

**CSA Staff Notice 45-314**

*Consolidated List of Current CSA Exempt Market Initiatives*

**March 20, 2014**

**Introduction**

Modernization of the exempt market regulatory regime is a major priority for the Canadian Securities Administrators (CSA). In keeping with this, CSA members are publishing a series of significant initiatives related to prospectus exemptions. This Notice describes all of these initiatives in one place for the benefit of industry and investors.

Although CSA members have substantially harmonized the prospectus exemptions and amendments to prospectus exemptions, market participants will note some differences. Some of these can be explained by differences in local markets and the fact that certain prospectus exemptions are proposed for the first time in some jurisdictions.

**List of Initiatives (organized by Exemption and Date Published)**

<b>Prospectus Exemption</b>	<b>Jurisdiction</b>	<b>Summary of Latest Developments</b>	<b>Date (2014)</b>
Short-Term Debt (s. 2.35 of NI 45-106 <sup>1</sup> )	All	Publication for comment <ul style="list-style-type: none"> <li>• Proposal to modify the minimum credit rating requirement when an issuer obtains more than one credit rating</li> </ul>	January 23
Short-Term Securitized Products (proposed s. 2.35.2 of NI 45-106)	All	Publication for comment <ul style="list-style-type: none"> <li>• Proposal to introduce a new prospectus exemption for short-term securitized products (ABCP) with additional credit rating, liquidity and disclosure requirements</li> </ul>	January 23

<sup>1</sup> National Instrument 45-106 *Prospectus and Registration Exemptions*

<b>Prospectus Exemption</b>	<b>Jurisdiction</b>	<b>Summary of Latest Developments</b>	<b>Date (2014)</b>
Accredited Investor (s. 2.3 of NI 45-106)	All	Publication for comment <ul style="list-style-type: none"> <li>• Proposal to require persons relying on the prospectus exemption to obtain a signed risk acknowledgement from certain individual accredited investors</li> <li>• Proposal regarding additional guidance on steps issuers can take to verify accredited investor status</li> </ul>	February 27
	ON	Publication for comment <ul style="list-style-type: none"> <li>• Proposal to amend the definition of accredited investor in Ontario to allow fully managed accounts to purchase investment fund securities using the managed account category of the prospectus exemption</li> </ul>	February 27
\$150,000 Minimum Amount Investment (s. 2.10 of NI 45-106)	All	Publication for comment <ul style="list-style-type: none"> <li>• Proposal to restrict the prospectus exemption to distributions to non-individual investors</li> </ul>	February 27
Report of Exempt Distribution (Forms 45-106F1 and F6)	All	Publication for comment <ul style="list-style-type: none"> <li>• Proposal to gather additional information on the purchaser's category of accredited investor, the issuer's industry and persons being compensated in connection with the exempt distribution</li> </ul>	February 27

<b>Prospectus Exemption</b>	<b>Jurisdiction</b>	<b>Summary of Latest Developments</b>	<b>Date (2014)</b>
Existing Security Holder (Multilateral Notice 45-313 <i>Prospectus Exemption for Distributions to Existing Security Holders</i> )	BC, AB, SK, MB, QC, NB, NS, PE, YK, NT NU	Adoption by local blanket order or rule of new prospectus exemption <ul style="list-style-type: none"> <li>• Issuers listed on certain Canadian stock exchanges may distribute securities to existing security holders in prescribed circumstances</li> </ul>	March 13
Existing Security Holder (proposed s. 2.9 of OSC Rule 45-501 <i>Ontario Prospectus and Registration Exemptions</i> )	ON	Publication for comment <ul style="list-style-type: none"> <li>• Proposal to introduce a new prospectus exemption that would allow non-investment fund issuers listed on certain Canadian stock exchanges to distribute securities to existing security holders in prescribed circumstances</li> </ul>	March 20
Offering Memorandum (s. 2.9 of NI 45-106)	AB, SK, QC	Publication for comment <ul style="list-style-type: none"> <li>• Proposal to impose new annual caps on the amount that can be raised from an individual, to address marketing materials and to require annual financial statements</li> </ul>	March 20
	ON	Publication for comment <ul style="list-style-type: none"> <li>• Proposal to introduce an offering memorandum prospectus exemption similar to the exemption available in certain other CSA jurisdictions (as proposed to be amended) for non-investment fund issuers</li> </ul>	March 20
	NB	Publication for comment <ul style="list-style-type: none"> <li>• Proposal to adopt an offering memorandum prospectus exemption on the same terms as in Ontario</li> </ul>	March 20

