fiscal year, the amount calculated using the formula,

$$\mathbf{\$100 + (A \times \$841/12)}$$

in which,

“A” is the number of whole and partial calendar months between the date on which the application is submitted and the beginning of the fiscal year that immediately follows.

- (b) For Mortgage Agent Level 2 Licence pursuant to subsection 14(1) of the *Mortgage Brokerages, Lenders and Administrators Act, 2006* and subsection 5.0.2 of Ontario Regulation 409/07,
- i. For a licence that is to take effect at any other point during a fiscal year, the amount calculated using the formula,

$$\mathbf{\$100 + (A \times \$883/12)}$$

in which,

“A” is the number of whole and partial calendar months between the date on which the application is submitted and the beginning of the fiscal year that immediately follows.

- (5.1) The applicable fee for an application to renew a mortgage agent's licence is:
- (a) For Mortgage Agent Level 1 Licence pursuant to subsection 14(1) of the *Mortgage Brokerages, Lenders and Administrators Act, 2006* and subsection 5.0.1 of Ontario Regulation 409/07, \$841,
- (b) For Mortgage Agent Level 2 Licence pursuant to subsection 14(1) of the *Mortgage Brokerages, Lenders and Administrators Act, 2006* and subsection 5.0.2 of Ontario Regulation 409/07, \$883.
- (6) Mortgage administrator's licence – The applicable fee for an application for a mortgage administrator's licence under subsection 10(1) of the *Mortgage Brokerages, Lenders and Administrators Act, 2006* is the following:
- (a) For a licence that is to take effect at the beginning of a fiscal year, \$250+B.

- (b) For a licence that is to take effect at any other point during a fiscal year, the amount calculated using the formula,

$$\mathbf{\$250 + (A \times B/12)}$$

in which,

“A” is the number of whole and partial calendar months between the date on which the application is submitted and the beginning of the fiscal year that immediately follows.

“B” is an amount as follows:

The first assessment period which commences after this Rule comes into force	\$1,344
The second assessment period which commences after this Rule comes into force	\$1,847
The third assessment period which commences after this Rule comes into force and onwards	\$2,350

- (6.1) On or before the day on which a fiscal year ends, a corporation, partnership, sole proprietorship or other entity that has a mortgage administrator’s licence shall pay a regulatory fee in respect of the next fiscal year in the amount of “B”, as defined in subsection 6.
- (7) Fees not refundable – A fee paid by person or entity under this section 6.2 is not refundable and may not be credited toward any subsequent fee payable by the person or entity.

PART 7 PENSION SECTOR ASSESSMENTS AND FEES

7.1 Assessments

- (1) Definitions – In this Part 7,
- (a) “administrator” has the same meaning as in subsection 1(1) of the *Pension Benefits Act*;
- (b) “assessable pension plan” means a pension plan,
- (i) for which an application for registration under section 9 of the *Pension Benefits Act* has been filed, or
- (ii) for which a certificate of registration has been issued under section 16 of the *Pension Benefits Act*,
- as of a date on or before a date determined by the Authority for the purposes of preparing its final budget in respect of a particular assessment period;
- (c) “beneficiaries” in respect of an assessable pension plan means:

- (i) members, former members, and retired members of the pension plan, and
 - (ii) other beneficiaries who as a result of the actual death of a member, former member or retired member either are in receipt of, or have a right to receive, a pension from the pension plan;
- (d) “budgeted pension sector expenses and expenditures for the assessment period” means, in respect of a particular assessment period, the total amount of direct costs of, and common costs that the Authority allocates to, the pension sector in respect of the assessment period, as set out in the final budget;
 - (e) “budgeted pension sector fees for the assessment period” means, in respect of a particular assessment period, the total amount of fees that the Authority estimates will be charged to pension sector assessable entities in respect of the assessment period, as set out in the final budget;
 - (f) “discontinued plan” means a pension plan for which an annual information return has been filed under section 29.1 of Regulation 909 of the Revised Regulations of Ontario, 1990 (*General*) made under the *Pension Benefits Act* at any time on or before a date determined by the Authority for the purposes of preparing its final budget in respect of a particular assessment period;
 - (g) “former member” has the same meaning as in subsection 1(1) of the *Pension Benefits Act*;
 - (h) “member” has the same meaning as in subsection 1(1) of the *Pension Benefits Act*;
 - (i) “net budgeted pension sector expenses and expenditures for the assessment period” means, in respect of a particular assessment period, the difference between the total of all budgeted pension sector expenses and expenditures for the assessment period and the total of all budgeted pension sector fees to be charged for the assessment period, which amount shall not be less than zero;
 - (j) “pension plan” has the same meaning as in subsection 1(1) of the *Pension Benefits Act*;
 - (k) “retired member” has the same meaning as in subsection 1(1) of the *Pension Benefits Act*; and
 - (l) “variable share” means, in respect of a particular assessment period, the amount remaining when net budgeted pension sector expenses and expenditures for the assessment period is reduced by the aggregate budgeted assessment amounts in respect of the particular assessment period relating to the pension plans referred to in paragraph 7.1(3)(a).
- (2) An administrator’s share of an assessment of the pension sector in respect of a particular pension plan under subsection 21(2) of the FSRA Act for an assessment period is the following:
- (a) for the administrator of an assessable pension plan, other than a discontinued plan, the share calculated in accordance with subsection 7.1(3); and

- (b) for the administrator of a discontinued plan, zero.
- (3) For the purposes of paragraph 7.1(2)(a):
- (a) if a particular assessable pension plan has 91 beneficiaries or fewer, the administrator of that particular assessable pension plan's share of an assessment of the pension sector for an assessment period and in respect of that particular assessable pension plan is \$1000;
- (b) if a particular assessable pension plan has 92 or more beneficiaries, the administrator of that particular assessable pension plan's share of the variable share of an assessment period is determined by calculating the amount

$$\begin{aligned}
 & [(A/B) \times (C \times D) \text{ for Tier 1}] + \\
 & [(A/B) \times (C \times D) \text{ for Tier 2}] + \\
 & [(A/B) \times (C \times D) \text{ for Tier 3}] + \\
 & [(A/B) \times (C \times D) \text{ for Tier 4}] + \\
 & [(A/B) \times (C \times D) \text{ for Tier 5}] + \\
 & [(A/B) \times (C \times D) \text{ for Tier 6}]
 \end{aligned}$$

for each tier in the table below, in which,

"A" is the number of beneficiaries in the tier in the table below in the particular assessable pension plan,

"B" is the total number of beneficiaries in the tier in the table below in all assessable pension plans,

"C" is the percentage of the variable share denoted for that tier in the table below, and

"D" is the variable share,

and then adding together the amounts so calculated for each tier in respect of the particular assessable pension plan.

TIER	INCREMENTS FOR PENSION PLAN BENEFICIARIES	PERCENTAGE OF VARIABLE SHARE TO BE RECOVERED FROM ADMINISTRATORS RELATING TO BENEFICIARIES OF THAT ADMINISTRATOR'S PENSION PLAN IN A PARTICULAR TIER
1	1 st to 1,000 th beneficiary	40.220%
2	1,001 st to 6,000 th beneficiary	33.543%
3	6,001 st to 12,000 th beneficiary	10.824%
4	12,001 st to 60,000 th beneficiary	10.313%

5	60,001 st to 150,000 th beneficiary	4.738%
6	In excess of 150,000 beneficiaries	0.363%

- (4) The number of beneficiaries of an assessable pension plan in respect of a particular assessment period is the number of beneficiaries of the assessable pension plan indicated in the most recent annual information return filed under the *Pension Benefits Act* on or before a date determined by the Authority for the purposes of preparing its final budget or, in the absence of such a return, the number of beneficiaries indicated in the application for registration of the pension plan submitted under the *Pension Benefits Act*.
- (5) The administrator of an assessable pension plan shall pay its assessment in respect of that assessable pension plan within 30 days after the date of the invoice for the assessment in the manner and to the account specified by the Authority in such invoice.

7.2 Fees

- (1) The fees payable with respect to matters under the *Pension Benefits Act* are listed opposite the description in the following table.

DESCRIPTION	FEE
Application fee for registration of a pension plan – <i>Pension Benefits Act</i> , subsection 9(2)	\$250 per application

- (2) Fees not refundable – A fee paid by person or entity under this section 7.2 is not refundable and may not be credited toward any subsequent fee payable by the person or entity.

PART 8 FINANCIAL PROFESSIONALS SECTOR ASSESSMENTS AND FEES

8.1 Assessments

- (1) Definitions – In this Part 8,
 - (a) “budgeted financial professionals sector expenses and expenditures for the assessment period” means, in respect of a particular assessment period, the total amount of direct costs of, and common costs that the Authority allocates to, the financial professionals sector in respect of the assessment period, as set out in the final budget;
 - (b) “budgeted financial professionals sector fees for the assessment period” means, in respect of a particular assessment period, the total amount of fees that the Authority estimates will be charged to persons or entities with respect to the financial professionals sector in respect of the assessment period, as set out in the final budget; and
 - (c) “financial professionals sector start-up costs” means, as the Board determines is appropriate in the Authority’s final budget, the total amount of expenses and expenditures incurred and made by the Authority in the period ending immediately prior to the time at which the Authority began to carry out the

regulatory functions contemplated by the FSRA Act in respect of the financial professionals sector.

