

ANNEX E

PROPOSED AMENDMENTS TO EXISTING RULES

Consequential and housekeeping amendments

The proposed amendments to NI 51-102 result in certain consequential amendments to existing rules applicable to reporting issuers. Consequential amendments involve adding definitions of and references to annual disclosure statement and interim disclosure statement and updating existing references to NI 51-102 to reference the amended NI 51-102 requirements.

In addition to consequential amendments, housekeeping amendments are proposed for certain rules to clarify existing requirements, correct outdated references to “interim financial statements” by replacing them with “interim financial report” and reflect the name change of “Aequitas NEO Exchange Inc.” to “Neo Exchange Inc.”.

For the following rules, only consequential and housekeeping amendments are proposed:

- Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions*
- National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)*
- National Instrument 43-101 *Standards of Disclosure for Mineral Projects*
- National Instrument 44-102 *Shelf Distributions*
- National Instrument 45-106 *Prospectus Exemptions*
- Multilateral Instrument 45-108 *Crowdfunding*
- National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*
- Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*
- National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings*
- National Instrument 52-110 *Audit Committees*
- National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*
- National Instrument 55-104 *Insider Reporting Requirements and Exemptions*
- National Instrument 58-101 *Disclosure of Corporate Governance Practices*
- Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*
- National Instrument 62-103 *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*
- National Instrument 81-101 *Mutual Fund Prospectus Disclosure*

Amendments to align prospectus disclosure requirements with continuous disclosure requirements

In addition to consequential and housekeeping amendments, we are proposing amendments to certain prospectus form requirements in NI 41-101 and NI 44-101. These proposed amendments correspond to the proposed amendments to the continuous disclosure requirements. The objective of these proposed amendments is to maintain alignment between the prospectus and continuous disclosure regimes.

National Instrument 41-101 *General Prospectus Requirements*

We propose to amend Form 41-101F1 *Information Required in a Prospectus* as follows:

- Update references to “special purpose entity” by replacing them with “structured entity” as the latter term has superseded the former term under Canadian GAAP applicable to publicly accountable enterprises.
- Amend certain disclosure requirements relating to market for securities and trading price and volume
 - to allow reporting issuers to identify the exchanges and quotation systems only where the issuer has applied for and received a listing,
 - to remove requirement to disclose trading price and volume traded or quoted for Canadian marketplaces as this information is available in other publicly available sources, and
 - to provide an option for issuers that have securities traded or quoted on a foreign marketplace to disclose the website or other publicly available source rather than providing trading price and trading volume information.
- Repeal the following disclosure requirements as they are duplicative to requirements in Form 51-102F1 *Annual Disclosure Statement* that apply to an issuer for the purposes of filing a long form prospectus in Form 41-101F1 *Information Required in a Prospectus*:
 - subsection 5.1(4);
 - section 8.4;
 - section 8.6;
 - section 16.3;
 - paragraphs 22.1(1)(c);
 - paragraph 22.1(1)(d).
- Repeal certain disclosure requirements relating to cash dividends or distributions since they are duplicative of requirements under the accounting standards.
- Add an instruction to the risk factor disclosure requirement to signal explicitly to issuers the option to provide risk factor disclosure (including risk mitigation strategy for each risk factor where applicable) in a tabular form or other alternative format.
- Amend certain disclosure requirements relating to settlement agreements entered into by promoters with a securities regulatory authority to limit the lookback period to 10 years.
- Repeal the disclosure requirement relating to transfer agents, registrars, trustees or other agents, since this information is usually available on the issuer’s SEDAR profile or other publicly available sources.

National Instrument 44-101 *Short Form Prospectus Distributions*

We propose to amend Form 44-101F1 *Short Form Prospectus* as follows:

- Update references to “special purpose entity” by replacing them with “structured entity” as the latter term has superseded the former term under Canadian GAAP applicable to publicly accountable enterprises.
- Amend certain disclosure requirements relating to market for securities and trading price and volume
 - to allow reporting issuers to identify the exchanges and quotation systems only where the issuer has applied for and received a listing,
 - to remove requirement to disclose trading price and volume traded or quoted for Canadian marketplaces as this information is available in other publicly available sources, and
 - to provide an option for issuers that have securities traded or quoted on a foreign marketplace to disclose the website or other publicly available source rather than providing trading price and trading volume information.
- Repeal the disclosure requirement relating to prior sales given that some related information may be available in continuous disclosure or other publicly available source.
- Add an instruction to the risk factor disclosure requirement to signal explicitly to issuers the option to provide risk factor disclosure (including risk mitigation strategy for each risk factor where applicable) in a tabular form or other alternative format.
- Amend certain disclosure requirements relating to settlement agreements entered into by promoters with a securities regulatory authority to limit the lookback period to 10 years.

Amendments to provide appropriate exemptions from continuous disclosure requirements for foreign issuers

For the following rule, we are proposing amendments to exempt designated foreign issuers and SEC foreign issuers from the requirements to prepare, approve, file and deliver annual disclosure statements and interim disclosure statements.

National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*

- Include new provisions to specify how designated foreign issuers and SEC foreign issuers can meet the securities legislation requirements relating to the preparation, approval, filing and delivery of annual disclosure statements and interim disclosure statements.