

Annex B-2

Proposed Amendments to Companion Policy 45-106CP to National Instrument 45-106 Prospectus and Registration Exemptions

- 1 Companion Policy 45-106CP To National Instrument 45-106 Prospectus and Registration Exemptions is amended by this Instrument.**
- 2 Subsection 5.1(1) is replaced by the following:**

An issuer that has distributed a security of its own issue under any of the prospectus exemptions listed in section 6.1 of NI 45-106 is required to file a report of exempt distribution, on or before the 10th day after the distribution. Alternatively, if an underwriter distributes securities acquired under section 2.33 of NI 45-106, either the issuer or the underwriter may complete and file the form. If there is a syndicate of underwriters, the lead underwriter may file the form on behalf of the syndicate or each underwriter may file a form relating to the portion of the distribution it was responsible for.

The required form of report is Form 45-106F1 *Report of Exempt Distribution* in all jurisdictions except British Columbia. In British Columbia, the required form of report is Form 45-106F6 *British Columbia Report of Exempt Distribution*.

In determining if it is required to file a report in a particular jurisdiction, the issuer or underwriter should consider the following questions:

- (a) Is there a distribution in the jurisdiction? (Please refer to the securities legislation of the jurisdiction for guidance, if any, on when a distribution occurs in the jurisdiction.
- (b) If there is a distribution in the jurisdiction, what exemption from the prospectus requirement is the issuer relying on for the distribution of the security?
- (c) Does the exemption referred to in paragraph (b) trigger a reporting requirement? (Reports of exempt distribution are required for distributions made in reliance on the prospectus exemptions listed in section 6.1 of NI 45-106.)

A distribution may occur in more than one jurisdiction. In this case, the issuer is required to file a single report in each Canadian jurisdiction where the distribution has occurred, except British Columbia. The report will set out all distributions in each Canadian jurisdiction, except British Columbia.

If the distribution occurs in British Columbia and another jurisdiction, the issuer is required to complete both Form 45-106F6 *British Columbia Report of Exempt Distribution* and Form 45-106F1 *Report of Exempt Distribution* in connection with the distribution. The issuer is required to file Form 45-106F6 with the British Columbia Securities Commission and file Form 45-106F1 in the other applicable jurisdictions.

- 3 *Subsection 5.1(3) is amended by replacing “Form 45-106F1” with “Form 45-106F6” wherever it occurs.*
- 4 *This Instrument becomes effective on ●.*