- (2) For the first ten assessment periods after this section comes into force, an approved credentialing body's share of an assessment of the financial professionals sector under subsection 21(2) of the FSRA Act for an assessment period is the amount calculated using the formula,

$$\mathbf{\$25,000 + A + B}$$

in which,

"A" is the amount calculated using the formula,

$$\mathbf{(C - D) \times (E / F)}$$

in which,

"C" is the budgeted financial professionals sector expenses and expenditures for the assessment period,

"D" is the budgeted financial professionals sector fees for the assessment period,

"E" is the total number of approved credentials issued to individuals by the approved credentialing body on or before a date determined by the Authority for the purposes of preparing a final budget,

"F" is the total number of approved credentials issued to individuals by all approved credentialing bodies on or before a date determined by the Authority for the purposes of preparing a final budget, and

"B" is the amount calculated using the formula,

$$\mathbf{[(G \times 0.10) \times (E / F)] + H}$$

in which,

"E" is the same as "E" used in the calculation of "A",

"F" is the same as "F" used in the calculation of "A",

"G" is the financial professionals sector start-up costs, and

"H" is the amount, either positive or negative, determined appropriate by the Authority to compensate for any change in the number of approved credentialing bodies since the previous assessment period.

- (3) Starting with the eleventh assessment period after this section comes into force, an approved credentialing body's share of an assessment of the financial professionals sector under subsection 21(2) of the FSRA Act for an assessment period is the amount calculated using the formula,

$$\mathbf{\$25,000 + A}$$

in which “A” is calculated using the same formula as the formula used for calculating “A” in subsection 8.1 (2).

- (4) An approved credentialing body shall pay its assessment within 30 days after the date of the invoice for the assessment in the manner and to the account specified by the Authority in such invoice.

8.2 Fees

- (1) The fees payable with respect to matters under the *Financial Professionals Title Protection Act, 2019* are listed opposite the description in the following table.

DESCRIPTION	FEE
Application for approval of credentialing body – <i>Financial Professionals Title Protection Act, 2019</i> , section 4	\$10,000 per application
Application for approval of credentials – <i>Financial Professionals Title Protection Act, 2019</i> , section 7	\$5,000 per credential

- (2) Fees not refundable – A fee paid by person or entity under this section 8.2 is not refundable and may not be credited toward any subsequent fee payable by the person or entity.

PART 9 PRPP SECTOR ASSESSMENTS AND FEES

9.1 Assessments and Fees

- (1) No assessments or fees are payable to the Authority in respect of the PRPP sector under subsection 21(2) of the FSRA Act.

PART 10 INNOVATION OFFICE FEES

10.1 Fees (General)

- (1) Definitions
- (a) “Activity Test and Learn Environment” means a contractually established environment where the Chief Executive Officer exercises their exemptive authority or discretion to test otherwise non-permitted business
 - (b) “Advisory service fees” means fees relating to meetings with or requests for written feedback from the Innovation Office initiated by the inquiring party for all matters relating to an intake form,
 - (c) “Applicant” means Market Participants that are in the process of applying to or have applied for a Test and Learn Environment, and for greater clarity, includes current sector participants and potential sector entrants,
 - (d) “Frequent Inquirer” means an inquiring party operating under the same trade name that makes more than 5 new inquiries yet with less than 1 ready-to-test applications in a calendar year,

- (e) “Inquiring party” means an individual or entity that has submitted or is in the process of submitting an intake form, regardless of whether the individual or entity is regulated by the Authority,
 - (f) “Intake form” means a sector-specific form approved by the Chief Executive Officer containing such information as the Chief Executive Officer may require about the inquiring party’s innovation opportunity,;
 - (g) “Status Test and Learn Environment” means a contractually established environment where the Chief Executive Officer exercises their exemptive authority or discretion to issue time-limited and scope-restricted conditional licensing of a Market Participant to enable controlled market validation of innovative products and services.
- (2) The fees payable with respect to Test and Learn Applicants and inquiring parties who submit an intake form are listed opposite the description in the following table:

DESCRIPTION	FEE
Activity Test and Learn Environment Application Review	\$50/hour per hour of review up to a maximum amount of \$5,000 per application (or review).
Status Test and Learn Environment Application Review	\$50/hour per hour of review up to a maximum amount of \$5,000 per application (or review).
Meeting with or requests for written feedback from the Authority initiated by the inquiring party for all matters relating to an intake form.	\$0 for the initial meeting \$500 per meeting or request for written feedback.
Meetings with or requests for written feedback from the Authority initiated by deemed frequent inquirers for all matters relating to an intake form.	\$1000 per meeting or request for written feedback.

- (3) The Authority may:
- (a) Waive fees based on the following considerations
 - (i) the size, nature, or complexity of the applicant or the application, and
 - (ii) documented extenuating circumstances provided by the applicant;
 - (b) Set a maximum of subsequent meetings or requests for written feedback;
 - (c) With the express consent of the inquiring party, exceed the maximum amount of fees prescribed in subsection 2, and the Authority shall continue to charge the same hourly fee prescribed in subsection 2;
 - (d) Determine whether a meeting or request for written feedback from the Authority initiated by an inquiring party constitutes a new innovation opportunity or relates to a previous or ongoing innovation opportunity, and shall provide notice if intending to charge a fee for a new innovation opportunity.

PART 11 GENERAL FEES

11.1 Fees

- (1) The fees payable with respect to matters under the FSRA Act are listed opposite the description in the following table.

DESCRIPTION	FEE
Certificates issued by the Chief Executive Officer – FSRA Act, section 20.1	\$25 per certificate
Photocopies of documents except where a fee is specifically provided under another section of this Rule	\$0.50 per page (\$5.00 minimum)

- (2) Fees not refundable – A fee paid by person or entity under this section 11.1 is not refundable and may not be credited toward any subsequent fee payable by the person or entity.

PART 12 EFFECTIVE DATE

12.1 Effective Date

- (1) This Rule comes into force on the day named in a proclamation of the Lieutenant Governor.

Appendix B

FEE RULE- CONSOLIDATED

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Appendix B

FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO RULE ~~2019~~—~~001~~2022 – 001 ASSESSMENTS AND FEES

PART 1 INTERPRETATION

1.1 Definitions

(1) In this Rule,

- ~~(a)~~ “assessment” means an assessment for the purposes of subsection 21(2) of the FSRA Act;
- ~~(a)~~ “activity fees” means fixed fees for an identified regulatory activity such as licensing fees, filing fees, etc., or supervising and regulating a fixed fee sector, including overhead costs;
- (b) “assessment period” means the fiscal year of the Authority or other period of time with respect to which the Authority makes an assessment under this Rule;
- (c) “Authority” means the Financial Services Regulatory Authority of Ontario continued under subsection 2(1) of the FSRA Act;
- (d) “Board” means the board of directors of the Authority;
- (e) “Chief Executive Officer” means the Chief Executive Officer of the Authority appointed under subsection 10(2) of the FSRA Act;
- (f) “common costs” in respect of a particular assessment period means the expenses and expenditures of the Authority which the Authority determines or estimates are not direct costs in respect of any particular regulated sector in respect of that assessment period, including all amounts in respect of the ~~contingency~~operating reserve amount, as set out in the final budget;
- ~~(g)~~ “contingency reserve amount” means the amount described in subsection 2.3(1);
- ~~(h)~~(g) “credit union” means a credit union or caisse populaire to which the *Credit Unions and Caisses Populaires Act, 1994* applies;
- ~~(i)~~(h) “credit unions sector” means the sector referred to in clause (a) of the definition of “regulated sector” in section 1 of the FSRA Act;
- ~~(j)~~(i) “direct costs” in respect of a particular regulated sector and a particular assessment period means the expenses and expenditures of the Authority which the Authority determines or estimates directly relate to the particular regulated sector in respect of that assessment period, as set out in the final budget;
- ~~(k)~~(j) “fee” means a fee for the purposes of subsection 21(2) of the FSRA Act ~~and, where applicable, for the purposes of the statute to which a regulated sector is subject, including fees payable with respect to activities or events related to a person or entity in a regulated sector;~~

- ~~(h)~~(k) “final budget” means, in respect of an assessment period, the budget approved by the Board ~~and posted on the website of the Authority prior to the commencement of that assessment period;~~
- (l.1) “financial professionals sector” means the sector referred to in clause (a.1) of the definition of “regulated sector” in subsection 1(1) of the FSRA Act;
- ~~(m)~~(l) “fiscal year” means April 1st to March 31st of the following calendar year;
- ~~(n)~~ — “fixed ~~rate sector~~fee sectors” means the ~~mortgage brokering sector;~~
- ~~(a)~~(m) “sectors subject to fixed rate sector common cost contribution” means in respect of schedules of fees, including the fixed rate credit unions sector, the difference, positive or negative, between insurance sector, the total fees that the Authority estimates will be charged in respect of the fixed rate loan and trust sector, the mortgage brokering sector, the financial professionals sector in respect of an assessment period and and the total estimated direct costs of the fixed rate pension sector in respect of that assessment period, all as set out in a budget prepared by the Authority under section 2.1;
- ~~(e)~~(n) “FSRA Act” means the *Financial Services Regulatory Authority of Ontario Act, 2016*;
- ~~(p)~~(o) “insurance sector” means the sector referred to in clause (b) of the definition of “regulated sector” in section 1 of the FSRA Act;
- ~~(q)~~(p) “loan and trust sector” means the sector referred to in clause (c) of the definition of “regulated sector” in section 1 of the FSRA Act;
- ~~(r)~~ — “Minister” means ~~the Minister of Finance or such other person as may be assigned the administration of the FSRA Act under the Executive Council Act;~~
- ~~(s)~~ — “Ministry” ~~has the same meaning as applies to that term in the FSRA Act;~~
- ~~(t)~~(q) “mortgage brokering sector” means the sector referred to in clause (d) of the definition of “regulated sector” in section 1 of the FSRA Act;
- ~~(r)~~ “mortgage brokering sector common cost contribution” means in respect of the mortgage brokering sector, the difference, positive or negative, between the total fees that the Authority estimates will be charged in respect of the mortgage brokering sector in respect of an assessment period and the total estimated direct costs of the mortgage brokering sector in respect of that assessment period
- ~~(s)~~ “operating reserve amount” means the amount described in subsection 2.3(1);
- ~~(u)~~(t) “pension sector” means the sector referred to in clause (e) of the definition of “regulated sector” in section 1 of the FSRA Act;
- ~~(v)~~(u) “PRPP sector” means the sector that is referred to in clause (f) of the definition of “regulated sector” in section 1 of the FSRA Act;
- ~~(w)~~ — “regulated sector” means ~~the credit unions sector, the insurance sector, the loan and trust sector, the mortgage brokering sector, the pension sector, the financial professionals sector, and the PRPP sector;~~

~~(x)~~ “the Crown” has the same meaning as set out in section 87 of the *Legislation Act, 2006*; and

~~(v)~~ “sector assessments” means an assessment for the purposes of subsection 21(2) of the FSRA Act;

~~(y)~~~~(w)~~ “variable rate sectors” means the sectors subject to variable assessment fees, including the credit unions sector, the insurance sector, the loan and trust sector, the financial professionals sector and the pension sector.

