

## Annex F

### Summary of Comments and Responses

No.	Topic	Comments	Responses
<b>General</b>			
1.	Support for harmonized and streamlined report	Most commenters supported the creation of a report that is harmonized across the CSA. One commenter supported the change to streamline the report so that it will not require certain information that can be gathered through other sources available to the CSA (e.g. SEDAR, NRD). Another commenter noted that the version of the New Report published for comment is an important step forward in reducing the compliance burden for investment fund issuers and developing a simpler and more efficient exempt market reporting regime.	We acknowledge these comments of support.
2.	One report for both investment fund and non-investment fund issuers	<p>Some commenters supported the creation of a single report for both investment fund and non-investment fund issuers. Commenters also noted that the report should be designed so it is clear which sections apply to a particular issuer and that it allow for dynamic entry so that sections inapplicable to an issuer would be removed from view.</p> <p>One commenter noted that a single report would create efficiencies for issuers but two separate reports would simplify the process and issuers would make fewer mistakes when completing the report. Three commenters preferred two separate reports.</p>	<p>We believe that a single report for both investment fund and non-investment issuers will streamline the exempt distribution reporting process. We have also designed the New Report in such a way that it is clear which sections do not need to be completed by certain issuers or when an issuer has a SEDAR profile.</p> <p>In addition, in British Columbia and Ontario, the electronic version of the New Report available on BCSC's eServices and the OSC's Electronic Filing Portal will only display the information requirements applicable to an issuer filing the report.</p>

No.	Topic	Comments	Responses
3.	Support for improved information collection	<p>One commenter supported the collection of better information. Two commenters said the version of the New Report published for comment achieves an appropriate balance between the benefits of the information and the burden to issuers.</p> <p>One commenter noted that the public would benefit greatly from access to such data and that a more immediate plan to readily provide such data should be a CSA priority.</p> <p>One commenter indicated that other detailed information that is valuable to the policy-making process should also be collected in addition to the information required in the version of the New Report published for comment.</p>	<p>We acknowledge these comments of support.</p> <p>Reports filed in British Columbia and through SEDAR will be published and publicly available on the respective systems (with the exception of the non-public schedules). The OSC will continue to publish on its website summaries of exempt distribution information from reports filed in Ontario.</p> <p>A number of CSA jurisdictions also publish, on a periodic basis, data and statistics on activity in the prospectus exempt market based on the information collected through the reports. Currently, the CSA does not have the ability to aggregate and reconcile the data collected through the reports across all CSA jurisdictions. An integrated filing system that would allow us to aggregate and reconcile this data is part of the longer-term CSA National Systems Renewal Program.</p>
4.	Benefit of collecting additional information is unclear and may not justify the compliance burden	<p>Two commenters expressed concern that the version of the New Report published for comment significantly increases the compliance and regulatory burden on issuers. Many commenters thought the required information, in certain cases or in aggregate, results in a compliance burden that outweighs the benefit of collecting the information for regulators. A number of commenters specifically noted the administrative burden placed on issuers.</p> <p>Some commenters questioned the policy rationale and benefit of collecting additional information. Examples of concerns raised by commenters include the following:</p>	<p>While we acknowledge that one of the purposes of the report is to monitor compliance with the use of certain prospectus exemptions, the report is also the CSA's primary source of information on the prospectus exempt market, particularly for non-reporting issuers. Information in the current Form 45-106F1 and Form 45-106F6 (Current Reports) has been used to inform policymaking and it has become clear to staff that the CSA needs better information than is available in the Current Reports. This is particularly true as the exempt market</p>

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		<ul style="list-style-type: none"> <li>• The purpose of the report has expanded from requiring the issuer to provide sufficient information to track compliance, to providing regulators and the public with significantly expanded disclosure which, in certain cases, does not provide additional investor protection.</li> <li>• The purpose of exempt trade reporting is to monitor compliance with prospectus and registration exemptions and it is unclear how the disclosure requested is necessary to achieve this purpose.</li> <li>• The version of the New Report published for comment would not increase transparency in the exempt market.</li> </ul> <p>Some commenters expressed concerns about the negative impact the version of the New Report published for comment could have on exempt market activity. Examples of concerns raised by commenters include the following:</p> <ul style="list-style-type: none"> <li>• The version of the New Report published for comment would act as a barrier to access to the exempt market for both issuers and investors.</li> <li>• The burden of reporting is leading to the retraction of Canadian investment products from global markets.</li> <li>• Issuers may be dissuaded from seeking to raise capital in the exempt market.</li> <li>• For small issuers, the version of the New Report published for comment would consume scarce internal resources and discourage them from accessing the capital they require.</li> </ul>	<p>continually evolves. We have also received feedback from stakeholders that we need to collect and publish better data on the exempt market for the benefit of market participants.</p> <p>The information collected through the New Report will:</p> <ul style="list-style-type: none"> <li>• enhance our understanding of the participants in the exempt market,</li> <li>• improve regulatory oversight of the exempt market,</li> <li>• support our compliance programs, and</li> <li>• better inform policy development.</li> </ul> <p>To reduce the compliance burden of exempt distribution reporting, we:</p> <ul style="list-style-type: none"> <li>• have introduced a harmonized report applicable across the CSA,</li> <li>• reduced duplicate reporting where that information is otherwise available to the CSA, and</li> <li>• have provided carve-outs from certain information requirements where we believe the cost of compliance outweighs the benefit of the information.</li> </ul> <p>As a result of the comments received, we have removed and modified some of the information requirements from the version of the New Report published for comment. Most notably, the New Report does not require disclosure of the holdings of the issuer's securities by directors, executive officers, promoters and control persons of certain issuers.</p>