<b>Prospectus Exemption</b>	<b>Jurisdiction</b>	<b>Summary of Latest Developments</b>	<b>Date (2014)</b>
Family, Friends and Business Associates (s. 2.5 and proposed s. 2.6.1 of NI 45-106)	ON	<p>Publication for comment</p> <ul style="list-style-type: none"> <li>Proposal to introduce a family, friends and business associates prospectus exemption similar to those in other CSA jurisdictions for non-investment fund issuers</li> </ul>	March 20
Crowdfunding (proposed MI 45-108 <i>Crowdfunding</i> )	SK, MB, ON, QC, NB, NS	<p>Publication for comment</p> <ul style="list-style-type: none"> <li>Proposal to introduce a new crowdfunding prospectus exemption for non-investment fund issuers and an associated registration regime for online funding portals</li> </ul>	March 20
Crowdfunding (proposed <i>Start-Up Crowdfunding</i> general and blanket orders)	SK, MB, QC, NB, NS	<p>Publication for comment</p> <ul style="list-style-type: none"> <li>Proposal to introduce new crowdfunding prospectus and registration exemptions for non-reporting issuers similar to Saskatchewan's existing regime<sup>2</sup></li> </ul>	March 20
Crowdfunding (BC Notice 2014/03 <i>Start-Up Crowdfunding</i> )	BC	<p>Request for comment</p> <ul style="list-style-type: none"> <li>Request for comment on introducing new crowdfunding prospectus and registration exemptions for non-reporting issuers similar to Saskatchewan's existing regime<sup>2</sup></li> </ul>	March 20
Report of Exempt Distribution (proposed Forms 45-106F10 and F11)	AB, SK, ON, NB	<p>Publication for comment</p> <ul style="list-style-type: none"> <li>Proposal to introduce two new reports of exempt distribution, one for investment funds and the other for non-investment fund issuers</li> </ul>	March 20

<sup>2</sup> Based on General Order 45-925 Saskatchewan Equity Crowdfunding Exemption. Saskatchewan is not revoking its Order but is republishing its Order as multilateral relief with Québec, New Brunswick and Nova Scotia.

The text of the new exemptions and proposed amendments is or will be available on websites of CSA jurisdictions, including:

[www.lautorite.qc.ca](http://www.lautorite.qc.ca)  
[www.albertasecurities.com](http://www.albertasecurities.com)  
[www.bcsc.bc.ca](http://www.bcsc.bc.ca)  
[www.nssc.gov.ns.ca](http://www.nssc.gov.ns.ca)  
[www.fcnc.ca](http://www.fcnc.ca)  
[www.osc.gov.on.ca](http://www.osc.gov.on.ca)  
[www.fcaa.gov.sk.ca](http://www.fcaa.gov.sk.ca)  
[www.msc.gov.mb.ca](http://www.msc.gov.mb.ca)

## Questions

Please refer your questions to any of the following:

### *British Columbia*

Peter Brady  
Director, Corporate Finance  
British Columbia Securities Commission  
604-899-6570  
Toll free across Canada: 800-373-6393  
[pbrady@bcsc.bc.ca](mailto:pbrady@bcsc.bc.ca)

Leslie Rose  
Senior Legal Counsel, Corporate Finance  
British Columbia Securities Commission  
604-899-6654  
Toll free across Canada: 800-373-6393  
[lrose@bcsc.bc.ca](mailto:lrose@bcsc.bc.ca)

### *Alberta*

Jonathan Taylor  
Manager, CD Compliance & Market Analysis,  
Corporate Finance  
Alberta Securities Commission  
403-297-4770  
[jonathan.taylor@asc.ca](mailto:jonathan.taylor@asc.ca)

Denise Weeres  
Manager, Legal, Corporate Finance  
Alberta Securities Commission  
403-297-2930  
[denise.weeres@asc.ca](mailto:denise.weeres@asc.ca)