1.2 Interpretation

- (1) The Authority’s expenses and expenditures that may be recovered through assessments and fees in respect of one or more assessment periods includes, as the Board determines is appropriate in the Authority’s final budget, amounts in respect of the expenses and expenditures incurred and made by the Authority ~~in the period ending immediately prior to the time at which the Authority begins to carry out the regulatory functions contemplated by the FSRA Act.~~
- (2) The Authority’s expenses and expenditures that may be recovered through assessments and fees in respect of one or more assessment periods may include amounts assessed by the Lieutenant Governor in Council in respect of:
 - (a) ~~the Ministry’s~~ expenses and expenditures referred to in section 15 of the FSRA Act that have been assessed on the Authority by the Minister; and
 - (b) ~~the Financial Services Tribunal’s and the Ministry’s~~ expenses and expenditures referred to in section 15 of the *Financial Services Tribunal Act, 2017* that have been assessed on the Authority by the Lieutenant Governor in Council.
- (3) References in this Rule to the Chief Executive Officer include ~~a~~ reference to an authorized delegate of the Chief Executive Officer.
- (4) Words and phrases not defined in this Rule have the same meaning as ascribed thereto under section 1 of the FSRA Act, unless a contrary intention appears.
- (5) Every use of the words “including” or “includes” in this Rule is to be construed as meaning “including, without limitation” or “includes, without limitation”, respectively.

PART 2 SECTORAL ASSESSMENT PROCESS

2.1 Preparation of Budgets by Authority

- (1) In respect of each assessment period, the Authority shall prepare a draft budget which sets out:
 - (a) the estimated total expenses and expenditures of the Authority in respect of the assessment period and a description of the direct costs estimated for each regulated sector and the common costs estimated for the Authority;
 - (b) the total fees that the Authority estimates will be charged in respect of the regulated sectors in respect of the assessment period; and

- (c) the total estimated assessment in respect of each regulated sector and within such sector, as applicable.
- (2) The Authority shall ~~post the draft budget on the website of the Authority on a date to be determined by the Authority and may~~ undertake consultation with the regulated sectors as ~~determined appropriate by the Authority to assist it~~ part of the Authority's annual business plan process in finalizing such budget.
- (3) The Authority shall post the final budget in respect of an assessment period on the website of the Authority on a date to be determined by the Authority. Invoices for assessments in respect of variable rate sectors will only be issued after the Authority posts such final budget.

2.2 Determination and Allocation of Direct Costs and Common Costs by Regulated Sector

- (1) In respect of the estimated total expenses and expenditures of the Authority in respect of an assessment period, each budget prepared by the Authority under section 2.1 shall set out the direct costs in respect of each regulated sector and within such sector, as applicable, in respect of the assessment period covered by the budget, together with the aggregate common costs in respect of the assessment period.
- (2) Each budget prepared by the Authority under section 2.1 shall allocate the common costs in respect of the assessment period covered by the budget among the regulated sectors on such basis as the Authority determines appropriate; provided that unless otherwise specified by the Authority in the budget, common costs remaining after the fixed rate mortgage brokering sector common cost contribution (if any) estimate is deducted from the overall common cost estimate in respect of the assessment period covered by the budget shall be allocated in the budget among the variable rate sectors based on their *pro rata* share of the aggregate direct costs of the variable rate sectors in respect of that assessment period.

2.3 Contingency Operating Reserve Amount

- (1) The Authority shall maintain an operating reserve amount that may be used to respond to unforeseen events or circumstances.
- ~~(1) The~~ ~~If determined appropriate by the Authority, the common costs in respect of an assessment period may include an amount to pay expenses and expenditures of the Authority in respect of the assessment period which cannot reasonably be estimated and determined to be direct costs or common costs or in respect of a particular regulated sector, but which the Board determines are appropriate to include in the final budget in respect of unforeseeable events or circumstances.~~
- ~~(6)(2) The contingency operating~~ reserve amount ~~included as common costs in a budget prepared by the Authority under section 2.1~~ in respect of a particular assessment period shall not exceed 5% of the total budget for that assessment period.
\$4 million.
- (3) Notwithstanding subsection 2, if the operating reserve amount carried over from a previous assessment period is greater than 5% of the total budget, then
 - (a) the Board shall not include allocations to the operating reserve amount under 2.3(1) for that assessment period; and

- (b) the Authority shall not be required to reduce the operating reserve amount.
- ~~(2)(4)~~ No amount in respect of the contingencyoperating reserve amount shall be used or applied by the Authority, except as authorized by the Board.
- ~~(3)~~ ~~If the Board authorizes all or any portion of an existing contingency reserve amount to be used or applied by the Authority in an assessment period, the subsequent budget will include as a direct cost any contingency reserve amount used or applied by the Authority in respect of a variable rate sector identified by the Board and the contingency reserve amount that may be included as common costs in a budget prepared by the Authority under section 2.1 for a subsequent assessment period may be increased by the amount remaining after the direct costs referred to in this subsection 2.3(4) and recovered from a variable rate sector are deducted from the contingency reserve amount used or applied.~~
- ~~(4)(5)~~ ~~If any portion of a contingencyoperating reserve amount is unused at the end of an assessment period, it shall be held as a contingencyan operating reserve amount for the next assessment period and the contingency reserve amount included in the budget for the next assessment period shall be reduced by such unused amount.~~
- (6) If funds are used from the operating reserve for a specific variable fee sector, then that sector shall include that cost for replacing such funds in the operating reserve as a sector-specific cost for calculating a future assessment following the withdrawal of those funds.

PART 3 CREDIT UNIONS SECTOR ASSESSMENTS AND FEES

3.1 Assessments

- (1) Definitions – In this section 3.1,
- (a) “budgeted credit unions sector expenses and expenditures for the assessment period” means, in respect of a particular assessment period, the total amount of direct costs of, and common costs that the Authority allocates to, the credit unions sector in respect of the assessment period, as set out in the final budget;
- (b) “budgeted credit unions sector fees for the assessment period” means, in respect of a particular assessment period, the total amount of fees that the Authority estimates will be charged to credit unions in respect of the assessment period, as set out in the final budget;
- (c) “leaguecentral” means a leaguecentral to which the *Credit Unions and Caisses Populaires Act, 19942020* applies; and
- (d) “RWA” means, with respect to a credit union, the amount calculated in accordance with section ~~4810~~ of ~~Ontario Regulation 237/09~~Rule 2021 – 002 “Capital Adequacy Requirements for Credit Unions and Caisses Populaires” and set forth as the credit union’s risk weighted assets in the most recent ~~monthly information return~~annual audited financial statements filed under section ~~225198~~ or ~~226199~~ of the *Credit Unions and Caisses Populaires Act, 19942020* on or before a date determined by the Authority for the purposes of preparing a final budget.
- (2) A credit union’s share of an assessment of the credit unions sector under subsection 21(2) of the FSRA Act for an assessment period is the amount calculated using the formula,

$$(A - B) \times C/D$$

in which,

“A” is the total of all budgeted credit unions sector expenses and expenditures for the assessment period,

“B” is the total of all budgeted credit unions sector [Activity](#) fees for the assessment period, [not including credit unions sector Assessment amounts](#)

“C” is the amount of the RWA of the credit union, and

“D” is the amount of the total RWA of all credit unions excluding the RWA of all leagues.

~~(3) — A league’s share of an assessment of the credit unions sector under subsection 21(2) of the FSRA Act for an assessment period is zero.~~

~~(4)~~(3) A credit union shall pay its assessment within 30 days after the date of the invoice for the assessment in the manner and to the account specified by the Authority in such invoice.²¹

3.2 Fees

(1) The fees payable with respect to matters under the *Credit Unions and Caisses Populaires Act*, [19942020](#) are listed opposite the description in the following table.

DESCRIPTION	FEE
Application for incorporation of a credit union or caisse populaire – <i>Credit Unions and Caisses Populaires Act</i> , 1994, section 152020 , subsection 12(1)	\$2,500 30,000 per application
Approval of the articles of incorporation – <i>Credit Unions and Caisses Populaires Act</i> , 19942020 , subsection 46 13 (1)	\$ 27 27 ,500 per approval + any external costs
Application for receipt for an offering statement based on face amount – <i>Credit Unions and Caisses Populaires Act</i> , 19942020 , subsection 77 70 (1)	Lesser of: <ul style="list-style-type: none"> \$2,500 plus 50 basis points (i.e., \$2,500 + 0.50% of the maximum aggregate dollar amount of securities offered); and \$20,000 Per application
Application by extra-provincial credit union for registration - <i>Credit Unions and Caisses Populaires Act</i>, 2020, subsection 273(1)	\$750 per application
New Businesses Review (This entails a review of a credit union’s application under the <i>Credit Unions and Caisses Populaires Act</i>,	\$7,500 per review

² Assessments in respect of the Deposit Insurance Reserve Fund are not covered by this Rule. They continue to be covered by subsection 225(1) of the *Credit Unions and Caisses Populaires Act*, 2020.