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			Overall, we believe the New Report strikes an appropriate balance between the benefits to the CSA of collecting the information and the compliance burden imposed on issuers.
5.	Increased compliance burden placed on foreign issuers, IFMs and dealers may result in less choice for Canadian investors	Some commenters expressed concern that the administrative burden placed on foreign issuers and dealers to comply with the version of the New Report published for comment may act as a disincentive for foreign issuers to conduct offerings in Canada, resulting in less choice for Canadian investors. One commenter noted that the introduction of Form 45-106F6 in British Columbia gave rise to a reluctance on the part of certain foreign issuers to extend certain offerings in that province.	<p>Since offerings by foreign issuers represent a significant portion of exempt market activity in Canada, the information collected through the report is necessary for the CSA to better understand participants in the exempt market and to inform policy development. As noted above, the report is the CSA's primary source of information on the prospectus exempt market.</p> <p>We have included carve-outs where we believe the cost of compliance for foreign issuers and dealers outweighs the benefit of the information. For example, foreign public issuers (and their wholly owned subsidiaries) and issuers distributing eligible foreign securities only to permitted clients do not have to complete certain sections of the New Report. In addition, issuers located outside of Canada only have to report information relating to purchasers resident in Canada. We believe that the remaining information requested of foreign issuers is information that they are able to provide.</p>
6.	Report should not be required if purchasers are accredited investors or permitted clients	Two commenters said the CSA should consider introducing an exemption from the requirement to file the New Report, in whole or in part, where the issuer is relying on the accredited investor exemption or where all the purchasers are permitted clients, as distributions of securities to more sophisticated investors do not raise the same investor protection concerns as distributions to retail investors.	The information collected in the report is necessary to inform our compliance programs, improve our understanding of the exempt market and inform future policy development. We believe it would be inappropriate to exempt issuers from filing the report where the securities are distributed only to accredited

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		<p>One commenter noted the negative reaction to the introduction of Form 45-106F6 in British Columbia and that foreign issuers will only extend an offering in that province if they can rely on blanket relief that allows them to file Form 45-106F1 instead of Form 45-106F6.</p>	<p>investors or permitted clients.</p> <p>We note that we have removed and modified a number of information requirements for certain issuers (described below).</p>
7.	General privacy and protection of information concerns	<p>Some commenters believed the expanded disclosure requirements, in certain cases, raises privacy and confidentiality concerns that may discourage issuers and certain investors from participating in exempt market transactions. One commenter thought the cost to issuers would be lower if some of the information disclosed in the report were made confidential.</p> <p>Examples of concerns raised by commenters include the following:</p> <ul style="list-style-type: none"> <li>• If the report is posted on SEDAR, a simple search on SEDAR would give competitors, customers and suppliers access to highly-sensitive and confidential information.</li> <li>• The CSA has not indicated what it will do with the detailed information collected about issuers and investors in the exempt market and how it will store this information.</li> </ul> <p>One commenter questioned whether information collected in the report was legitimately required of registered firms, when regulators could demand client information from exempt market participants for purposes of investigation. This commenter also wanted to ensure that information about purchasers, especially those that access the exempt market through industry-accountable registrants, are not subject to inappropriate, unnecessary and indiscriminate exposure.</p>	<p>We have removed, or moved to a non-public schedule, information that is of a personal and commercially sensitive nature that we agree should not be publicly disclosed. Personal information collected in the schedules will not be placed on the public file of any CSA member.</p> <p>In particular, information about control persons is only required to be provided in Schedule 2, which is not publicly available. We have also removed the requirement to provide information about holdings of the issuer's securities by directors, executive officers, promoters and control persons of certain issuers.</p>

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8.	Industry consultation and comparative analysis with other jurisdiction	<p>Two commenters recommended that the CSA undertake further industry consultations before moving forward with the New Report. Other commenters suggested that a cost-benefit analysis be conducted and a clear rationale articulated for the collection of each additional piece of information required.</p> <p>Two commenters suggested the CSA undertake a comparative study of the exempt trade reporting requirements that apply in other countries.</p> <p>Two commenters noted that post-trade reporting obligations for private placements are less onerous in the U.S. One commenter noted that their dealers had not encountered a comparable post-trade filing requirement in placing securities cross-border with institutional investors in any other jurisdiction.</p>	<p>We believe appropriate consultation and analysis have been undertaken by the CSA in developing the New Report. For example:</p> <ul style="list-style-type: none"> <li>• Certain CSA members consulted with their advisory committees to solicit feedback on the New Report.</li> <li>• Some CSA members conducted internal user testing on proposed changes to the report prior to publication of the New Report for comment.</li> <li>• We reviewed and considered the Securities and Exchange Commission's exempt market reporting regime in the U.S.</li> <li>• We considered the comments we received on prior proposals on reports of exempt distribution published by certain CSA jurisdictions.</li> </ul>
<b>Instructions For Completing and Filing Form 45-106F1</b>			
9.	Currency conversion	<p>One commenter supported using the Bank of Canada noon rate but suggested that when the Bank of Canada noon rate is not available, issuers should be permitted to use the most recent Bank of Canada closing rate before the distribution date.</p> <p>One commenter said it would be simpler to use the year end rate instead of the daily noon rate of the Bank of Canada on the distribution date as it would reduce the time required for an investment fund manager to complete the report.</p> <p>One commenter noted that the exchange rate could significantly impact the disclosure provided, particularly for investment funds under continuous distribution, and asked for clarification around the currency conversion expectations.</p>	<p>We believe that the daily noon exchange rate of the Bank of Canada on the distribution date is the appropriate exchange rate for converting foreign currency into Canadian dollars for purposes of the New Report.</p> <p>In response to the comments received, the instructions in the New Report provide the following clarifying guidance on converting currency:</p> <ul style="list-style-type: none"> <li>• When a Bank of Canada noon rate is not available on the distribution date (for example, if it falls on a Canadian statutory holiday), the most recent Bank of Canada closing rate available before the distribution</li> </ul>

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			<p>date should be used.</p> <ul style="list-style-type: none"> <li>For investment fund issuers in continuous distribution, the average daily noon exchange rate of the Bank of Canada for the period of the distribution covered by the report should be used.</li> </ul> <p>The Bank of Canada has announced that as of March 1, 2017, it will no longer publish two sets of exchanges rates (noon and closing) and will instead publish a single indicative exchange rate each day. We have revised the instructions in the New Report to specify that if this change takes place, foreign currency is to be converted using the single indicative exchange rate instead of the daily noon and closing exchange rates in each of the scenarios described in the instructions. For example, an investment fund in continuous distribution would convert the foreign currency to Canadian dollars using the average daily single indicative exchange rate for the distribution period covered by the report.</p>
10.	Move legal interpretations to companion policy	<p>One commenter noted that the Instructions included interpretations by the CSA on certain legal questions relevant to the completion of the report, including issues of jurisdiction and the inter-relation of agency and trust law. The commenter suggested that, to the extent such interpretations are intended to assist in the interpretation of NI 45-106, they should be included in the companion policy rather than the report.</p>	<p>We have revised the instructions in the New Report. We believe the revised instructions are necessary to assist in the completion and filing of the New Report and are not intended to assist in the interpretation of NI 45-106.</p>

