

Annex B

Proposed Changes to Companion Policy 44-102CP Shelf Distributions

1. *Companion Policy 44-102CP Shelf Distributions is changed by this Document.*
2. *Part 2 Shelf Procedures is changed by adding, after section 2.9, the following:*

2.10 Distributions Under Well-Known Seasoned Issuer Base Shelf Prospectuses

(1) Meaning of WKSI base shelf prospectus

The term WKSI base shelf prospectus is a defined term used for ease of reference. A WKSI base shelf prospectus is a final base shelf prospectus that has been varied in accordance with Part 9B of NI 44-102. Accordingly, any reference to a “prospectus”, a “final prospectus”, a “final short form prospectus” or a “final base shelf prospectus” in securities legislation includes a WKSI base shelf prospectus.

For the avoidance of doubt, any reference to a “final receipt” includes a receipt deemed to be issued under sections 9B.5 of NI 44-102.

(2) Deemed receipt

No securities regulatory authority or regulator will issue a receipt for a WKSI base shelf prospectus or an amendment to a WKSI base shelf prospectus filed under Part 9B of NI 44-102. If the requirements in section 9B.5 of NI 44-102 are met, a receipt for a WKSI base shelf prospectus will be deemed to be issued on the date that the WKSI base shelf prospectus is filed. No review of the WKSI base shelf prospectus is conducted by any securities regulatory authority or regulator for a deemed receipt.

(3) Non-application of the passport system and multiple jurisdictions prospectus review process

Part 9B of NI 44-102 provides an alternative filing option for well known seasoned issuers that is independent of the passport system and the procedures described in National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions*. A receipt for a WKSI base shelf prospectus is deemed to be issued in every jurisdiction in which the prospectus is filed so the application of the passport system is not necessary. Further, an issuer that files a WKSI base shelf prospectus would not meet the conditions to use the passport system as it does not file a preliminary prospectus and would not indicate that it is relying on Multilateral Instrument 11-102 *Passport System*.

(4) Amendments

A receipt deemed to be issued for an amendment to a WKSI base shelf prospectus under subsection 9B.5(2) of NI 44-102 will not extend the period of effectiveness of the deemed receipt of the WKSI base shelf prospectus.

(5) Annual confirmation

An issuer that files a WKSI base shelf prospectus on or before its financial year-end will be required to confirm its eligibility as a well-known seasoned issuer on or before the annual filing date of each year following the filing of the WKSI base shelf prospectus. For example, an issuer with a June 30 financial year end that files a WKSI base shelf prospectus on June 30 would be required to confirm its eligibility as a well-known seasoned issuer on or before September 28 of that calendar year. However, if that issuer instead files a WKSI base shelf prospectus on July 1, it would be required to confirm its eligibility on or before September 28 of the following calendar year.

(6) Exemptive relief in connection with WKSI base shelf prospectuses

Requests for exemptive relief require staff review and consideration. A receipt deemed to be issued pursuant to section 9B.5 of NI 44-102 will not evidence the granting of an exemption as WKSI base shelf prospectuses are not subject to staff review prior to the deemed issuance of a receipt and no receipt is actually issued.

The granting of an exemption from the provisions of securities legislation sought in connection with the filing of a WKSI base shelf prospectus or an amendment to a WKSI base shelf prospectus may only be evidenced by a decision to that effect, issued following a formal application for exemptive relief, by the regulator or, in Québec, the securities regulatory authority to the person that sought the exemption.

(7) Pre-marketing in connection with a WKSI base shelf prospectus

In general, any advertising or marketing activities undertaken in connection with a prospectus prior to the issuance of a receipt for the preliminary prospectus are prohibited under securities legislation by virtue of the prospectus requirement. As an issuer filing a WKSI base shelf prospectus is exempt from the requirement to file a preliminary prospectus, any advertising or marketing activities undertaken in connection with a WKSI base shelf prospectus prior to the deemed issuance of a receipt for the WKSI base shelf prospectus are prohibited.

An issuer who is filing a WKSI base shelf prospectus would also be unable to rely on the bought deal exemption for pre-marketing provided in Part 7 of NI 44-101 as a preliminary prospectus is required to be filed to comply with such exemption.

(8) Existing preliminary short form prospectus or existing base shelf prospectus

Issuers cannot amend an existing preliminary short form prospectus or an existing base shelf prospectus to convert the same into a WKSI base shelf prospectus. If an issuer has an existing preliminary short form prospectus or an existing base shelf prospectus, but would like to file a WKSI base shelf prospectus, the issuer should withdraw the existing preliminary short form prospectus or the existing base shelf prospectus and file a new WKSI base shelf prospectus.

3. These changes become effective on *.