<u>2020, subsection 139(2), to deal in goods or engage in a trade or business that is not otherwise authorized by the Act, regulations, or Authority Rules)</u>	
<u>Mortgage Discharge</u>	<u>\$300 per discharge</u>

⁴~~Assessments in respect of the Deposit Insurance Reserve Fund are not covered by this Rule. They continue to be covered by subsection 276.1(1) of the *Credit Unions and Caisses Populaires Act, 1994*~~

	• \$25,000 per application
Application by extra-provincial credit union for registration — Credit Unions and Caisses Populaires Act, 1994, section 332	\$500 per application

~~(3)~~(2) Fees not refundable – A fee paid by person or entity under this section 3.2 is not refundable and may not be credited toward any subsequent fee payable by the person or entity.

PART 4 INSURANCE SECTOR ASSESSMENTS AND FEES

4.1 Assessments

- (1) Definitions – In this section 4.1,
- (a) “accident and sickness insurance” has the meaning ascribed to that term in an order made under section 43 of the *Insurance Act*;
 - (b) “accident, sickness and life insurance” means either or both accident and sickness insurance and life insurance;
 - (c) “accident, sickness and life insurance ~~market~~ conduct activities” means those activities of the Authority identified by the Authority as related to regulating the ~~market~~ conduct of insurers, including the classes of insurer outlined in section 42(1) of the Insurance Act (and their agents and other representatives or distribution channel participants) providing accident, sickness and life insurance in Ontario and other activities of the Authority related to regulating and supervising accident, sickness and life insurance which are not related to conducting prudential, capital adequacy, liquidity or solvency supervision;
 - (d) “automobile insurance” has the meaning ascribed to that term in an order made under section 43 of the *Insurance Act*;
 - (e) “automobile insurance ~~rate~~ approval activities” means those activities of the Authority identified by the Authority as related to ~~rate approval for~~ automobile insurance in Ontario, including all activities of the Authority relating to holders of a service provider’s licence under Part VI (Automobile Insurance) of the *Insurance Act* other than Automobile insurance conduct activities;
 - (f) “direct written premiums for accident, sickness and life insurance” means, with respect to an insurer, including the classes of insurer outlined in section 42(1) of the Insurance Act, at any particular point in time, the premiums paid to the insurer for accident, sickness and life insurance in Ontario as reflected in its most recent filings made under section 102 of the Insurance Act annual audited financial statements presented to the insurer’s prudential regulator, other than premiums for

accident, sickness and life insurance paid to the insurer under agreements for reinsurance;

- (g) “direct written premiums for accident and sickness insurance” means, with respect to an insurer, including the classes of insurer outlined in section 42(1) of the Insurance Act, at any particular point in time, the premiums paid to the insurer for accident and sickness insurance in Ontario as reflected in its most recent ~~filings made under section 102 of the Insurance Act~~ annual audited financial statements presented to the insurer’s prudential regulator, other than premiums for accident and sickness insurance paid to the insurer under agreements for reinsurance;
- (h) “direct written premiums for automobile insurance” means, with respect to an insurer, including the classes of insurer outlined in section 42(1) of the Insurance Act, at any particular point in time, the premiums paid to the insurer for automobile insurance in Ontario as reflected in its most recent ~~filings made under section 102 of the Insurance Act~~ annual audited financial statements presented to the insurer’s prudential regulator, other than premiums for automobile insurance paid to the insurer under agreements for reinsurance;
- (i) “direct written premiums for property and casualty insurance” means, with respect to an insurer, including the classes of insurer outlined in section 42(1) of the Insurance Act, at any particular point in time, the premiums paid to the insurer for property and casualty insurance in Ontario as reflected in its most recent ~~filings made under section 102 of the Insurance Act~~ annual audited financial statements presented to the insurer’s prudential regulator, other than premiums for property and casualty insurance paid to the insurer under agreements for reinsurance, and for greater certainty includes direct written premiums for automobile insurance;
- (j) “fraternal society” ~~means a society, order or association incorporated for~~ has the purpose meaning ascribed to that term in section 1 of making with its members only, and not for profit, contracts of life insurance or accident and sickness insurance in accordance with its constitution, by laws and rules and the *Insurance Act*;
- (k) “insurance” has the meaning ascribed to that term in section 1 of the *Insurance Act*;
- (l) “insurance prudential supervision activities” means those activities of the Authority identified by the Authority as related to conducting prudential, capital adequacy, liquidity and solvency supervision of Ontario prudentially regulated insurers, including the classes of insurer outlined in section 42(1) of the Insurance Act;
- (m) “insurer” has the meaning ascribed to that term in section 1 of the *Insurance Act*; ;
- (n) “life insurance” has the meaning ascribed to that term in an order made

under section 43 of the *Insurance Act*;

(o) “Ontario prudentially regulated insurer” means an insurer, including the classes of insurer outlined in section 42(1) of the *Insurance Act* that is organized or incorporated under the laws of Ontario and that is providing either or both:

(i) property and casualty insurance; or

(ii) accident and sickness insurance,

~~other than insurers that are members of the Fire Mutuals Guarantee Fund, save and except for a mutual insurance corporation described in subsection 148(3) of the *Corporations Act*;~~

(p) “property and casualty insurance” means insurance other than accident and sickness insurance and life insurance;

(q) “property and casualty insurance ~~market~~ conduct activities” means those activities of the Authority identified by the Authority as related to regulating the ~~market~~ conduct of insurers, including the classes of insurer outlined in section 42(1) of the *Insurance Act* (and their agents and other representatives or distribution channel participants) providing property and casualty insurance in Ontario and other activities of the Authority related to regulating and supervising property and casualty insurance other than:

(i) automobile ~~rate~~ insurance approval activities; and

(ii) insurance prudential supervision activities;

(r) “required capital” means:

(i) for an Ontario prudentially regulated insurer, the capital or assets required to be maintained under section 102(8) of the *Insurance Act*;

(ii) for an Ontario prudentially regulated insurer who is exempt under section 102(9) of the *Insurance Act* from maintaining the capital or assets required to be maintained under section 102(8) of the *Insurance Act*, the capital or assets that would be required to be maintained under 102(8) if they did not qualify for the exemption under 102(9) of the *Insurance Act*; or

(iii) for a reciprocal exchange prudentially regulated by the Authority, the amount of cash or investments required to be maintained under section 386(1) of the *Insurance Act*.

~~(f)~~(s) “total budgeted expenses and expenditures for accident, sickness and life insurance ~~market~~ conduct activities” means, in respect of a particular assessment period, the total amount of direct costs of, and common costs that the Authority allocates to, accident, sickness and life insurance

~~market~~ conduct activities within the insurance sector in respect of the assessment period, as set out in the final budget;

~~(s)~~(t) “total budgeted expenses and expenditures for automobile insurance ~~rate~~ approval activities” means, in respect of a particular assessment period, the total amount of direct costs of, and common costs that the Authority allocates to, automobile insurance ~~rate~~ approval activities within the insurance sector, including expenses and expenditures for activities of the Authority relating to holders of a service provider’s licence under Part VI (Automobile Insurance) of the *Insurance Act*, in respect of the assessment period, as set out in the final budget,

~~(t)~~(u) “total budgeted expenses and expenditures for insurance prudential supervision activities” means, in respect of a particular assessment period, the total amount of direct costs of, and common costs that the Authority allocates to, insurance prudential supervision activities within the insurance sector in respect of the assessment period, as set out in the final budget;

~~(u)~~(v) “total budgeted expenses and expenditures for property and casualty insurance ~~market~~ conduct activities” means, in respect of a particular assessment period, the total amount of direct costs of, and common costs that the Authority allocates to, property and casualty insurance ~~market~~ conduct activities within the insurance sector in respect of the assessment period, as set out in the final budget;

~~(v)~~(w) “total budgeted fees for accident, sickness and life insurance ~~market~~ conduct activities” means, in respect of a particular assessment period, the total amount of fees that the Authority estimates will be charged in respect of accident, sickness and life insurance ~~market~~ conduct activities in respect of the assessment period, as set out in the final budget;

~~(w)~~(x) “total budgeted fees for automobile insurance ~~rate~~ approval activities” means, in respect of a particular assessment period, the total amount of fees that the Authority estimates will be charged in respect of automobile insurance ~~rate~~ approval activities in respect of the assessment period including, those fees in respect of service providers contemplated by section 4.3, as set out in the final budget;

~~(x)~~(y) “total budgeted fees for property and casualty insurance ~~market~~ conduct activities” means, in respect of a particular assessment period, the total amount of fees that the Authority estimates will be charged in respect of property and casualty insurance ~~market~~ conduct activities in respect of the assessment period, as set out in the final budget;

~~(y)~~(z) “total budgeted fees for insurance prudential supervision activities” means, in respect of a particular assessment period, the total amount of fees that the Authority estimates will be charged in respect of insurance prudential supervision activities in respect of the assessment period, as set out in the final budget;

- (2) The direct costs of, and the common costs that the Authority allocates to, the insurance sector in respect of the assessment period under Part 2 shall, in the case of direct costs be further determined or estimated as directly related to automobile insurance ~~rate~~-approval activities, property and casualty insurance ~~market~~-conduct activities, accident, sickness and life insurance ~~market~~-conduct activities or insurance prudential supervision activities, and in the case of common costs be further allocated within the insurance sector in accordance with this section 4.1.
- (3) ~~An insurer's share~~The share of an insurer, including the classes of insurer outlined in section 42(1) of the Insurance Act, of an assessment of the insurance sector under subsection 21(2) of the FSRA Act for an assessment period is the following:
- (a) for an insurer in respect of automobile insurance ~~rate~~-approval activities, the share calculated in accordance with subsection 4.1(4);
 - (b) for an insurer in respect of property and casualty insurance ~~market~~-conduct activities, the share calculated in accordance with subsection 4.1(5);
 - (c) for an insurer in respect of accident, sickness and life insurance ~~market~~-conduct activities, the share calculated in accordance with subsection 4.1(6); and
 - (d) for an Ontario prudentially regulated insurer in respect of insurance prudential supervision activities, the share calculated in accordance with subsection 4.1(7),

provided however that each insurer, including the classes of insurer outlined in section 42(1) of the Insurance Act other than a fraternal society shall pay a minimum assessment of \$1,000 and each fraternal society shall pay a minimum assessment of \$100.

