

## **FEE RULE- CONSOLIDATED**

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**FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO**  
**RULE 2019 – 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;
  - (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 reserve amount, as set out in the final budget;
  - (g) “contingency reserve amount” means the amount described in subsection 2.3(1);
  - (h) “credit union” means a credit union or caisse populaire to which the *Credit Unions and Caisses Populaires Act, 1994* applies;
  - (i) “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) “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) “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;
  - (l) “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) “fiscal year” means April 1st to March 31st;
- (n) “fixed rate sector” means the mortgage brokering sector;
- (o) “fixed rate sector common cost contribution” means in respect of the fixed rate sector, the difference, positive or negative, between the total fees that the Authority estimates will be charged in respect of the fixed rate sector in respect of an assessment period and the total estimated direct costs of the fixed rate sector in respect of that assessment period, all as set out in a budget prepared by the Authority under section 2.1;
- (p) “FSRA Act” means the *Financial Services Regulatory Authority of Ontario Act, 2016*;
- (q) “insurance sector” means the sector referred to in clause (b) of the definition of “regulated sector” in section 1 of the FSRA Act;
- (r) “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;
- (s) “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*;
- (t) “Ministry” has the same meaning as applies to that term in the FSRA Act;
- (u) “mortgage brokering sector” means the sector referred to in clause (d) of the definition of “regulated sector” in section 1 of the FSRA Act;
- (v) “pension sector” means the sector referred to in clause (e) of the definition of “regulated sector” in section 1 of the FSRA Act;
- (w) “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;
- (x) “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;
- (y) “the Crown” has the same meaning as set out in section 87 of the *Legislation Act, 2006*; and
- (z) “variable rate sectors” means 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; 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*.
- (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 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 sector common cost contribution 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 Reserve Amount**

- (1) 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.
- (2) The contingency 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 \$4 million.
- (3) No amount in respect of the contingency reserve amount shall be used or applied by the Authority, except as authorized by the Board.
- (4) If the Board authorizes all or a 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.
- (5) If any portion of a contingency reserve amount is unused at the end of an assessment period, it shall be held as a contingency 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.

## **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) “league” means a league to which the *Credit Unions and Caisses Populaires Act*,

1994 applies; and

- (d) “RWA” means, with respect to a credit union, the amount calculated in accordance with section 18 of Ontario Regulation 237/09 and set forth as the credit union’s risk weighted assets in the most recent monthly information return filed under section 225 or 226 of the *Credit Unions and Caisses Populaires Act, 1994* 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 fees for the assessment period,

“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) 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.<sup>1</sup>

### 3.2 Fees

- (1) The fees payable with respect to matters under the *Credit Unions and Caisses Populaires Act, 1994* 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, 1994</i> , section 15	\$2,500 per application
Approval of the articles of incorporation – <i>Credit Unions and Caisses Populaires Act, 1994</i> , subsection 16(1)	\$2,500 per approval
Application for receipt for an offering statement based on face amount – <i>Credit Unions and Caisses Populaires Act, 1994</i> , subsection 77(1)	Lesser of: <ul style="list-style-type: none"><li>• \$2,500 plus 50 basis points (i.e., \$2,500 + 0.50% of the maximum aggregate dollar amount of securities offered); and</li></ul>

<sup>1</sup> 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*

	<ul style="list-style-type: none"> <li>• \$25,000 per application</li> </ul>
Application by extra-provincial credit union for registration - Credit Unions and Caisses Populaires Act, 1994, section 332	\$500 per application

- (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 (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*;
  - (f) “direct written premiums for accident, sickness and life insurance” means, with respect to an insurer 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*, 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 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*, 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 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*, 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 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*, 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 the purpose 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;
- (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 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 (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) “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) “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) “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) “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) “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) “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) “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) “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 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 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 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 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 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 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.

- (6) For the purposes of paragraph 4.1(3)(c), an insurer’s share of an assessment of the insurance sector 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 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.

- (7) For the purposes of paragraph 4.1(3)(d), 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 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,

“B” is the total direct written premiums for property and casualty insurance and direct written premiums for accident and sickness insurance of all Ontario prudentially regulated insurers,

“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 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) Agent licence fee - <i>Insurance Act</i> , subsection 392.3(1)	a) \$150 per 2-year licence
b) Corporation agent licence fee - <i>Insurance Act</i> , subsection 400(1)	b) \$400 per 2-year licence
c) Partnership agent licence fee - <i>Insurance Act</i> , subsection 399(1)	c) \$200 per 2-year licence
d) Adjuster licence fee - <i>Insurance Act</i> , section 397	d) \$75 per 1-year licence
e) Adjuster licence fee for a partnership ( <i>Insurance Act</i> , subsection 399(1)), or a corporation ( <i>Insurance Act</i> , subsection 400(1))	e) \$200 per 1-year licence
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;
  - (c) “mortgage administrator” means a corporation, partnership, sole proprietorship or other entity that has a mortgage administrator’s licence;
  - (d) “mortgage broker” or “broker” means an individual who has a mortgage broker’s licence;
  - (e) “mortgage brokerage” or “brokerage” means a corporation, partnership, sole proprietorship or other entity that has a brokerage licence; and
  - (f) “principal broker” has the same meaning as used in 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 a fiscal year, \$941.
  - (b) For a licence that is to take effect at any other point during a fiscal year, the amount calculated using the formula,

$$\$100 + (A \times \$841/12)$$

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.

- (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 \$841.
- (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) For a licence that is to take effect at any other point during a fiscal year, the amount calculated using the formula,

$$\$100 + (A \times \$841/12)$$

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.

- (4.1) The applicable fee for an application to renew a mortgage broker’s licence is \$841.

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



$$\$100 + (A \times \$841/12)$$

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.

- (5.1) The applicable fee for an application to renew a mortgage agent’s licence is \$841.
- (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, \$941.
  - (b) For a licence that is to take effect at any other point during a fiscal year, the amount calculated using the formula,

$$\$100 + (A \times \$841/12)$$

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.

- (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.
- (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.
  - (5) 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 78 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;

- (b) if a particular assessable pension plan has 79 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

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

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 <sup>st</sup> to 1,000 <sup>th</sup> beneficiary	41.760%
2	1,001 <sup>st</sup> to 6,000 <sup>th</sup> beneficiary	33.683%
3	6,001 <sup>st</sup> to 12,000 <sup>th</sup> beneficiary	10.066%
4	12,001 <sup>st</sup> to 60,000 <sup>th</sup> beneficiary	9.648%
5	60,001 <sup>st</sup> to 150,000 <sup>th</sup> beneficiary	4.507%
6	In excess of 150,000 beneficiaries	0.336%

- (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,

$$\$25,000 + A + B$$

in which,

“A” is the amount calculated using the formula,

$$(C - D) \times (E / F)$$

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 credentialling 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 GENERAL FEES

### 10.1 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 9.1 is not refundable and may not be credited toward any subsequent fee payable by the person or entity.

## PART 11 EFFECTIVE DATE AND TRANSITIONAL

### 11.1 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.

### 11.2 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.