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11.	Determining jurisdiction of distribution	<p>A number of commenters raised concerns about the guidance contained in the Instructions for determining when a distribution occurs. Specifically, commenters raised concerns about:</p> <ul style="list-style-type: none"> <li>• The source of the interpretation provided in the guidance.</li> <li>• Whether the guidance correctly describes the position of certain CSA jurisdictions on when a distribution occurs.</li> <li>• The confusion in the marketplace about when a distribution has occurred in Ontario.</li> </ul>	<p>We have removed this guidance from the instructions. We have provided guidance on this issue in the revised CSA Staff Notice 45-308 (Revised) <i>Guidance for Preparing and Filing Reports of Exempt Distribution under National Instrument 45-106 Prospectus Exemptions</i> (Staff Notice 45-308), published concurrently with this Notice. The guidance in Staff Notice 45-308 makes clear that issuers and underwriters should refer to applicable securities legislation, securities directions and case law to determine whether a distribution has taken place in a local jurisdiction.</p>
12.	Reporting information about purchasers located outside of Canada by Canadian issuers	<p>One commenter noted that any Canadian public interest that may be served by providing this information is greatly outweighed by the cost and inconvenience imposed on issuers and dealers. One commenter said issuers should not be required to disclose purchasers in one jurisdiction to a regulator in another jurisdiction, where no distribution has taken place in the second jurisdiction.</p>	<p>This is not a new requirement. The Current Reports require Canadian issuers to report information about foreign purchasers. This information is used by CSA members to understand how and where issuers in their jurisdictions are accessing capital and for compliance purposes.</p> <p>We have removed the requirement for issuers making a distribution in more than one jurisdiction of Canada to file a single report in each Canadian jurisdiction where the distribution has occurred, identifying all purchasers. Notwithstanding this change, issuers may continue to satisfy their obligation to file the report by completing a single report identifying all purchasers, and filing it in each Canadian jurisdiction where the distribution occurs.</p>



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13.	Disclosure of beneficial owners of fully managed accounts	<p>Some commenters questioned the requirement to disclose the beneficial owner of fully managed accounts. Concerns raised by commenters include the following:</p> <ul style="list-style-type: none"> <li>• The person managing the account is deemed to be purchasing as principal and is for all purposes the purchaser of the securities.</li> <li>• The identity of the beneficial owner has no significance when it comes to the availability of exemptions.</li> <li>• Requiring this information would impose a significant compliance burden, especially since the issuer and underwriter may not have beneficial owner information.</li> <li>• Matters could become complicated if the individual or the registered advisor refused to disclose their information.</li> <li>• If regulators want to obtain information about beneficial owners, it would be more efficient and appropriate to collect this information directly from registrants.</li> <li>• An approach that requires more high-level, summary information should be considered instead.</li> </ul> <p>One commenter suggested that the instructions clarify that the statutory meaning of “beneficial ownership” in securities legislation is not intended to be applied to the Instructions to the report.</p>	<p>The New Report does not require issuers to provide information about the beneficial owner where a trust company, trust corporation or registered adviser is deemed to be purchasing the securities as principal on behalf of a fully managed account. Only information about the trust company, trust corporation or registered adviser is required.</p> <p>Further guidance on beneficial owners is provided in Staff Notice 45-308, published concurrently with this Notice.</p>
<b>Identifiers</b>			
14.	Use of identifiers	<p>One commenter supported the CSA’s efforts to require disclosure of standardized identifiers and agreed that such identifiers could provide the CSA with more comparable information. However, the commenter had some concerns with the manner in which such disclosure was mandated.</p>	<p>We acknowledge this comment of support. The use of identifiers facilitates analysis of information gathered from multiple sources about issuers and registrants, reduces duplication in the report where information exists on other systems and provides more consistent and accurate reporting of information.</p>

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15.	Disclosure of firm NRD number	<p>Two commenters had no concerns with the publication of a firm's NRD number.</p> <p>One commenter thought public disclosure of a firm's NRD number raised cybersecurity concerns and thought there was no clear investor protection reason for this disclosure. One commenter noted the burden of having to request the NRD number from the dealer.</p>	<p>We do not believe public disclosure of a firm's NRD number increases the opportunity for unauthorized access to information stored within that database.</p> <p>Disclosure of this unique identifier allows securities regulators to accurately link information available through NRD to assist in our compliance programs. Entities that are related often have similar names and data entry variations can make it challenging for us to accurately and efficiently link information about registrants. Disclosure also reduces duplication where information required to be disclosed in the New Report is available in NRD.</p>
<b>Item 1<sup>1</sup> – Party Certifying the Report</b>			
16.	Determination of investment fund issuer	One commenter sought clarity on whether an issuer is an investment fund for the purposes of completing the report, noting that many of the questions that apply to non-investment fund issuers do not apply to collective investment schemes that are not considered investment funds under NI 81-106. The commenter recommended that a more expansive meaning of investment fund be adopted for purposes of completing and filing the report.	The determination of whether an issuer is an investment fund, for securities law purposes, is outside the scope of this project. Issuers should refer to section 1.1 of National Instrument 81-106 <i>Investment Fund Continuous Disclosure</i> (NI 81-106) and the companion policy to NI 81-106 in making this determination.
17.	Option for agents completing the report	One commenter suggested that further guidance be provided in Item 1 for those completing the report on the issuer's behalf in an agency or similar capacity, and an option be added to Item 1 to account for these types of situations.	The party certifying the report must be a director or officer of the issuer or underwriter, or an individual who performs functions similar to that of a director or officer if the issuer or underwriter is not a company.

<sup>1</sup> The numbering of items corresponds with the version of the New Report published for comment. Some items of the New Report have been reordered and renumbered in the final version.

