

QUESTIONS TO ASK IF YOUR COMPANY IS AN OTC REPORTING ISSUER

If your company's securities are quoted on (or have a ticker symbol for) the [OTC Markets](#), and your company has one more significant connections to British Columbia, it may need to file documents with the British Columbia Securities Commission (the **BCSC**).

That is because some such companies are "OTC reporting issuers" under [Multilateral Instrument 51-105 Issuers Quoted in the U.S. Over-the-Counter Markets](#). OTC reporting issuers, and their management, significant shareholders, and other insiders, must publicly disclose information as explained in [Companion Policy 51-105CP Issuers Quoted in the U.S. Over-the-Counter Markets](#). However, companies listed on certain North American exchanges or [designated international exchanges](#) will not be OTC reporting issuers.

This checklist asks you to think about **some** of the issues that come up for OTC reporting issuers and their insiders. It is **not** meant to cover every situation. It is **not** instructions. This checklist is **for information only**, so if you have any questions about what it or your answers mean, you should get professional legal advice.



Do I know [what it means to be an OTC reporting issuer](#)?

- Have I read about [what documents my company must file with BCSC, and the forms and standards it must use](#), and do I understand:
 - my company's [continuous disclosure obligations](#)?
 - the [accounting principles and auditing standards](#) that apply to financial statements under Canadian securities law?
- Can I explain when and how my company and its insiders can rely on documents they have filed with the United States Securities and Exchange Commission (**SEC**)?



Has my company created a profile on [SEDAR+](#), the web-based system for filing documents required by Canada Securities Administrators, including the BCSC?

- Is the information on my company's SEDAR+ profile accurate and up-to-date?
- Do I understand [how to use](#) SEDAR+, including how to file the necessary documents? Does my company have a filing agent for SEDAR+ and, if so, how do I ensure the agent files on SEDAR+ as required?



Is my company promptly filing on SEDAR+ a copy of all disclosure its files with the SEC, including:

- A copy of every Form 8-K *Current Report* and related news release for material changes?
- A copy of any news release that discloses information about its historical or prospective financial performance or financial condition for a financial year or interim period?



Is my company promptly filing on SEDAR+ a copy of the Canadian forms required for its promotional and capital-raising activities, including:

- A [Form 51-105F2 Notice of Promotional Activities](#), before any person carries on [promotional activities for my company](#)?
- A [Form 45-106F1 Report of Exempt Distribution](#), when my company raises capital through a private placement that relies on [certain exemptions from the prospectus requirement](#)?

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Has each of my company's directors, officers, promoters, and control persons filed on SEDAR+ a [Personal Information Form](#)?



Does my company know who are its "[reporting insiders](#)"? Do those reporting insiders:

- Understand when and how their filings with the SEC may exempt them from Canadian insider reporting requirements?
- Have an up-to-date profile on the System for Electronic Disclosure by Insiders (SEDI), a website where the investing public can see the securities holdings of, and transactions by, reporting insiders in Canada (www.sedi.ca)?
- Know to review [National Instrument 55-104 Insider Reporting Requirements and Exemptions](#) and [Companion Policy 55-104CP Insider Reporting Requirements and Exemptions](#)?
- [File a report on SEDI](#) for **every** change in their:
 - beneficial ownership of securities of the reporting issuer, **or**
 - control or direction over securities of the reporting issuer (whether direct or indirect)?**within five calendar days** of each change?
- Understand when to file an [early warning report](#) and a news release under [National Instrument 62-104 Take-Over Bids and Issuer Bids](#) and [National Instrument 62-103 The Early Warning System and Related Take-Over Bid and Insider Reporting Issues](#)?
- Know what will make them a "control person" whose resale of securities may require a prospectus or an exemption? If so, are they aware of the exemption in [National Instrument 45-102 Resale of Securities](#) at section 2.8 that requires, among other conditions, a filed [Form 45-102F1 Notice of Intention to Distribute Securities under Section 2.8 of NI 45-102 Resale of Securities](#)?



Have I carefully read and do I understand:

- [Multilateral Instrument 51-105 Issuers Quoted in the U.S. Over-the-Counter Markets](#)?
- [Companion Policy 51-105CP Issuers Quoted in the U.S. Over-the-Counter Markets](#)?



Do I know to contact the BCSC at inquiries@bcsc.bc.ca for more information if my company:

- Is subject to a cease trade order in British Columbia, and wants it revoked?
- No longer has any significant connection to British Columbia, or is now listed on a qualifying North American exchange, and wants to stop being an OTC reporting issuer?

TO LEARN MORE ABOUT THIS TOPIC, VISIT: [REQUIREMENTS FOR ISSUERS QUOTED IN US OTC MARKETS](#)



**BC Securities
Commission**
Invest Right

BCSC Contact Centre
Telephone: 604-899-6854
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