

**Companion Policy 13-502CP**  
*Electronic filing of reports of exempt distribution*

**Application**

1. The instrument applies to any issuer required to file a report of exempt distribution in Form 45-106F1 (an exempt distribution report) with the Commission. Issuers must file an exempt distribution report when they distribute a security in British Columbia in reliance on specific exemptions from the prospectus requirement. Section 139 of the *Securities Rules* and section 6.1 of National Instrument 45-106 *Prospectus and Registration Exemptions* (NI 45-106) set out the requirements to file an exempt distribution report. The requirement to file an exempt distribution report may also be a condition of specific exemptive relief orders granted by the Commission or the Executive Director. See section 2.3 of BC Policy 45-601 *Statutory and Discretionary Exemptions* for guidance on how to determine if a distribution has occurred in British Columbia. BC Interpretation Note 72-702 *Distribution of Securities to Persons Outside British Columbia* provides guidance on whether an issuer has a significant connection to British Columbia.
2. The instrument only applies to exempt distribution reports that must be filed on or before the 10<sup>th</sup> day after the distribution. For example, under section 6.2(2) of NI 45-106 investment funds are allowed to file exempt distribution reports on an annual basis, instead of within 10 business days of the distribution, when using certain exemptions. Investment funds filing their exempt distribution reports on an annual basis must do so by paper filing.
3. The instrument only applies to exempt distribution reports that are in Form 45-106F1. If the report filer is permitted to file a modified form of exempt distribution report either under the Act, regulations or a discretionary exemption order granted by the Commission or the Executive Director, the report filer must file the modified form of report by paper filing.

**Using e-services**

4. To use e-services, a new report filer must first register as an e-services user and create a profile with the Commission. Contact Financial Reporting, Corporate Finance at [finreport@bcsc.bc.ca](mailto:finreport@bcsc.bc.ca) for help creating a profile.
5. The instrument requires report filers to pay the fees for filing the exempt distribution reports through e-services. To do so, the report filer may pay using a credit card at the time of filing or pay by electronic funds transfer. If the report filer wants to use the electronic funds transfer option, the report filer must file an application to do so with the Commission through the Commission's website. The application takes one business day to process and must be processed before a report filer makes their first filing through e-services. Contact Finance, Human Resources & Administration at [Finance@bcsc.bc.ca](mailto:Finance@bcsc.bc.ca) for help completing the electronic funds transfer application.

6. Although it is the report filer's obligation to file the exempt distribution report, a report filer may use an agent, such as its legal counsel, to file the report on its behalf. In such cases, the agent should log onto eservices using their own user registration. Once logged on, the agent should be able to access the report filer's profile provided one has been created.
7. Documents filed through e-services must be PDF generated files, not scanned images, and must be unsecured.
8. E-services does not accept files larger than 20 MB. Please contact Financial Reporting, Corporate Finance at [finreport@bcsc.bc.ca](mailto:finreport@bcsc.bc.ca) for direction on how to file a report that exceeds 20 MB.

#### **Offering memorandum, technical report, and consent**

9. The instrument also requires a report filer to file an offering memorandum, a technical report, and a consent of a qualified person electronically through e-services. The requirement to file these types of documents only arises if the issuer has relied on the offering memorandum exemption (section 2.9 of NI 45-106). The instrument defines offering memorandum to be the document required to be delivered to a purchaser under section 2.9 of NI 45-106. It does not apply to documents that are delivered to purchasers under other exemptions from the prospectus requirement.
10. If an issuer includes scientific or technical information in its offering memorandum, the issuer is required under section 4.2 of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (NI 43-101) to file a technical report to support that scientific or technical information. Under section 8.3 of NI 43-101, an issuer must file a consent of a qualified person with a technical report. The technical report and consent must be filed at the same time as the offering memorandum, that is, on or before the 10<sup>th</sup> day after the distribution (subsection 2.9(16) of NI 45-106 and subsection 4.2(4) of NI 43-101).

#### **Temporary technical difficulties exemption**

11. The instrument provides a temporary exemption in the event a technical difficulty prevents the report filer from filing electronically. To use the exemption, the report filer must file the exempt distribution report, offering memorandum, technical report and consent by email to [finreport@bcsc.bc.ca](mailto:finreport@bcsc.bc.ca) within two business days. Once the technical difficulty is resolved and, in any event, within three business days of filing by email, the report filer is required to file the documents electronically using e-services. The fees payable for filing the exempt distribution report should be paid at the time the report filer files the report electronically using e-services.