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			A filing agent completing the report on an issuer's behalf may not certify the report but is required to provide their contact details as the contact person under Item 11 of the New Report. We have revised the instructions to clarify that a filing agent cannot certify the report.
<b>Item 2 – Issuer Name and Other Identifiers</b>			
18.	Issuer website	One commenter noted that providing website information should be optional, as an issuer may not maintain a website.	We have clarified in the New Report that website information is required only if the issuer maintains one.
19.	Legal entity identifier	One commenter noted that providing an LEI under Item 2 should not be mandatory. One commenter questioned why an LEI would be required as it did not appear to be relevant to monitoring compliance in the exempt market. One commenter noted the difficulty of obtaining the LEI of the issuer, as the preparer completing the report on behalf of an issuer would have to seek out an individual at the dealer who is sufficiently knowledgeable about the issuer to provide this information.	<p>We have clarified in the New Report that reporting an LEI is only required for issuers that have one. We do not believe it is overly burdensome to report an LEI as it is a global standard that is increasingly being used to uniquely identify parties to financial transactions.</p> <p>Reporting an LEI serves a number of purposes, including:</p> <ul style="list-style-type: none"> <li>• addressing long-standing issues with entity identification,</li> <li>• providing a mechanism to link exempt market reporting with other financial reporting, and</li> <li>• helping to build a more comprehensive risk profile for entities that operate in the exempt market.</li> </ul>

No.	Topic	Comments	Responses
<b>Item 4 – Issuer Information</b>			
20.	Additional issuer profile information	<p>One commenter thought the additional information concerning the issuer required under Item 4 would facilitate better policy development and noted that such information must be readily accessible by the public.</p> <p>One commenter suggested that a note be added in the Companion Policy that non-reporting issuers that are making certain filings on SEDAR would not be required to complete Items 4(d) to (h). One commenter noted the difficulty of obtaining additional profile information for issuers without a SEDAR profile.</p> <p>One commenter believed Item 4 should distinguish information about the issuer that is specific to Canada and information about the issuer outside of Canada in order to collect the correct data about our Canadian capital markets.</p>	<p>The instructions to this item in the New Report indicate that issuers that have a SEDAR profile are not required to complete certain sections as that information is already provided on SEDAR. Recent changes to National Instrument 13-101 <i>System for Electronic Document Analysis and Retrieval (SEDAR)</i> (NI 13-101) will require filing of reports of exempt distribution on SEDAR beginning May 24, 2016, subject to ministerial approval, for distributions in Canadian jurisdictions other than British Columbia and Ontario, except by certain foreign issuers. As a result, non-reporting issuers that make certain exempt market filings will also have SEDAR profiles. Changes have been made to SEDAR to allow voluntary filing until May 24, 2016.</p> <p>Considering the cost of compliance relative to the benefit of obtaining this level of detailed information, we have not required issuers to distinguish between information about the issuer that is specific to Canada and information about the issuer outside of Canada for this item in the New Report.</p> <p>The issuer profile information required in the New Report is important to improve our understanding of participants in the exempt market and to inform policy development.</p>
21.	Parent of issuer	One commenter believed that the issuer's parent, if applicable, should be disclosed as it would be helpful to	After reviewing the comments received and considering the cost of compliance relative to

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		investors in the event of a future reorganization of the issuer or in the event of loss arising from insolvency of the subsidiary.	the benefit of obtaining this information, we have not included such a requirement in the New Report.
<b>Item 4(a) – Issuer Information: Primary industry</b>			
22.	Use of North American Industry Classification Standard (NAICS) codes	<p>Three commenters agreed that the use of NAICS codes is appropriate.</p> <p>A number of commenters expressed concerns regarding the use of NAICS codes, including the following:</p> <ul style="list-style-type: none"> <li>• NAICS codes are far from precise and certain firms may not fit into pre-existing categories or overlap several categories.</li> <li>• Identifying the correct NAICS code could be time consuming and difficult.</li> <li>• Disclosure of a NAICS code may not yield the results expected because smaller issuers may use different NAICS codes for private placements that occur several years apart</li> <li>• Companies in the U.S. or Mexico may have a five or six-digit NAICS code that does not correspond exactly with the requirements of the New Report published for comment.</li> </ul>	<p>The use of a comprehensive and standardized industry classification system enables us to better understand exempt market activity and to assist in more informed policy making. We believe NAICS is the most appropriate classification system for the purposes of the report, as it is widely used in North America by a number of government agencies and should be familiar to many Canadian businesses that report to the Canada Revenue Agency. Statistics Canada also provides a web-based search tool for issuers to locate their relevant industry category.</p> <p>We have provided additional guidance on NAICS codes in Staff Notice 45-308, which is being published concurrently with this Notice.</p>
23.	Ascertaining the issuer's primary industry	One commenter noted the difficulty ascertaining the issuer's primary industry because the preparer completing the report on behalf of an issuer would have to review the offering memorandum or seek out an individual at the dealer with this information.	This is not a new requirement. The Current Reports also require the issuer to select its industry. However, the Current Reports include a limited number of categories that do not match any standard industry classification or include all issuer industries, resulting in a large proportion of uncategorized issuers. The use of NAICS codes is intended to resolve this issue.
24.	Expand industry categories	One commenter noted that the industry categories should be expanded or include a field for "other" as the current	For issuers involved in certain investment activities that are required to disclose the areas

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		categories are not applicable for funds that are not investment fund issuers, such as private equity funds.	of their primary asset holdings, we have added “private companies” to the available categories. This is to help identify issuers such as private equity funds.
<b>Item 4(b) and (h) – Issuer Information: Size of issuer and Size of issuer’s assets</b>			
25.	Metrics to assess the issuer’s size	<p>Two commenters thought the metrics for calculating the issuer’s size are appropriate. One commenter said the metrics for calculating the number of employees are simple and would not be an inconvenience for issuers to obtain. One commenter noted that the proposed requirement to report information is consistent with existing requirements for reporting issuers.</p> <p>Some commenters expressed concerns about reporting an issuer’s size of assets and number of employees. Some of the concerns expressed by commenters include:</p> <ul style="list-style-type: none"> <li>• The broad ranges used by Statistics Canada for the number of employees would not provide enough granular information for policy-making purposes or analysis.</li> <li>• Some issuers, particularly non-reporting issuers, may want this information kept confidential as it has the potential to compromise their competitive position.</li> <li>• These metrics may not be relevant, meaningful or the most accurate for assessing the size of issuers.</li> <li>• This information would be difficult for a preparer completing the report on behalf of an issuer to obtain.</li> <li>• This information, together with the other new requirements in the report, would introduce undue complexity and administrative burdens into the exempt trade process.</li> <li>• This information is not relevant to monitoring compliance in the exempt market and may deter non-reporting issuers from accessing the exempt market in Canada.</li> </ul>	<p>We believe these metrics are reasonable proxies for assessing an issuer’s size. They also provide us with sufficient detail to inform policy development and our assessment of whether specific prospectus exemptions are being used by small and medium enterprises.</p> <p>The use of broad ranges to disclose these metrics also reduces the commercial sensitivity of disclosing this information in the public part of the report.</p>

