

British Columbia Securities Commission

BC Instrument 51-518

Temporary Exemption from Certain Business Acquisition Report Requirements

Definitions

Terms defined in the *Securities Act*, National Instrument 14-101 *Definitions* and National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102), have the same meaning in this Instrument.

Background

1. Part 8 of NI 51-102 requires reporting issuers to prepare and file a business acquisition report for a significant acquisition (the BAR requirement).
2. Section 8.3 of NI 51-102 establishes the tests a reporting issuer must apply to determine whether an acquisition is a significant acquisition (the significance tests).
3. On August 20, 2020, the Commission together with other Canadian Securities Administrators published advanced notice of final amendments to NI 51-102 (the BAR amendments) aimed at reducing the regulatory burden imposed by the BAR requirement for reporting issuers that are not venture issuers. The BAR amendments:
 - (1) altered the determination of significance for reporting issuers that are not venture issuers such that an acquisition of a business or related businesses is a significant acquisition only if at least two of the existing significance tests are triggered; and
 - (2) increased the threshold of the significance tests for reporting issuers that are not venture issuers from 20% to 30%.
4. The advance notice stated that provided that all necessary ministerial approvals were obtained, the BAR amendments were to be effective in all Canadian jurisdictions on November 18, 2020.
5. The Commission will not obtain ministerial approval for the BAR amendments by November 18, 2020 as a result of the general election in BC.
6. It is appropriate for the Commission to temporarily implement the outcome achieved under the BAR amendments in BC through an order, to harmonize with other Canadian jurisdictions.

Modification of when an acquisition is a significant acquisition

7. (1) The Commission, considering the public interest, orders under section 187 of the Act that the significance tests are varied so that an acquisition of a business or related

businesses by a reporting issuer that is not a venture issuer is not a significant acquisition if:

- (a) it does not satisfy at least two of the three significance tests set out in subsection 8.3(2) of NI 51-102; or
 - (b) for the purposes of subsection 8.3(3) of NI 51-102, it does not satisfy at least two of the optional significance tests under subsection 8.3(4) of NI 51-102; and
- (2) for the purpose of determining whether an acquisition is a significant acquisition for the purpose of subsection 7(1), the reference to “20 percent” is varied to read “30 percent” in the following provisions of NI 51-102:
- (a) paragraph (b) of subsection 8.3(1);
 - (b) paragraphs (a), (b) and (c) of subsection 8.3(2);
 - (c) paragraph (b) of subsection 8.3(3); and
 - (d) paragraphs (a), (b) and (c) of subsection 8.3(4).

Effective date

10. This order is effective November 18, 2020.

Dated November 16, 2020

Brenda M. Leong
Chair

(This part is for administrative purposes only and is not part of the Order)

Authority under which Order is made:

Act and sections: *Securities Act*, section 187