- (4) For the purposes of paragraph 4.1(3)(a), an insurer's share of an assessment of the insurance sector (which includes the classes of insurer outlined in section 42(1) of the Insurance Act) for an assessment period in respect of automobile insurance ~~rate~~-approval activities is the amount calculated using the formula,

$$(A/B) \times (C-D)$$

in which,

"A" is the insurer's (including the classes of insurer outlined in section 42(1) of the Insurance Act) direct written premiums for automobile insurance,

"B" is the total insurance sector direct written premiums for automobile insurance,

"C" is the total budgeted expenses and expenditures for automobile insurance ~~rate~~-approval activities, and

“D” is the total budgeted fees for automobile insurance ~~rate~~ approval activities.

~~(5)~~ For the purposes of paragraph 4.1(3)(b), an insurer’s share of an assessment of the insurance sector (which includes the classes of insurer outlined in section 42(1) of the Insurance Act) for an assessment period in respect of property and casualty insurance ~~market~~ conduct activities is the amount calculated using the formula,

$$(A/B) \times (C-D)$$

in which,

“A” is the insurer’s (including the classes of insurer outlined in section 42(1) of the Insurance Act) direct written premiums for property and casualty insurance,

“B” is the total insurance sector direct written premiums for property and casualty insurance,

“C” is the total budgeted expenses and expenditures for property and casualty insurance ~~market~~ conduct activities, and

“D” is the total budgeted fees for property and casualty insurance ~~market~~ conduct activities.

~~(5)(6)~~ For the purposes of paragraph ~~4.1(3)(c)~~4.1(3)(c), an insurer’s share of an assessment of the insurance sector (which includes the classes of insurer outlined in section 42(1) of the Insurance Act) for an assessment period in respect of accident, sickness and life insurance ~~market~~ conduct activities is the amount calculated using the formula,

$$(A/B) \times (C-D)$$

in which,

“A” is the insurer’s (including the classes of insurer outlined in section 42(1) of the Insurance Act) direct written premiums for accident, sickness and life insurance,

“B” is the total insurance sector direct written premiums for accident, sickness and life insurance,

“C” is the total budgeted expenses and expenditures for accident, sickness and life insurance ~~market~~ conduct activities, and

“D” is the total budgeted fees for accident, sickness and life insurance ~~market~~ conduct activities.

~~(6)(7)~~ For the purposes of paragraph ~~4.1(3)(d)~~4.1(3)(d), an Ontario prudentially regulated insurer’s share of an assessment of the insurance sector (which

includes the classes of insurer outlined in section 42(1) of the Insurance Act) for an assessment period in respect of insurance prudential supervision activities is the amount calculated using the formula,

$$(A/B) \times (C-D)$$

in which,

“A” is the Ontario prudentially regulated insurer’s direct written premiums for property and casualty insurance and direct written premiums for accident and sickness insurance, (including the classes of insurer outlined in section 42(1) of the Insurance Act) required capital,

“B” is the sum of the total direct written premiums for property and casualty insurance and direct written premiums for accident and sickness insurance of required capital for all Ontario prudentially regulated insurers, (including the classes of insurer outlined in section 42(1) of the Insurance Act),

“C” is the total budgeted expenses and expenditures for insurance prudential supervision activities, and

“D” is the total budgeted fees for insurance prudential supervision activities.

~~(7)~~(8) An insurer (including the classes of insurer outlined in section 42(1) of the Insurance Act) shall pay its assessments within 30 days after the date of the invoice for the assessment in the manner and to the account specified by the Authority in such invoice.

4.2 Fees (General)

- (1) The fees payable with respect to matters under the *Insurance Act* are listed opposite the description in the following table.

DESCRIPTION	FEES
Licence application fee for a new Ontario incorporated insurer – <i>Insurance Act</i> , subsection 42(1)	\$4,000 per application

Agent and adjuster licence fees:	
<u>g)</u> <u>Life & Accident and Sickness Insurance Agent licence fee - <i>Insurance Act</i>, subsection 392.3(1)</u>	<u>g)</u> <u>\$170 per 2-year licence per individual</u>
<u>g)h)</u> <u>Property and Casualty Insurance Agent licence fee - <i>Insurance Act</i>, subsection 392.3(1)</u>	<u>g)h)</u> <u>\$150 per 2-year licence <u>per individual</u></u>
<u>h)i)</u> <u>Corporation agent licence fee - <i>Insurance Act</i>, subsection 400(1)</u>	<u>h)i)</u> <u>\$400 per 2-year licence <u>per corporation</u></u>
<u>i)j)</u> <u>Partnership agent licence fee - <i>Insurance Act</i>, subsection 399(1)</u>	<u>i)j)</u> <u>\$200 per 2-year licence <u>per partnership</u></u>
<u>j)k)</u> <u>Adjuster licence fee - <i>Insurance Act</i>, section 397</u>	<u>j)k)</u> <u>\$75 per 1-year licence <u>per individual</u></u>
<u>k)l)</u> <u>Adjuster licence fee for a partnership (<i>Insurance Act</i>, subsection 399(1)), or a corporation (<i>Insurance Act</i>, subsection 400(1))</u>	<u>k)l)</u> <u>\$200 per 1-year licence <u>per partnership or corporation</u></u>
Certificate issued by Chief Executive Officer - <i>Insurance Act</i> , subsection 25(2)	\$25 per certificate
Photocopying: rate manuals per category of automobile insurance	\$100

- (2) Fees not refundable – A fee paid by person or entity under this section 4.2 is not refundable and may not be credited toward any subsequent fee payable by the person or entity.

4.3 Fees (Service Providers)

- (1) The fees payable under the *Insurance Act* relating to service providers are the amounts determined according to this section 4.3.
- (2) Definitions - In this section 4.3,
- (a) “listed expenses” means listed expenses in connection with statutory accident benefits within the meaning of section 288.1 of the *Insurance Act*;
- (b) “number of claimants” means the total number of persons in respect of whom the applicant for a service provider’s licence or the licensee, as applicable, received payment for one or more listed expenses in the calendar year prior to the year in which payment of the applicant’s regulatory fee or the licensee’s annual regulatory fee is required, calculated per accident; and
- (c) “number of locations” means,
- (i) in respect of an applicant for a service provider’s licence, the number of physical locations at which the applicant intends to operate a business that could give rise to listed expenses;

- (ii) in respect of a licensed service provider that was licensed and operated a business in the calendar year prior to the year in which payment of the annual regulatory fee is required, the number of physical locations at which the licensee operated the business, while licensed, that gave rise or could have given rise to listed expenses in that calendar year, or
 - (iii) in respect of any other licensed service provider, the number of physical locations in respect of which the licence was issued.
- (3) Service provider licence application fee – A person or entity who applies for a service provider’s licence shall pay a licence application fee of \$337.00 when the licence application is submitted to the Chief Executive Officer.
- (4) Applicant’s regulatory fee – A person or entity who applies for a service provider’s licence shall pay a pro-rated applicant’s regulatory fee when the licence application is submitted to the Chief Executive Officer, calculated using the formula,

$$(A + B) \times (X/12)$$

in which,

“A” is \$128.00 multiplied by the number of locations of the applicant,

“B” is \$15.00 multiplied by the number of claimants of the applicant, if any, and

“X” is the number of whole and partial calendar months remaining in the fiscal year, calculated from the date application is made until March 31st.

- (5) Licensees’ annual regulatory fee – A licensed service provider shall pay a regulatory fee annually when the service provider’s annual information return is submitted to the Chief Executive Officer, calculated using the formula,

$$A + B$$

in which,

“A” is \$128.00 multiplied by the number of locations of the licensee, and

“B” is \$15.00 multiplied by the number of claimants of the licensee.

- (6) Fees not refundable – A fee paid by person or entity under this section 4.3 is not refundable and may not be credited toward any subsequent fee payable by the person or entity.

PART 5 LOAN AND TRUST SECTOR ASSESSMENTS AND FEES

5.1 Assessments

- (1) Definitions – In this Part 5,
- (a) “budgeted loan and trust sector expenses and expenditures for the assessment period” means, in respect of a particular assessment period, the total amount of direct costs of, and common costs that the Authority allocates to, the loan and trust sector in respect of the assessment period, as set out in the final budget;
 - (b) “budgeted loan and trust sector fees for the assessment period” means, in respect of a particular assessment period, the total amount of fees that the Authority estimates will be charged to loan and trust corporations in respect of the assessment period, as set out in the final budget; and
 - (c) “loan or trust corporation” means a corporation registered under the *Loan and Trust Corporations Act*.
- (2) A loan or trust corporation’s share of an assessment of the loan and trust sector under subsection 21(2) of the FSRA Act for an assessment period is the amount calculated using the formula,

$$(A - B)/C$$

in which,

“A” is the total of all budgeted loan and trust sector expenses and expenditures for the assessment period,

“B” is the total of all budgeted loan and trust sector fees to be charged for the assessment period, and

“C” is the number of loan or trust corporations registered under the *Loan and Trust Corporations Act* as at such date prior to the assessment period as the Authority may determine.

- (3) A loan or trust corporation shall pay its assessment within 30 days after the date of the invoice for the assessment in the manner and to the account specified by the Authority in such invoice.

5.2 Fees

- (1) The fees payable with respect to matters under the *Loan and Trust Corporations Act* are listed opposite the description in the following table.

