ANDY MITCHELL
President and CEO *Président et chef de la direction*
amitchell@sima-amvi.ca 416 309 2300

August 24, 2026

Sent via email
British Columbia Securities Commission
BCSCfeechanges2026@bcsc.bc.ca

Dear Sirs and Mesdames:

RE: British Columbia Securities Commission – Consultation on Proposed Fee Changes

The Securities and Investment Management Association (**SIMA**) appreciates the opportunity to comment on the British Columbia Securities Commission's (**BCSC**) Consultation on Proposed Fee Changes (the Proposed Fee Changes).

All terms used and not defined in this submission have the meanings ascribed to them in the Proposed Fee Changes.

About SIMA

SIMA is the leading voice for Canada's securities and investment management industry, which oversees approximately $4.5 trillion in assets for over 20 million investors and Canadian capital markets participants. Our members—including investment fund managers, investment and mutual fund dealers, capital markets participants, and professional service providers—are committed to creating a resilient, innovative investment sector that fuels long-term economic growth and creates opportunities for all Canadians.

We operate in a governance framework in which we gather input from our member working groups. The recommendations of these working groups are submitted to the SIMA board or board-level committees for direction and approval. This process results in a submission that reflects the input and direction from a broad range of SIMA members and that is informed by SIMA's own research.

SIMA welcomes the BCSC's periodic review of its fees. This initiative reflects a commendable commitment to ensuring the long-term sustainability of the BCSC as it fulfills its vital statutory mandate. Given British Columbia's standing as a leading market for venture capital in Canada, the BCSC plays a particularly important role in supporting junior issuers. By proactively addressing capital formation and competition in an ever-evolving capital markets landscape, the BCSC demonstrates its dedication to fostering a robust and dynamic financial environment for all stakeholders.

This review also comes at a time when SIMA's members are navigating fee changes across multiple Canadian jurisdictions in parallel. While we address the Proposed Fee Changes on their own merits below, we note that the same principles — transparency in cost recovery, predictability through multi-year frameworks, and discipline in addressing existing surpluses before raising fees — should guide fee-setting across all Canadian regulators, including the BCSC.

We also note that the BCSC's fee increases do not occur in isolation. In recent years, market participants have also experienced significant increases in CSA system fees and other significant regulatory changes necessitating material investments, including in connection with various large-scale regulatory projects such as Total Cost Reporting. As a result, market participants are facing a cumulative increase in regulatory costs over a relatively compressed timeframe.

SIMA's Key Comments on the Proposed Fee Changes and the Fee-Setting Approach

We offer the following key comments on the Proposed Fee Changes and the BCSC's approach to fee-setting more generally:

- **Encourage the use of technology in lieu of certain fee increases, for example, exempt distribution reports:** SIMA seeks clarification on the rationale for the proposed increases in filing fees for exempt distribution reports. These reports contain information that is ripe for automation given their highly prescribed nature. The exempt distribution fee provision was already materially amended effective April 8, 2024[1] - clarifying when the fee applies and confirming that the percentage-based calculation is measured against gross proceeds. Barely three years later, the current proposal seeks to raise the base fee from $200 to $300 a 50% increase. Taken together, this would be the second material overhaul of the exempt-distribution-report fee framework in a compressed timeframe, raising serious questions about the pace and predictability of these changes for those who must comply with them. We encourage the BCSC to re-examine whether an alternative approach that leverages significant improvements in artificial intelligence (AI) could be implemented that does not lead to fee increases.
- **Advancing transparency, predictability and harmonization:**
  - SIMA is observing gaps in cost-recovery transparency and other key fee-related information we believe would be beneficial to stakeholders across the CSA. We believe that fee-change proposals should provide market participants with greater insight into how fees are calculated and how deficits or surpluses are managed. We also urge the BCSC and its CSA counterparts to consider multi-year fee frameworks that would support planning by registered firms and not contribute to uncertainty and regulatory burden associated with fee-related filings.
  - To support member understanding of the fee changes proposed by various CSA members and their overall impact on registrants, we request clarity on three areas: the key metrics and key performance indicators the BCSC uses to measure performance, the efficiency measures the Commission applies (particularly around technology), and how the BCSC treats reserves, restricted funds, and surpluses. We welcome dialogue with the BCSC to better understand how these factors inform its fee-setting decisions — an initiative we are undertaking concurrently with other CSA members.
  - Transparency is also sought regarding how the projected $8 million increase in annual fee revenue would be allocated across registrants, issuers, exempt distribution filings, technical reports, and insider reporting. Additional disclosure in this area would help market participants better assess whether the proposed fee increases are proportionate and appropriately aligned with the activities driving regulatory costs.
  - We strongly support fee consistency and coordination across Canadian jurisdictions. Similarly regulated activities should attract similar charges without significant differences across jurisdictions. SIMA encourages the BCSC to engage with other members of the Canadian Securities Administrators (CSA) through existing CSA mechanisms to advance harmonized fee-setting methodologies. A coordinated approach could reduce the cumulative burden that firms currently face when operating across multiple provinces. For example, SIMA notes that multiple jurisdictions are involved in crypto asset reviews and in combatting online fraud. In order to manage these reviews, we strongly recommend designating one lead jurisdiction on each regulatory initiative, with periodic coordination among other CSA jurisdictions. We believe this approach would promote efficiency by establishing appropriately staffed centres of excellence.

*****

[1] BC Notice 2024/01 Fee Changes https://www.bcsc.bc.ca/-/media/PWS/New-Resources/Securities-Law/Instruments-and-Policies/BCN/BCN-202401-April-11-2024.pdf?dt=20240411033625

We would be pleased to provide further information or answer any questions you may have. Please feel free to contact me by email at amitchell@sima-amvi.ca, or by phone 416-309-2300.

Yours sincerely,

THE SECURITIES AND INVESTMENT MANAGEMENT ASSOCIATION

A. Mitchell

By: Andy Mitchell
President and CEO