

CSA Notice of Amendments to National Instrument 44-102 *Shelf Distributions* Relating to Well-Known Seasoned Issuers

August 28, 2025

Part 1 – Introduction

The Canadian Securities Administrators (the **CSA** or **we**) are publishing in final form:

- amendments to National Instrument 44-102 *Shelf Distributions* (**NI 44-102**), as set out in Annex B,
- changes to Companion Policy 44-102CP to NI 44-102 (**44-102CP**), as set out in Annex C,
- changes to National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions* (**NP 11-202**), as set out in Annex D, and
- amendments to local securities laws as set out in Annex E

(collectively, the **Amendments**).

In certain jurisdictions, Ministerial approvals are required for the Amendments. Provided all necessary Ministerial approvals are obtained, the Amendments will become effective in all CSA jurisdictions on November 28, 2025. Where applicable, Annex E of this Notice provides information about each of the jurisdiction's approval process.

The text of the Amendments is contained in Annexes B through D of this Notice and will also be available on websites of CSA jurisdictions, including:

www.bcsc.bc.ca

www.albertasecurities.com

www.fcaa.gov.sk.ca

www.osc.ca

www.lautorite.qc.ca

www.fcnb.ca

nssc.novascotia.ca

Part 2 – Substance and Purpose of the Amendments

The Amendments introduce an expedited shelf prospectus regime for well-known seasoned issuers (**WKSI**s) in Canada. Specifically, the Amendments permit issuers that satisfy the qualification criteria and certain conditions to:

- file a final base shelf prospectus and be deemed to receive a receipt for that prospectus without first filing a preliminary base shelf prospectus or undergoing any regulatory review,
- omit certain disclosure from the base shelf prospectus (for example, the aggregate dollar amount of securities that may be raised under the prospectus), and

- benefit from receipt effectiveness for a period of 37 months from the date of its deemed issuance, subject to the requirement for the issuer to reassess its qualification to use the WKSI regime annually.

Regulatory costs and other restrictions on the business and investment activities of market participants should be proportionate to the significance of the regulatory objectives sought. The costs involved in the regulatory review of a prospectus filed in connection with a public offering of securities may be significant. In general, these costs are necessary and proportionate to the regulatory objectives of the prospectus requirement and securities legislation, particularly for offerings by newer reporting issuers. However, for mature, well-established and closely followed reporting issuers, the benefits of a full regulatory review of base shelf prospectuses may not justify the costs. The Amendments aim to reduce unnecessary regulatory burden for issuers that are well-known reporting issuers, have a strong market following, complete public disclosure record and sufficient public equity or debt.

The Amendments are also intended to foster capital formation by WKSIs in the Canadian public markets. Eligible reporting issuers will have more flexibility in structuring a base shelf prospectus offering, have improved certainty regarding transaction timing and be permitted to forgo certain requirements that do not, in this context, provide meaningful disclosure to investors. The Amendments will also more closely align the timing of Canadian prospectus filings with those applicable in the United States (U.S.) and better facilitate cross-border offerings.

Part 3 – Background

The CSA received feedback to its Consultation Paper 51-404 *Considerations for Reducing Regulatory Burden for Non-Investment Fund Reporting Issuers*¹ that certain prospectus requirements in the base shelf context create unnecessary regulatory burden for large, established reporting issuers that have strong market following and up-to-date disclosure records. The feedback recommended enhancing the current prospectus system by amending the base shelf prospectus rules to implement a Canadian WKSI regime.

In early 2018, the CSA undertook a research project on potential alternative offering models that included research of the U.S.' WKSI regime² and targeted consultations with market participants. During our consultations, we continued to receive recommendations to implement a Canadian WKSI regime.

In response to stakeholder feedback, on December 6, 2021, the CSA published temporary exemptions from certain base shelf prospectus requirements for qualifying WKSIs through local blanket orders that are substantively harmonized across the country (collectively, the **Blanket Orders**).

The Blanket Orders allow an issuer that meets the WKSI qualifications and certain conditions to file a final base shelf prospectus with its principal regulator and obtain a receipt for that prospectus on an accelerated basis without first filing a preliminary base shelf prospectus.

Since the Blanket Orders came into effect³, we have had an opportunity to evaluate the appropriateness of the eligibility criteria and other conditions, consider feedback from various stakeholders and determine how

¹ See CSA Staff Notice 51-353 *Update on CSA Consultation Paper 51-404 Considerations for Reducing Regulatory Burden for Non-Investment Fund Reporting Issuers*.

² In the U.S., the WKSI regime is codified in the *General Rules and Regulations, Securities Act of 1933*, and has been in regular use for several years.

³ The Blanket Orders came into effect on January 4, 2022.

best to implement a Canadian WKSI regime through rule amendments which resulted in the publication for comment of proposed amendments (the **Proposed Amendments**).