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		A number of commenters suggested that the CSA provide further guidance or clarification on the metrics to assess an issuer's size.	
<b>Item 4(d) – Head office address</b>			
26.	Registered office outside of Canada	One commenter suggested that in order to distinguish between information about the issuer that is specific to Canada from information about the issuer outside of Canada, Item 4(d) should not only identify the issuer's head office in Canada but also its registered office outside of Canada, if the registered office is not in Canada.	The purpose of this item is to obtain location of the head office of the issuer, whether it is in Canada or outside of Canada. Accordingly, we do not think it is necessary to obtain both the issuer's head office address in Canada as well as its registered office outside of Canada.
<b>Item 4(e) – Issuer Information: Date of formation and financial year-end</b>			
27.	Date of formation	<p>One commenter said the date of formation is available for reporting issuers on SEDAR, and it is inappropriate to request this information from non-reporting issuers as it is not relevant to monitoring compliance in the exempt market. One commenter noted that while many issuers would have no difficulty providing their date of formation, the requirement could be problematic for issuers that have been existence for a long time and have had mergers and reorganizations since their formation. The commenter suggested the form require issuers to check a box indicating whether the issuer had been in existence for longer than a specified number of years.</p> <p>One commenter noted that the date of formation for an amalgamated entity would be the date of amalgamation and not necessarily the date of formation for a predecessor entity. The commenter suggested that the history of an amalgamated entity should be required to correctly identify the issuer's predecessor entities which may provide a more accurate indicator of the age of an entity.</p>	<p>The New Report does not require this information for issuers that have a SEDAR profile. The date of formation enhances our understanding of issuers that are active in the exempt market and their stage of development.</p> <p>The instructions in the New Report clarify that if the issuer resulted from an amalgamation, arrangement, merger or reorganization, only the date of the most recent amalgamation, arrangement, merger or reorganization is required to be provided. We have also provided further guidance on reporting the date of formation in Staff Notice 45-308, published concurrently with this Notice.</p> <p>We believe it is a reasonable proxy for assessing an issuer's stage of development, recognizing the burden that would be imposed on issuers if required to provide a complete history of the issuer's predecessor entities.</p>

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<b>Item 4 (g) – Issuer Information: Public listing status</b>			
28.	Disclosure of exchanges on which the issuer is listed	One commenter suggested that the disclosure be limited to the primary exchange on which the issuer’s securities are listed, as well as any Canadian exchanges, because to include all others might be burdensome for some issuers as they may have different types of securities listed around the world.	The information is not required for issuers that have a SEDAR profile. The information to be provided is limited to exchanges where an issuer has applied for and received a listing, which excludes, for example, automated trading systems.
<b>Items 5 – Directors, Executive Officers, Control Persons and Promoters of the Issuer</b>			
29.	Applicability of Item 5 to certain issuers	<p>One commenter noted that private equity funds would not have directors or executive officers so would have difficulty completing this section and the related schedule. Similarly, one commenter noted that Item 5 generally would be problematic to complete for a collective investment scheme, and that Item 6 would provide more meaningful information on these types of funds.</p> <p>One commenter thought Item 5 should not have to be completed if the control person and/or promoter of the issuer were a registrant, since this information could be drawn from the registrant’s NRD number.</p>	<p>This information is only required to be provided for persons in the positions (i.e. director, executive officer or promoter) that apply to the issuer.</p> <p>An issuer distributing securities may not in every instance have officers or directors registered with a related registrant. As a result, a registrant’s NRD number may not provide us with complete information.</p> <p>We have also revised the New Report to require information about control persons in a non-public schedule; information relating to the holdings of the issuer’s securities by directors, executive officers, promoters and control persons is not required.</p>
30.	Carve-outs for issuers subject to foreign reporting regimes or that have their mind and management outside Canada	<p>Some commenters supported the proposed carve-outs for Item 5. One commenter supported the carve-out for issuers distributing eligible foreign securities only to permitted clients as it was consistent with the intent of the “wrapper relief”.</p> <p>One commenter suggested that if disclosure by foreign public</p>	<p>We acknowledge the comments of support.</p> <p>Although we have not changed the carve-outs available, we have revised the information requirements in the New Report from the version published for comment, which will reduce the burden on foreign issuers that do not</p>



No.	Topic	Comments	Responses
		<p>issuers and issuers distributing eligible foreign securities is publicly available elsewhere, they should be required to set out or provide a link to the information, or if the local foreign regime does not require such disclosure, provide a statement to that effect.</p> <p>Some commenters did not believe the carve-outs provided sufficient relief and thought the additional reporting burdens would discourage foreign offerings into Canada. One of these commenters noted that issuers are reluctant to offer securities into British Columbia due to the requirements in Form 45-106F6 to provide similar disclosure.</p> <p>Two commenters questioned the restrictiveness of the list of designated foreign jurisdictions. One of these commenters suggested that more countries be added to the list, including India, Thailand, South Korea, Indonesia and Malaysia.</p>	<p>fall within the carve-outs.</p> <p>For purposes of consistency regarding foreign issuers, we have used the same definition of “designated foreign jurisdiction” found in National Instrument 71-102 <i>Continuous Disclosure and Other Exemptions Relating to Foreign Issuers</i>.</p>
31.	Disclosure of identities of directors, executive officers, control persons and promoters	<p>One commenter noted that the disclosure requirement in Item 5 appeared more onerous than the requirements that apply to reporting issuers who distribute their securities to retail investors, which is difficult to justify.</p> <p>One commenter said that, although disclosure of this information to regulators may assist in the oversight of the market, public disclosure is not necessary and could compromise the competitive and negotiating position of an issuer. In addition, the commenter thought it was the responsibility of investors in the course of their due diligence relating to the issuer to obtain such information prior to making the investment. One commenter questioned why an issuer, who may have dozens of executive officers, should have to disclose all of them.</p> <p>One commenter asked for clarity on the required disclosure</p>	<p>We have revised this requirement. The names, locations and titles of the issuer’s directors, executive officers and promoters are required to be provided in the New Report. If a promoter is not an individual, information about the directors and executive officers of the promoter is also required. We have moved the disclosure of information relating to control persons to a non-public schedule.</p> <p>We believe these changes address the compliance burden imposed on issuers and the concerns regarding the disclosure of private and commercially sensitive information.</p> <p>The information relating to directors, executive officers, promoters and control persons is not</p>