### *Saskatchewan*

Sonne Udemgba  
Deputy Director, Legal, Securities Division  
Financial and Consumer Affairs Authority of  
Saskatchewan  
306-787-5879  
[sonne.udemgba@gov.sk.ca](mailto:sonne.udemgba@gov.sk.ca)

Tony Herdzik  
Deputy Director, Corporate Finance, Securities  
Division  
Financial and Consumer Affairs Authority of  
Saskatchewan  
306-787-5849  
[tony.herdzik@gov.sk.ca](mailto:tony.herdzik@gov.sk.ca)

*Manitoba*

Chris Besko  
Legal Counsel - Deputy Director  
The Manitoba Securities Commission  
204-945-2561  
[cbesko@gov.mb.ca](mailto:cbesko@gov.mb.ca)

*Ontario*

Jo-Anne Matear  
Manager, Corporate Finance  
Ontario Securities Commission  
416-593-2323  
[jmatear@osc.gov.on.ca](mailto:jmatear@osc.gov.on.ca)

Elizabeth Topp  
Senior Legal Counsel, Corporate Finance  
Ontario Securities Commission  
416-593-2377  
[etopp@osc.gov.on.ca](mailto:etopp@osc.gov.on.ca)

Maria Carelli  
Senior Accountant, Compliance and Registrant  
Regulation  
Ontario Securities Commission  
416-593-2380  
[mcarelli@osc.gov.on.ca](mailto:mcarelli@osc.gov.on.ca)

Melissa Schofield  
Senior Legal Counsel, Investment Funds  
Ontario Securities Commission  
416-595-8777  
[mschofield@osc.gov.on.ca](mailto:mschofield@osc.gov.on.ca)

*Québec*

Sylvie Lalonde  
Director, Policy and Regulations Department  
Autorité des marchés financiers  
514-395-0337, ext. 4461  
[sylvie.lalonde@lautorite.qc.ca](mailto:sylvie.lalonde@lautorite.qc.ca)

Patrick Théorêt  
Director, Corporate Finance  
Autorité des marchés financiers  
514-395-0337, ext. 4381  
[patrick.theoret@lautorite.qc.ca](mailto:patrick.theoret@lautorite.qc.ca)

*New Brunswick*

Susan W. Powell  
Deputy Director, Securities  
Financial and Consumer Services Commission  
(New Brunswick)  
506-643-7697  
[susan.powell@fcnb.ca](mailto:susan.powell@fcnb.ca)

*Nova Scotia*

Shirley Lee  
Director, Policy and Market Regulation  
Nova Scotia Securities Commission  
902-424-5441  
[leesp@gov.ns.ca](mailto:leesp@gov.ns.ca)

Kevin Redden  
Director, Corporate Finance  
Nova Scotia Securities Commission  
902-424-5343  
[reddenkg@gov.ns.ca](mailto:reddenkg@gov.ns.ca)

*Prince Edward Island*

Steve Dowling  
General Counsel  
Consumer, Labour and Financial Services  
Division  
Department of Environment, Labour and Justice  
Government of Prince Edward Island  
902-368-4551  
[sddowling@gov.pe.ca](mailto:sddowling@gov.pe.ca)

*Newfoundland and Labrador*

Don Boyles  
Superintendent of Securities (by interim)  
Securities Commission of Newfoundland and  
Labrador  
Government of Newfoundland & Labrador  
709-729-4501  
[dboyles@gov.nl.ca](mailto:dboyles@gov.nl.ca)

*Northwest Territories*

Gary MacDougall  
Superintendent of Securities  
Office of the Superintendent of Securities  
Government of the Northwest Territories  
867-873-7490  
[gary\\_macdougall@gov.nt.ca](mailto:gary_macdougall@gov.nt.ca)

*Nunavut*

Louis Arki  
Director, Legal Registries  
Department of Justice, Government of Nunavut  
867-975-6587  
[larki@gov.nu.ca](mailto:larki@gov.nu.ca)

*Yukon*

Rhonda Horte  
Deputy Superintendent  
Office of the Yukon Superintendent of Securities  
Yukon Government  
867-667-5466  
[Rhonda.Horte@gov.yk.ca](mailto:Rhonda.Horte@gov.yk.ca)