Part 4 – Summary of Written Comments Received by the CSA

On September 21, 2023, the CSA published the Proposed Amendments for comment. The comment period ended on December 20, 2023. During the comment period, we received submissions from 11 commenters.

We have considered the comments received and thank the commenters for their input. The commenters' names and a summary of their comments, together with our responses, are contained in Annex A of this Notice.

Part 5 – Summary of Changes to the Amendments

We have revised the Proposed Amendments to reflect certain of the comments received and to improve or clarify drafting. The noteworthy revisions include:

- reducing the seasoning period from 3 years to 12 months,
- in respect of penalties and sanctions eligibility requirements
 - narrowing the scope of the requirements by raising the threshold to convictions for offences in Canada or a foreign jurisdiction related to bribery, deceit, fraud, insider trading, misrepresentation, money-laundering, theft or any offence that is substantially similar,
 - revising the scope of the requirements such that neither the issuer, nor any of its subsidiaries nor any other issuer entity that was, during the preceding 3 years, a subsidiary of the issuer was the subject of any order, decision or settlement agreement that imposes sanctions, conditions, restrictions or requirements as a result of a contravention of the laws of Canada or the U.S. respecting securities or derivatives,
- introducing new eligibility criteria which require that
 - the issuer is not the subject of any proceeding under securities legislation brought by a regulator or securities regulatory authority in respect of a prospectus relating to securities of the issuer or a distribution of securities of the issuer,
 - during the preceding 3 years, no regulator or securities regulatory authority in Canada has refused a receipt for a prospectus filed by the issuer,
 - the issuer has not filed and recently abandoned a preliminary prospectus or an amendment to a preliminary prospectus,
- expanding the regime to permit successor issuers, credit support issuers and issuers with outstanding asset-backed securities to file a WKSI base shelf prospectus, subject to certain conditions,
- adding an interpretation section to NI 44-102 to clarify that an issuer may rely upon information reported on SEDI, or a report or news release filed in accordance with the relevant requirements when calculating “qualifying public equity”,

- removing the requirement to file a news release upon the withdrawal of a WKSI base shelf prospectus,
- revising the requirement in respect of personal information forms (**PIFs**) such that PIFs will be required to be delivered to the regulator or securities regulatory authority, as soon as practicable upon request, and
- adding companion policy guidance to
 - explain factors staff would consider in connection with an exemptive relief application from any requirements of the WKSI regime,
 - assist issuers who report in a foreign currency,
 - explain that, to accommodate issuers seeking to use a WKSI base shelf prospectus to qualify securities for offer and sale in the U.S. under the multijurisdictional disclosure system (**MJDS**), all jurisdictions that act as principal regulator pursuant to NP 11-202 are prepared to issue a notification of clearance, as contemplated by Part 4 of 71-101CP *The Multijurisdictional Disclosure System*, on request.⁴

As published on July 10, 2025, the CSA is introducing an updated system fee regime with annual increases in system fees over a 5-year period commencing on November 28, 2025. The amendments made to Multilateral Instrument 13-102 *System Fees* in connection with the updates to the system fee regime include introducing system fees required upon the filing of a WKSI base shelf prospectus, such system fees are aligned with the system fee requirements in respect of the filing of a preliminary shelf prospectus.

As we do not consider these to be material changes, we are not republishing the Amendments for a further comment period.

Part 6 – Local Matters

As described under Part 3 – Background, the CSA published local Blanket Orders to create a temporary pilot program for WKSIs in Canada. As the CSA is adopting the Amendments to establish a permanent WKSI regime in Canada, local jurisdictions in which the blanket order relief does not expire automatically on the coming into force of the Amendments will be revoking or repealing the blanket order relief effective on the same date as the Amendments come into force.

Annex E is being published in all local jurisdictions to revoke the applicable blanket order relief, if necessary, and for any other related changes to local securities laws, including local notices or other policy instruments in that jurisdiction. It also includes any additional information that is relevant to that jurisdiction only.

⁴ As part of this process, and as further described in Part 4 of 71-101CP *The Multijurisdictional Disclosure System* and 44-102CP, comments may be raised by staff that require amendments to the WKSI base shelf prospectus. To avoid timing complications from staff review we encourage issuers to contact staff of their principal regulator in advance to discuss their filing and use the confidential prospectus pre-filing process.

Part 7 – Annexes

The following annexes for part of this Notice:

- Annex A – Summary of comments and responses
- Annex B – Amendments to NI 44-102
- Annex C – Changes to 44-102CP
- Annex D – Changes to NP 11-202
- Annex E – Local Matters (including any local amendments)

Part 8 - Questions

If you have any questions, please contact any of the CSA staff listed below:

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