No.	Topic	Comments	Responses
		<p>regarding control persons and promoters. One commenter questioned why issuers would be made to undertake a "promoter analysis" solely to prepare the report when it was not necessary to do so in connection with the offering itself. One commenter noted that the definition of "control person" and "promoter" involves legal analysis and the time, money and effort needed to make such a determination may outweigh the benefits. The commenter recommended that the form require the disclosure of holders of over 10% of a non-reporting issuer's securities in Schedule 1. Such disclosure for reporting issuers is already made on SEDI.</p>	<p>required for:</p> <ul style="list-style-type: none"> <li>• investment fund issuers</li> <li>• reporting issuers and their wholly owned subsidiaries,</li> <li>• foreign public issuers and their wholly owned subsidiaries, and</li> <li>• issuers distributing eligible foreign securities only to permitted clients.</li> </ul> <p>We believe this information is necessary to facilitate our oversight of the exempt market, enhance our compliance programs and bring greater transparency to the exempt market. This information will also allow us to identify connections between issuers and insiders.</p>
32.	Disclosure of voting securities owned or controlled by directors, officers, control persons and promoters	<p>One commenter said that this information should be required since it is already required in Form 45-106F6.</p> <p>A number of commenters expressed concerns about this information requirement. Examples of the concerns raised include the following:</p> <ul style="list-style-type: none"> <li>• The compliance burden of obtaining this information outweighs the benefit to regulators and investors.</li> <li>• It may be difficult and time consuming to collect this information, particularly for issuers with a significant history and companies with complex capital structures.</li> <li>• An issuer would not necessarily have access to current information regarding share ownership by its directors and executive officers.</li> <li>• The issuer may not be in a position to compel current share ownership information from control persons and promoters.</li> <li>• This disclosure provides little benefit to investors since the deal is completed.</li> </ul>	<p>Following our review of the comments received, we have removed this proposed requirement.</p>

No.	Topic	Comments	Responses
		<p>One commenter questioned this requirement as it relates to investment funds that are control persons of an issuer.</p> <p>Two commenters noted that the disclosure of the amount paid for the voting securities would not be useful information because:</p> <ul style="list-style-type: none"> <li>• A large number of factors impact the price of securities, including whether the securities are part of executive compensation.</li> <li>• The value of the company could be materially different from when the securities were acquired.</li> </ul>	
33.	Privacy concerns regarding Item 5 information	<p>A number of commenters expressed concern with publicly disclosing this information, including that:</p> <ul style="list-style-type: none"> <li>• This disclosure places Canadian companies at a competitive disadvantage.</li> <li>• Disclosing this information may deter issuers from accessing the exempt market in Canada.</li> <li>• This information is not specifically required in a prospectus and generally not available in the public disclosure record of reporting issuers.</li> </ul> <p>One commenter said shareholder information should not be required to be disclosed at all, or if such disclosure is required, it should remain private.</p> <p>One commenter noted that although the reported information is made public in British Columbia, the BCSC has allowed an exemption where the only subscribers in the province were permitted clients. The commenter suggested that a similar exemption be considered by the CSA.</p>	<p>We have removed the proposed requirement to disclose holdings of the issuer's securities by directors, executive officers, promoters and control persons. We have moved the information about control persons to a non-public schedule.</p> <p>We believe these changes achieve a reasonable balance between:</p> <ul style="list-style-type: none"> <li>• the cost of compliance for issuers,</li> <li>• concerns regarding privacy and the commercial sensitivity of publicly disclosing this information,</li> <li>• providing transparency about the exempt market, and</li> <li>• the CSA's need to collect this information to support our compliance, data gathering and policy development functions.</li> </ul>

No.	Topic	Comments	Responses
<b>Item 6(b) – Investment Fund Issuer Information: Type of investment fund</b>			
34.	Type of investment fund	One commenter noted that this information is available for reporting issuers on SEDAR and it is inappropriate to request this information from non-reporting issuers, as it is not relevant to monitoring compliance in the exempt market.	We believe that the use of a classification system for investment funds, as with non-investment fund issuers, will provide us with important information to better understand exempt market activity in this industry and better inform policy making.
35.	Guidance on categories of investment funds	<p>One commenter suggested the CSA provide more guidance on the categories of investment funds. One commenter expressed concern that the categories of investment fund do not provide sufficient information to understand the investment fund issuer or this area of the exempt market. One commenter asked for clarification on the meaning of “alternative strategies”.</p> <p>A number of commenters suggested alternative means of categorizing investment funds, including consulting with industry to develop a revised list of investment industry types, using the same categories as the risk acknowledgement questionnaires, or using the risk categories used by industry indices. One commenter thought it would be helpful to know whether an investment fund is a closed-end fund, an exchange-traded fund, a commodity pool or a mutual fund subject to National Instrument 81-102 <i>Investment Funds</i>.</p> <p>Two commenters asked for further guidance on the threshold used to determine whether a fund invests “primarily” in other investment funds and questioned whether this determination would be strictly tied to the fund’s investment objectives. One commenter questioned the emphasis on fund of funds and UCITs.</p>	<p>We believe the categories of investment funds provide an appropriate “snapshot” of those investment funds operating in the exempt market and the categorization will provide us with better information about this segment of the market. The additional information collected through the New Report also provides the CSA with more comprehensive data about the investment fund industry.</p> <p>We have provided additional guidance on the categories of investment fund types in Staff Notice 45-308, published concurrently with this Notice.</p>

No.	Topic	Comments	Responses
<b>Item 6(c) – Investment Fund Issuer Information: Date of formation and financial year-end of the investment fund</b>			
36.	Date of formation and financial year-end	<p>Some commenters questioned what benefit the financial year-end would provide to regulators, as the filing for investment funds would be based on the calendar year.</p> <p>One commenter noted that the date of formation is not typically considered an important or material piece of information, and may be difficult to identify, particularly for an issuer incorporated or formed in a non-Canadian jurisdiction.</p> <p>One commenter said this information is available for reporting issuers on SEDAR and that it was inappropriate to request this information from non-reporting issuers, as it was not relevant to monitoring compliance in the exempt market.</p>	<p>This information supports our compliance oversight of investment fund issuers. For example, this information assists with monitoring financial reporting compliance.</p> <p>As noted above, recent changes to NI 13-101 will require filing of reports of exempt distribution on SEDAR beginning May 24, 2016, subject to ministerial approval, for distributions in Canadian jurisdictions other than British Columbia and Ontario, except by certain foreign issuers. As a result, non-reporting issuers making certain exempt market filings will also have SEDAR profiles. Changes have been made to SEDAR to allow voluntary filing until May 24, 2016.</p> <p>We have provided further guidance on reporting the date of formation in Staff Notice 45-308, published concurrently with this Notice.</p>
<b>Item 6(e) – Investment Fund Issuer Information: Public listing status of the investment fund</b>			
37.	Disclosure of exchanges on which the issuer is listed	One commenter questioned the benefit of providing the names of all the exchanges on which the securities of an investment fund are listed.	The instructions for this item clarify that we are only requesting information about exchanges for which the issuer has applied for and received a listing, which excludes, for example, automated trading systems.
<b>Item 6(f) – Investment Fund Issuer Information: Net asset value of the investment fund</b>			
38.	Use of net asset value (NAV)	<p>Two commenters believed that the NAV information is an appropriate metric to accomplish the regulatory purpose.</p> <p>One commenter noted that the most recent NAV may be</p>	We believe the NAV provides a reasonable proxy for assessing the size of investment funds active in the exempt market. We have asked for the issuer to report the NAV as of the most