DESCRIPTION	FEE
Application for initial registration – <i>Loan and Trust Corporations Act</i> , subsection 31(5)	\$2,500 per application

- (2) Fees not refundable – A fee paid by person or entity under this section 5.2 is not refundable and may not be credited toward any subsequent fee payable by the person or entity.

PART 6 MORTGAGE BROKERING SECTOR ASSESSMENTS AND FEES

6.1 Assessments

- (1) No assessments are payable to the Authority in respect of the mortgage brokering sector under subsection 21(2) of the FSRA Act.

6.2 Fees (General)

- (1) Definitions – In this Part 6,
- (a) “mortgage” has the same meaning as in section 1 of the *Mortgages Act*;
 - (b) “mortgage agent” or “agent” ~~means an individual who has a mortgage agent’s licence~~ has the same meaning as section 1 of the *Mortgage Brokerages, Lenders and Administrators Act, 2006*;
 - (c) “mortgage administrator” ~~means a corporation, partnership, sole proprietorship or other entity that has a mortgage administrator’s licence~~ has the same meaning as section 1 of the *Mortgage Brokerages, Lenders and Administrators Act, 2006*;
 - (d) “mortgage broker” or “broker” ~~means an individual who has a mortgage broker’s licence~~ the same meaning as section 1 of the *Mortgage Brokerages, Lenders and Administrators Act, 2006*;
 - (e) “mortgage brokerage” or “brokerage” ~~means a corporation, partnership, sole proprietorship or other entity that has a brokerage licence~~ the same meaning as section 1 of the *Mortgage Brokerages, Lenders and Administrators Act, 2006*; and
 - (f) “principal broker” ~~has the same meaning as used in~~ means an individual designated as a principal broker pursuant to s. 7(6) of the *Mortgage Brokerages, Lenders and Administrators Act, 2006*.
- (2) The required fees payable under the *Mortgage Brokerages, Lenders and Administrators Act, 2006* are the amounts determined according to this section 6.2.
- (3) Mortgage brokerage licence – The applicable fee for an application for a mortgage brokerage licence under subsection 7(1) of the *Mortgage Brokerages, Lenders and Administrators Act, 2006* is the following:
- (a) For a licence that is to take effect at the beginning of any other point during a fiscal year, \$941; the amount calculated using the formula,

- ii. For a licence that is to take effect at any other point during a fiscal year, the amount calculated using the formula,

$$\underline{\$100 + (A \times \$883/12)}$$

in which,

“A” is the number of whole and partial calendar months between the date on which the application is submitted and the beginning of the fiscal year that immediately follows.

- (3.1) On or before the day on which a fiscal year ends, a corporation, partnership, sole proprietorship or other entity that has a mortgage brokerage licence shall pay a regulatory fee in respect of the next fiscal year of ~~\$941~~\$841883.
- (4) Mortgage broker’s licence – The applicable fee for an application for a mortgage broker’s licence under subsection 8(1) of the *Mortgage Brokerages, Lenders and Administrators Act, 2006* is the following:

~~(a) — For a licence that is to take effect at the beginning of a fiscal year, \$941.~~

~~(b)~~(a) For a licence that is to take effect at any other point during a fiscal year, the amount calculated using the formula,

$$\underline{\$100 + (A \times \$841883/12)}$$

in which,

“A” is the number of whole and partial calendar months between the date on which the application is submitted and the beginning of the fiscal year that immediately follows.

- (4.1) The applicable fee for an application to renew a mortgage broker’s licence is ~~\$941~~\$841883.

(4.2) An applicant is not required to pay the fee described in subsection 6.2(4) if, on the date the individual submits the application in respect of a period described in that subsection, the individual is a mortgage agent and has paid all applicable fees for mortgage agents under the *Mortgage Brokerages, Lenders and Administrators Act, 2006* in respect of that period.

- (4.3) An applicant is not required to pay the fee described in subsection 6.2(4) or (4.1) if, before the application is submitted, the mortgage brokerage on whose behalf the individual is authorized to deal in mortgages or trade in mortgages in Ontario notifies the Chief Executive Officer that the individual will be designated as its principal broker when the individual’s licence takes effect.

- (4.4) Subsection 6.2(4.3) does not apply if the mortgage brokerage has previously designated another individual as its principal broker in respect of the same fiscal year.

- (5) Mortgage agent's licence – The applicable fee for an application for a mortgage agent's licence under subsection 9(1) of the *Mortgage Brokerages, Lenders and Administrators Act, 2006* is the following:

~~(a) For a licence that is to take effect at the beginning of a fiscal year, \$941.~~

(a) For Mortgage Agent Level 1 Licence pursuant to subsection 14(1) of the *Mortgage Brokerages, Lenders and Administrators Act, 2006* and subsection 5.0.1 of Ontario Regulation 409/07,

- ~~i.~~ For a licence that is to take effect at any other point during a fiscal year, the amount calculated using the formula,

$$\mathbf{\$100 + (A \times \$841/12)}$$

in which,

"A" is the number of whole and partial calendar months between the date on which the application is submitted and the beginning of the fiscal year that immediately follows.

~~(b) For Mortgage Agent Level 2 Licence pursuant to subsection 14(1) of the *Mortgage Brokerages, Lenders and Administrators Act, 2006* and subsection 5.0.2 of Ontario Regulation 409/07,~~

- iii. For a licence that is to take effect at any other point during a fiscal year, the amount calculated using the formula,

$$\mathbf{\$100 + (A \times \$883/12)}$$

in which,

"A" is the number of whole and partial calendar months between the date on which the application is submitted and the beginning of the fiscal year that immediately follows.

- (5.1) The applicable fee for an application to renew a mortgage agent's licence is:

~~(a) For Mortgage Agent Level 1 Licence pursuant to subsection 14(1) of the *Mortgage Brokerages, Lenders and Administrators Act, 2006* and subsection 5.0.1 of Ontario Regulation 409/07, \$841.~~

~~(b) For Mortgage Agent Level 2 Licence pursuant to subsection 14(1) of the *Mortgage Brokerages, Lenders and Administrators Act, 2006* and subsection 5.0.2 of Ontario Regulation 409/07, \$883.~~

- ~~(6) Mortgage administrator's licence – The applicable fee for an application for a mortgage administrator's licence under subsection 10(1) of the *Mortgage Brokerages, Lenders and Administrators Act, 2006* is the following:~~

- (a) For a licence that is to take effect at the beginning of a fiscal year, $\$941250+B$.
- (b) For a licence that is to take effect at any other point during a fiscal year, the amount calculated using the formula,

$$\$100250 + (A \times \$841B/12)$$

in which,

“A” is the number of whole and partial calendar months between the date on which the application is submitted and the beginning of the fiscal year that immediately follows.

in which.

“A” is the number of whole and partial calendar months between the date on which the application is submitted and the beginning of the fiscal year that immediately follows.

“B” is an amount as follows:

<u>The first assessment period which commences after this Rule comes into force</u>	<u>\$1,344</u>
<u>The second assessment period which commences after this Rule comes into force</u>	<u>\$1,847</u>
<u>The third assessment period which commences after this Rule comes into force and onwards</u>	<u>\$2,350</u>

(6.1) On or before the day on which a fiscal year ends, a corporation, partnership, sole proprietorship or other entity that has a mortgage administrator’s licence shall pay a regulatory fee in respect of the next fiscal year ~~of \$841~~in the amount of “B”, as defined in subsection 6.

•(7) Fees not refundable – A fee paid by person or entity under this section 6.2 is not refundable and may not be credited toward any subsequent fee payable by the person or entity.

~~6.3 Fees (Non-Qualified Syndicated Mortgages)~~

~~(1) The fees payable under this section 6.3 are payable pursuant to subsection 21(2) of the FSRA Act.~~

~~(2) Definitions – In this section 6.3:~~

~~(a) “investor” has the meaning ascribed to that term in subsection 1(1) of Regulation 188/08;~~

- ~~(b) — “non-qualified syndicated mortgage” means a syndicated mortgage that is not a qualified syndicated mortgage;~~
 - ~~(c) — “Regulation 188/08” means Ontario Regulation 188/08 made under the *Mortgage Brokerages, Lenders and Administrators Act, 2006*;~~
 - ~~(d) — “qualified syndicated mortgage” has the meaning ascribed to that term in subsection 1(1) of Regulation 188/08;~~
 - ~~(e) — “syndicated mortgage” has the meaning ascribed to that term in subsection 1(1) of Regulation 188/08; and~~
 - ~~(f) — “syndicated mortgage disclosure form” means any syndicated mortgage disclosure form approved by the Chief Executive Officer.~~
- ~~(3) — Each brokerage that is required to provide disclosure information and documentation pursuant to subsection 31.1(1) of Regulation 188/08 in respect of a non-qualified syndicated mortgage shall pay a fee in respect of that non-qualified syndicated mortgage in the amount of \$200.~~
 - ~~(4) — The fee payable pursuant to subsection 6.3(3) shall be paid within 5 days following the date on which any prescribed disclosure documentation was first provided by or on behalf of the brokerage to the first potential or actual lender or investor in a non-qualified syndicated mortgage and shall be accompanied by a copy of the syndicated mortgage disclosure form provided to such first potential or actual lender or investor in respect of that non-qualified syndicated mortgage.~~
- ~~▪ Fees not refundable — A fee paid by person or entity under this section 6.3 is not refundable and may not be credited toward any subsequent fee payable by the person or entity.~~

PART 7 PENSION SECTOR ASSESSMENTS AND FEES

7.1 Assessments

- (1) Definitions – In this Part 7,
 - (a) “administrator” has the same meaning as in subsection 1(1) of the *Pension Benefits Act*;
 - (b) “assessable pension plan” means a pension plan,
 - (i) for which an application for registration under section 9 of the *Pension Benefits Act* has been filed, or
 - (ii) for which a certificate of registration has been issued under section 16 of the *Pension Benefits Act*,
 as of a date on or before a date determined by the Authority for the purposes of preparing its final budget in respect of a particular assessment period;

- (c) “beneficiaries” in respect of an assessable pension plan means:
 - (i) members, former members, and retired members of the pension plan, and
 - (ii) other beneficiaries who as a result of the actual death of a member, former member or retired member either are in receipt of, or have a right to receive, a pension from the pension plan;
- (d) “budgeted pension sector expenses and expenditures for the assessment period” means, in respect of a particular assessment period, the total amount of direct costs of, and common costs that the Authority allocates to, the pension sector in respect of the assessment period, as set out in the final budget;
- (e) “budgeted pension sector fees for the assessment period” means, in respect of a particular assessment period, the total amount of fees that the Authority estimates will be charged to pension sector assessable entities in respect of the assessment period, as set out in the final budget;
- (f) “discontinued plan” means a pension plan for which an annual information return has been filed under section 29.1 of Regulation 909 of the Revised Regulations of Ontario, 1990 (*General*) made under the *Pension Benefits Act* at any time on or before a date determined by the Authority for the purposes of preparing its final budget in respect of a particular assessment period;
- (g) “former member” has the same meaning as in subsection 1(1) of the *Pension Benefits Act*;
- (h) “member” has the same meaning as in subsection 1(1) of the *Pension Benefits Act*;
- (i) “net budgeted pension sector expenses and expenditures for the assessment period” means, in respect of a particular assessment period, the difference between the total of all budgeted pension sector expenses and expenditures for the assessment period and the total of all budgeted pension sector fees to be charged for the assessment period, which amount shall not be less than zero;
- (j) “pension plan” has the same meaning as in subsection 1(1) of the *Pension Benefits Act*;
- (k) “retired member” has the same meaning as in subsection 1(1) of the *Pension Benefits Act*; and
- (l) “variable share” means, in respect of a particular assessment period, the amount remaining when net budgeted pension sector expenses and expenditures for the assessment period is reduced by the aggregate budgeted assessment amounts in respect of the particular assessment

period relating to the pension plans referred to in paragraph 7.1(3)(a).

- (2) An administrator's share of an assessment of the pension sector in respect of a particular pension plan under subsection 21(2) of the FSRA Act for an assessment period is the following:
- (a) for the administrator of an assessable pension plan, other than a discontinued plan, the share calculated in accordance with subsection 7.1(3); and
 - (b) for the administrator of a discontinued plan, zero.
- (3) For the purposes of paragraph 7.1(2)(a):
- (a) if a particular assessable pension plan has ~~789~~1 beneficiaries or fewer, the administrator of that particular assessable pension plan's share of an assessment of the pension sector for an assessment period and in respect of that particular assessable pension plan is ~~\$750~~1000;
 - (b) if a particular assessable pension plan has ~~799~~2 or more beneficiaries, the administrator of that particular assessable pension plan's share of the variable share of an assessment period is determined by calculating the amount

$$\begin{aligned} & \frac{[(A/B) \times (C \times D) \text{ for Tier 1}] +}{\frac{[(A/B) \times (C \times D) \text{ for Tier 2}] +}{\frac{[(A/B) \times (C \times D) \text{ for Tier 3}] +}{\frac{[(A/B) \times (C \times D) \text{ for Tier 4}] +}{\frac{[(A/B) \times (C \times D) \text{ for Tier 5}] +}{\frac{[(A/B) \times (C \times D) \text{ for Tier 6}]} \end{aligned}$$

for each tier in the table below, in which,

"A" is the number of beneficiaries in the tier in the table below in the particular assessable pension plan,

"B" is the total number of beneficiaries in the tier in the table below in all assessable pension plans,

"C" is the percentage of the variable share denoted for that tier in the table below, and

"D" is the variable share,

and then adding together the amounts so calculated for each tier in respect of the particular assessable pension plan.

TIER	INCREMENTS FOR PENSION PLAN BENEFICIARIES	PERCENTAGE OF VARIABLE SHARE TO BE RECOVERED FROM ADMINISTRATORS RELATING TO BENEFICIARIES OF THAT ADMINISTRATOR'S PENSION PLAN IN A PARTICULAR TIER
1	1 st to 1,000 th beneficiary	41.76040.220%
2	1,001 st to 6,000 th beneficiary	33.683543%
3	6,001 st to 12,000 th beneficiary	10.066824%
4	12,001 st to 60,000 th beneficiary	9.64810.313%
5	60,001 st to 150,000 th beneficiary	4.507738%
6	In excess of 150,000 beneficiaries	0.336363%

- (4) The number of beneficiaries of an assessable pension plan in respect of a particular assessment period is the number of beneficiaries of the assessable pension plan indicated in the most recent annual information return filed under the *Pension Benefits Act* on or before a date determined by the Authority for the purposes of preparing its final budget or, in the absence of such a return, the number of beneficiaries indicated in the application for registration of the pension plan submitted under the *Pension Benefits Act*.
- (5) The administrator of an assessable pension plan shall pay its assessment in respect of that assessable pension plan within 30 days after the date of the invoice for the assessment in the manner and to the account specified by the Authority in such invoice.

7.2 Fees

- (1) The fees payable with respect to matters under the *Pension Benefits Act* are listed opposite the description in the following table.

DESCRIPTION	FEE
Application fee for registration of a pension plan – <i>Pension Benefits Act</i> , subsection 9(2)	\$250 per application

- (2) Fees not refundable – A fee paid by person or entity under this section 7.2 is not refundable and may not be credited toward any subsequent fee payable by the person or entity.

PART 8 FINANCIAL PROFESSIONALS SECTOR ASSESSMENTS AND FEES

8.1 Assessments

- (1) Definitions – In this Part 8,

- (a) “budgeted financial professionals sector expenses and expenditures for the assessment period” means, in respect of a particular assessment period, the total amount of direct costs of, and common costs that the Authority allocates to, the financial professionals sector in respect of the assessment period, as set out in the final budget;
 - (b) “budgeted financial professionals sector fees for the assessment period” means, in respect of a particular assessment period, the total amount of fees that the Authority estimates will be charged to persons or entities with respect to the financial professionals sector in respect of the assessment period, as set out in the final budget; and
 - (c) “financial professionals sector start-up costs” means, as the Board determines is appropriate in the Authority’s final budget, the total amount of expenses and expenditures incurred and made by the Authority in the period ending immediately prior to the time at which the Authority began to carry out the regulatory functions contemplated by the FSRA Act in respect of the financial professionals sector.
- (2) For the first ten assessment periods after this section comes into force, an approved credentialing body’s share of an assessment of the financial professionals sector under subsection 21(2) of the FSRA Act for an assessment period is the amount calculated using the formula,

$$\mathbf{\$25,000 + A + B}$$

in which,

“A” is the amount calculated using the formula,

$$\mathbf{(C - D) \times (E / F)}$$

in which,

“C” is the budgeted financial professionals sector expenses and expenditures for the assessment period,

“D” is the budgeted financial professionals sector fees for the assessment period,

“E” is the total number of approved credentials issued to individuals by the approved credentialing body on or before a date determined by the Authority for the purposes of preparing a final budget,

“F” is the total number of approved credentials issued to individuals by all approved credentialing bodies on or before a date determined by the Authority for the purposes of preparing a final budget, and

“B” is the amount calculated using the formula,

$$[(G \times 0.10) \times (E / F)] + H$$

in which,

“E” is the same as “E” used in the calculation of “A”,

“F” is the same as “F” used in the calculation of “A”,

“G” is the financial professionals sector start-up costs, and

“H” is the amount, either positive or negative, determined appropriate by the Authority to compensate for any change in the number of approved credentialing bodies since the previous assessment period.

- (3) Starting with the eleventh assessment period after this section comes into force, an approved credentialing body’s share of an assessment of the financial professionals sector under subsection 21(2) of the FSRA Act for an assessment period is the amount calculated using the formula,

$$\$25,000 + A$$

in which “A” is calculated using the same formula as the formula used for calculating “A” in subsection 8.1 (2).

- (4) An approved credentialing body shall pay its assessment within 30 days after the date of the invoice for the assessment in the manner and to the account specified by the Authority in such invoice.

8.2 Fees

- (1) The fees payable with respect to matters under the *Financial Professionals Title Protection Act, 2019* are listed opposite the description in the following table.

DESCRIPTION	FEE
Application for approval of credentialing body – <i>Financial Professionals Title Protection Act, 2019</i> , section 4	\$10,000 per application
Application for approval of credentials – <i>Financial Professionals Title Protection Act, 2019</i> , section 7	\$5,000 per credential

- (2) Fees not refundable – A fee paid by person or entity under this section 8.2 is not refundable and may not be credited toward any subsequent fee payable by the person or entity.

PART 9 PRPP SECTOR ASSESSMENTS AND FEES

9.1 Assessments and Fees

- (2) No assessments or fees are payable to the Authority in respect of the PRPP sector under subsection 21(2) of the FSRA Act.

PART 10 ~~GENERAL~~ INNOVATION OFFICE FEES

a.10.1 Fees (General)

(1) Definitions

- (a) “Activity Test and Learn Environment” means a contractually established environment where the Chief Executive Officer exercises their exemptive authority or discretion to test otherwise non-permitted business
- (b) “Advisory service fees” means fees relating to meetings with or requests for written feedback from the Innovation Office initiated by the inquiring party for all matters relating to an intake form.
- (c) “Applicant” means Market Participants that are in the process of applying to or have applied for a Test and Learn Environment, and for greater clarity, includes current sector participants and potential sector entrants,
- (d) “Frequent Inquirer” means an inquiring party operating under the same trade name that makes more than 5 new inquiries yet with less than 1 ready-to-test applications in a calendar year,
- (e) “Inquiring party” means an individual or entity that has submitted or is in the process of submitting an intake form, regardless of whether the individual or entity is regulated by the Authority,
- (f) “Intake form” means a sector-specific form approved by the Chief Executive Officer containing such information as the Chief Executive Officer may require about the inquiring party’s innovation opportunity,;
- (g) “Status Test and Learn Environment” means a contractually established environment where the Chief Executive Officer exercises their exemptive authority or discretion to issue time-limited and scope-restricted conditional licensing of a Market Participant to enable controlled market validation of innovative products and services.