No.	Topic	Comments	Responses
		<p>difficult to ascertain and the issuer may have concerns regarding public disclosure of this information if it is a non-reporting issuer.</p> <p>One commenter asked for clarification on whether the date of the most recent NAV calculation is intended to be December 31. Furthermore, the commenter asked for an explanation of how this information is relevant as it would reflect multiple trades over the course of the year and none of which may have occurred on December 31.</p> <p>One commenter suggested this information is available for reporting issuers on SEDAR and that it is inappropriate to request this information from non-reporting issuers, as it is not relevant to monitoring compliance in the exempt market.</p>	<p>recent NAV calculation and to include the date of the calculation.</p> <p>We also believe that asking for NAV in ranges reduces the commercial sensitivity of disclosing this information in the public part of the report.</p>
<b>Item 7 – Information About the Distribution</b>			
39.	Clarifying instructions for issuers located outside of Canada	Several commenters noted inconsistencies in the instructions for the reporting of information by issuers located outside of Canada throughout Item 7. Similarly, a number of commenters questioned some of the terminology used in the instructions and suggested alternatives to clarify the requirement when an issuer is located outside of Canada.	<p>The instructions have been revised to be consistent throughout Item 7. We have clarified that both investment fund and non-investment fund issuers located outside of Canada are only required to report information about purchasers resident in Canada.</p> <p>We have provided guidance for issuers located outside of Canada in Staff Notice 45-308, published concurrently with this Notice.</p>
40.	Double counting of capital raised	One commenter noted that an indirect offering structure may lead to double counting of the amount of capital raised and suggested the CSA request information about an indirect offering structure and obtain the particulars in the report.	The information collected about the issuer's industry under Item 5(a) of the New Report will allow us to determine whether an issuer provides an intermediating finance function to other businesses. As a result, we will be able to identify total funds raised directly by businesses as compared to funds raised by a financial

No.	Topic	Comments	Responses
			intermediary or through an indirect funding structure. Additionally, under Item 5, where issuers involved in certain investment activities are required to disclose the area of their primary asset holdings, we have added to the categories available to include “private companies”.
<b>Item 7(a) – Information About the Distribution: Foreign currency</b>			
41.	Indicating both Canadian and foreign currencies	Two commenters said it is unclear whether a single fund could indicate in the report that a distribution was made in both Canadian dollars and another currency.	The instructions to this item have been revised to clarify that multiple currencies can be selected.
<b>Item 7(b) – Information About the Distribution: Distribution date(s)</b>			
42.	Defining distribution date	One commenter requested guidance on what is meant by “distribution date” and suggested specifying that the distribution date is the date the securities are issued and sold and the investor becomes the beneficial owner of the securities.	We have revised the instructions to this item and have provided guidance on providing the distribution date in Staff Notice 45-308, published concurrently with this Notice.
43.	Multiple distribution dates	Three commenters suggested that the report provide for different distribution dates, given that distributions can be continuous and can be done over multiple dates over a fixed period of time or continuously.	This item and its instructions have been revised to clarify that an issuer should: <ul style="list-style-type: none"> <li>• if the report is being filed for securities distributed on a single distribution date, provide the distribution date as both the start and end date.</li> <li>• if the report is being filed for distributions occurring on multiple dates, provide the earliest date and last date for the distribution period covered by the report.</li> </ul>
<b>Item 7(d) – Information About the Distribution: Types of securities distributed</b>			
44.	Categories of security types	One commenter suggested that the CSA review the categories of securities to ensure that they are broad and flexible enough to account for all types of securities that may be distributed.	We have reviewed the categories of security types and believe the list covers most types of securities distributed by issuers filing reports in Canada. For securities that do not clearly fall

No.	Topic	Comments	Responses
			<p>into a listed category, we have included a category for “Other” security types (with a security code of “OTH”), and a column for “Description of security” where further detail about the security type can be provided.</p> <p>We have provided further guidance on Item 7(d) in Staff Notice 45-308, published concurrently with this Notice.</p>
<b>Item 7(e) – Information About the Distribution: Details of rights and convertible/exchangeable securities</b>			
45.	Format for providing details of rights and convertible/exchangeable securities	One commenter noted that the restricted tabular format for providing information on convertible/exchangeable securities did not recognize the current nature of such securities. The commenter recommended that issuers be allowed to provide the information in narrative form or be given the option of providing the information in a tabular or narrative format.	We have used a tabular format for issuers to provide information about rights and convertible/exchangeable securities in order to improve the consistency and comparability of the information collected. Where the terms of the rights or convertible/exchangeable security do not clearly fall within the provided columns in the table, narrative text can be provided in the column “Describe other terms (if applicable).”
<b>Item 7(f) – Information About the Distribution: Summary of the distribution by jurisdiction and exemption</b>			
46.	Identifying unique purchasers	One commenter asked regulators for further guidance on the definition of “unique purchaser” and noted that the process of reconciling unique purchasers may impose a significant amount of additional work and expense on firms, particularly for investment fund issuers with different unit classes and currencies.	<p>For purposes of completing Item 7(f), each purchaser should only be counted once, regardless of whether the issuer distributed different types of securities to the purchaser, distributed the securities on different dates to the purchaser, and relied on multiple prospectus exemptions for such distributions.</p> <p>We have removed the requirement to disclose the beneficial owner of the securities if a trust company, trust corporation or registered adviser is deemed to be purchasing the securities as principal on behalf of a fully managed account.</p>