*(2) The fees payable with respect to ~~matters under the FSRA Act~~ Test and Learn Applicants and inquiring parties who submit an intake form are listed opposite the description in the following table.:

DESCRIPTION	FEE
<u>Activity Test and Learn Environment Application Review</u>	<u>\$50/hour per hour of review up to a maximum amount of \$5,000 per application (or review).</u>
<u>Status Test and Learn Environment Application Review</u>	<u>\$50/hour per hour of review up to a maximum amount of \$5,000 per application (or review).</u>

<u>Meeting with or requests for written feedback from the Authority initiated by the inquiring party for all matters relating to an intake form.</u>	<u>\$0 for the initial meeting</u> <u>\$500 per meeting or request for written feedback.</u>
<u>Meetings with or requests for written feedback from the Authority initiated by deemed frequent inquirers for all matters relating to an intake form.</u>	<u>\$1000 per meeting or request for written feedback.</u>

(3) The Authority may:

(e) Waive fees based on the following considerations

(i) the size, nature, or complexity of the applicant or the application, and

(ii) documented extenuating circumstances provided by the applicant;

(f) Set a maximum of subsequent meetings or requests for written feedback;

(g) With the express consent of the inquiring party, exceed the maximum amount of fees prescribed in subsection 2, and the Authority shall continue to charge the same hourly fee prescribed in subsection 2;

(h) Determine whether a meeting or request for written feedback from the Authority initiated by an inquiring party constitutes a new innovation opportunity or relates to a previous or ongoing innovation opportunity, and shall provide notice if intending to charge a fee for a new innovation opportunity.

PART 11 GENERAL FEES

11.1 Fees

(1) The fees payable with respect to matters under the FSRA Act are listed opposite the description in the following table.

<u>DESCRIPTION</u>	<u>FEE</u>
Certificates issued by the Chief Executive Officer – FSRA Act, section 20.1	\$25 per certificate
Photocopies of documents except where a fee is specifically provided under another section of this Rule	\$0.50 per page (\$5.00 minimum)

(1)(2) Fees not refundable – A fee paid by person or entity under this section 911.1 is not refundable and may not be credited toward any subsequent fee payable by the person or entity.

PART 11.12 EFFECTIVE DATE AND TRANSITIONAL

12.1 Effective Date

- (1) This Rule comes into force on the day ~~section 10(2)(b) of the FSRA Act (2017, c.34, Sched. 16, s.6) comes into force,~~ as named in a proclamation of the Lieutenant Governor.

11.1 Transitional

- (1) ~~Definitions in this Part 10;~~
- ~~(a) “DICO” means the Deposit Insurance Corporation of Ontario; and~~
 - ~~(b) “DIRF” means the Deposit Insurance Reserve fund referenced in subsection 276(1) of the *Credit Unions and Caisses Populaires Act, 1994*.~~
- (2) ~~Notwithstanding any other provision of this Rule, in respect of the first assessment period of the Authority:~~
- ~~(a) no fee in respect of any matter described in subsection 3.2(1) shall be payable to the Authority if an identical fee for the same matter was paid to the Crown prior to the first assessment period of the Authority;~~
 - ~~(b) no fee in respect of a licence or the renewal of a licence contemplated by subsection 4.2(1) or subsection 6.2(1) shall be payable to the Authority by a person or entity in respect of any portion of an assessment period where the particular person or entity has, prior to the first assessment period of the Authority, previously paid to the Crown a fee for the same licence or renewal of the licence and the licence so issued or renewed relates to the first assessment period of the Authority;~~
 - ~~(c) no fee in respect of a certificate referred to in subsection 4.2(1) or subsection 9.1(1) shall be payable to the Authority if an identical fee in respect of the same request was paid to the Crown prior to the first assessment period of the Authority;~~
 - ~~(d) no licence application fee or regulatory fee contemplated by section 4.3 shall be payable to the Authority by a person or entity in respect of any portion of an assessment period where the particular person or entity has, prior to the first assessment period of the Authority, previously paid to the Crown a licence application fee or regulatory fee pursuant to Section 121.1 of the *Insurance Act (Ontario)* in relation to the first assessment period of the Authority;~~
 - ~~(e) no fee in respect of an application for registration referred to in subsection 5.2(1) or subsection 7.2(1) shall be payable to the Authority if an identical fee for the same application was paid to the Crown prior to the first assessment period of the Authority; and~~
 - ~~(f) the first assessment period shall commence on the day section 10(2)(b)~~

~~of the FSRA Act (2017, c.34, Sched. 16, s.6) comes into force, as named in a proclamation of the Lieutenant Governor. For the first assessment period, the budget contemplated by section 2.1 may be a budget in respect of FSRA's fiscal year commencing April 1, 2019 and ending on March 31, 2020,~~

~~provided, however, that in the case of each such fee referred to in paragraphs (a) through (e) above, the Authority has received full value for such fee from the Crown, as determined by the Authority taking into account the period for which the Authority is accountable for regulation of the relevant regulated sector.~~

- ~~(3) — Notwithstanding any other provision of this Rule, the aggregate assessment of all credit unions in respect of the Authority's first assessment period shall, pursuant to the *Credit Unions and Caisses Populaires Act, 1994* (Ontario) and/or the FSRA Act or the regulations thereunder, be fully satisfied through a one-time withdrawal by the Authority from the DIRF in an amount equal to such aggregate assessment, which withdrawal shall be made upon or following the amalgamation of the Authority and DICO. To the extent the Authority is able to make such one-time withdrawal and retain the monies withdrawn to pay for the Authority's expenses and expenditures, all as determined by the Authority, no credit union will be individually assessed in respect of FSRA's first assessment period relating to the Authority's budgeted expenses and expenditures for that period. If, for any reason, the Authority is unable, in whole or in part, to make such one-time withdrawal and retain the monies charged for such purpose, including due to lack of authority under the *Credit Unions and Caisses Populaires Act, 1994* (Ontario) or the FSRA Act, the preceding provisions of this Section 10.2(3) shall not apply to the extent of such inability and the Authority may assess credit unions pursuant to this Rule to the extent the Authority has been unable to make such one-time withdrawal and retain such monies for such purpose.~~

Appendix C – Blackline showing changes to 2019 Fee Rule Vision and Principles

Vision Element	Corresponding Principles	Description
1. Simplicity	1.1 Low administrative burden for regulated entities	The administrative burden associated with paying assessments or fees should be minimized for regulated sector participants, unless necessary to achieve other principles.
	1.2 Low administrative burden for FSRA	Funding sources in FSRA’s fee rule should aim to minimize, where appropriate, administrative or back office burden for FSRA.
2. Consistency	2.1 Predictability	Assessments and fees should aim to be predictable year-over-year, other things being equal, to support forward-planning.
	2.2 ¹ Competitiveness and level playing field	The fee rule should treat individuals and entities with similar characteristics the same way; it should not create unintended barriers or advantages for particular participants or regulated sectors.
3. Fairness	3.1 Sectors should bear their own costs	The direct costs for the regulation of a regulated sector should not be cross-subsidized by another regulated sector.
	3.2 Proportional to regulatory activity	Regulated sectors’ and participants’ contributions to funding should be proportional to the regulatory activities or costs they generate.
	3.2 ³ Common costs reasonably allocated	Common costs not allocable based on activity should be reasonably allocated to regulated sectors and to participants therein based on transparent, consistent and objective metrics.
	3.4 Benefit received and ability to pay	Recognizing the benefit that all participants gain from a well-regulated sector, regulatory costs within a regulated sector should be allocated reasonably considering factors such as proportional benefit received and, in limited circumstances where appropriate, ability to pay.
4. Transparency	4.1 Accessibility and disclosure	Regulated sector participants should be able to easily access their assessment and fee calculations. FSRA will disclose its estimated expenses and expenditures relating to an assessment period, those that it determines or estimates directly relate to a regulated sector and those that it determines are common costs benefitting all regulated sectors.
	4.2 Comprehensibility	Interested parties should be able to understand the fee rule and the calculations that drive their assessments and fees.

Vision Element	Corresponding Principles	Description
5. Future Focus	5.1 Prospective	Where appropriate, funding should be based on forward looking estimates within which FSRA manages its budget, rather than retrospective cost recovery once costs are known. Given the range of reasonableness in allocating common costs, FSRA will not undertake an annual reconciliation of actual costs against budgeted costs (i.e. implement a refund/credit mechanism) but FSRA will take into account direct costs experienced in a sector, and drivers of common cost increases, when setting future assessments and fees.
	5.2 Flexible	When considering FSRA's fee rule and practices as a whole, actual assessments and fees should be flexible or adjustable to ensure FSRA is: adequately funded; able to proactively invest in future focused capabilities for the benefit of stakeholders, including consumers; and capable of managing unforeseeable events or circumstances. FSRA should build and maintain a reasonable contingency reserve amount to cover expenses and expenditures which may arise from unforeseeable events or circumstances, and will consider how best to replenish such reserve amount from future assessments considering the sector and/or participants driving such unanticipated expenses and expenditures.
6. Effective and Efficient	6.1 Support regulatory objectives	FSRA will consider the impact its assessments and fees may create, including any incentives or disincentives for payees. The fee rule should, where practicable, reflect and support the unique regulatory objectives associated with the participants within each regulated sector (for example, on-time filing, limiting low-value regulatory activity, “parked licenses”, etc.).
	6.2 Cost Effective	FSRA will be an effective steward of resources and will, in achieving its regulatory objectives, FSRA will seek to minimize costs where practicable and where such minimization will not create material or unacceptable regulatory risk.