No.	Topic	Comments	Responses
			<p>In all other instances, the New Report requires disclosure of the beneficial owner of the securities as the purchaser. For example, if a corporation purchases the securities, the corporation is the beneficial owner and the unique purchaser, not the individual who controls a corporation.</p> <p>We have provided further guidance on Item 7(f) in Staff Notice 45-308, published concurrently with this Notice.</p>
<b>Item 7(g) – Information About the Distribution: Net proceeds to the investment fund by jurisdiction</b>			
47.	Reporting net proceeds and obtaining redemption data	<p>One commenter agreed with the requirement that funds report redemptions at the fund level for the distribution period covered by the report.</p> <p>A number of commenters questioned the relevance and value of reporting of net proceeds by investment fund issuers, and also noted the burden of collecting redemption data. Several commenters asked for further clarification in the instructions regarding the reporting and calculation of net proceeds.</p>	<p>Information about the fund on a net proceeds basis provides us with a more accurate picture of the exempt market for these types of issuers, given the redemption features offered by most investment funds.</p> <p>In response to the comments received, we have clarified the instructions and definition of net proceeds. See Annex G for more information.</p>
<b>Item 7(h) – Information About the Distribution: Offering materials</b>			
48.	Electronic filing of offering materials	<p>One commenter recommended that the underlying platform for the report contain an electronic field whereby the applicable offering materials could be attached and subsequently filed or delivered to the applicable jurisdictions automatically.</p>	<p>Issuers are required to file the New Report electronically in all CSA jurisdictions, except certain foreign issuers when filing on SEDAR. In British Columbia and Ontario, the New Report is filed on BCSC's eServices and the OSC's Electronic Filing Portal. In all other CSA jurisdictions, the New Report will be required to be filed on SEDAR, except by certain foreign issuers.</p>

No.	Topic	Comments	Responses
			<p>A centralized CSA filing system that would enable the New Report to be delivered to the applicable jurisdictions automatically is outside the scope of this project. This forms part of the CSA National Systems Renewal Program.</p> <p>In Ontario only, if the offering materials listed are required to be filed with or delivered to the OSC, electronic versions of those offering materials are to be attached to and submitted electronically with the New Report on the OSC's Electronic Filing Portal (if not previously filed with or delivered to the OSC).</p>
49.	Marketing materials	Two commenters asked for clarity regarding the reference to marketing materials, which are not currently considered offering documents required to be filed with or delivered to regulators. One commenter recommended removing the requirement to list and file marketing materials, noting the added burden of tracking marketing materials and the regulatory purposes of receiving these marketing is not clear.	<p>This is a reporting requirement only; the New Report does not impose any new requirements to file or deliver offering documents, including marketing materials. The New Report requires reporting that such materials have been filed or delivered only where required by applicable securities legislation of Saskatchewan, Ontario, Québec, New Brunswick and Nova Scotia.</p> <p>For example, an issuer or underwriter is required to list:</p> <ul style="list-style-type: none"> <li>• Offering memoranda and any other documents (marketing materials) that are required to be filed under section 2.9 of NI 45-106.</li> <li>• Offering memoranda that are voluntarily provided, and required to be delivered to the OSC under section 5.4 of OSC Rule 45-501 <i>Ontario Prospectus and Registration Exemptions</i>.</li> <li>• Offering materials that are required to be</li> </ul>

No.	Topic	Comments	Responses
			<p>filed under MI 45-108 <i>Crowdfunding</i> (MI 45-108).</p> <p>In Ontario only, if the offering materials listed are required to be filed with or delivered to the OSC, electronic versions of those offering materials are to be attached to and submitted electronically with the New Report on the OSC's website (if not previously filed with or delivered to the OSC).</p> <p>Further guidance on this requirement is in Staff Notice 45-308, published concurrently with this Notice.</p>
<b>Item 8 – Compensation Information</b>			
50.	Public disclosure of compensation information	One commenter noted that compensation information may be useful to securities regulators but that it is uncertain how disclosure of this information would enable an investor to make better investment decisions. If the objective is to assess the prevalence of financial relationships among connected persons and issuers, the commenter thought compensation information should be moved to a schedule to protect the individual's privacy and the competitive nature of this information.	<p>This is not a new requirement; the Current Reports require disclosure regarding persons being compensated by an issuer in connection with a distribution. However, the New Report requires more detailed information about the persons being compensated, including the relationship of the person to the issuer. This additional information enables us to assess the prevalence of financial relationships among connected persons and issuers.</p> <p>Having detailed information about these arrangements allows us to enhance our existing compliance oversight program of the exempt market, as well as make future improvements to securities regulations impacting the exempt market.</p>
51.	Compensation structures	One commenter questioned the relevance of requiring the	This is not a new reporting requirement for

No.	Topic	Comments	Responses
	of investment funds	compensation details under Part 8 and how this fits with the usual compensation structures of investment funds. The commenter also questioned how regulators would use the information.	<p>investment fund issuers. However, a more detailed breakdown of the compensation paid or to be paid is required in the New Report. For example, if trailing commissions will be paid to a person for the distribution, an investment fund issuer is required to indicate that the person being compensated will receive deferred compensation and describe the terms of the trailing commissions.</p> <p>This information allows us to better understand trends in compensation structures in order to better inform policy making activities and enhance our compliance oversight programs.</p>
<b>Item 8(a) – Compensation Information: Registration status and name of person compensated</b>			
52.	Funding portals	One commenter suggested the instructions include clarification on the meaning of “funding portal” and “internet-based portal”.	<p>These terms generally refer to an intermediary that provides an online platform for issuers to offer and sell securities to investors. These include funding portals as defined under MI 45-108.</p> <p>We have also provided guidance on these terms in Staff Notice 45-308, published concurrently with this Notice.</p>
<b>Item 8(d) – Compensation Information: Compensation details</b>			
53.	Deferred compensation	One commenter asked for clarification on what is to be included under deferred compensation. The commenter noted that providing estimates of trailing commissions would be burdensome and dependent on various assumptions, making it unclear what benefit this additional information would provide. One commenter asked for clarification that, if trailing commissions are paid, the disclosure required is the total amounts paid to the firm, not the amounts paid to	In light of the comments received, we have removed the requirement to provide estimates of deferred compensation. The New Report only requires the issuer to indicate whether any person will or may receive any deferred compensation and to provide a description of the terms of the deferred compensation.

No.	Topic	Comments	Responses
		individual representatives.	
<b>Item 9 – Certification</b>			
54.	Certification of information provided by third parties	<p>One commenter thought it is inappropriate to require the filer to certify information that can only be obtained from third parties (such as promoters or control persons) and that is not within the filer’s own knowledge and control.</p> <p>One commenter suggested that the instruction to Item 9 relating to a trust should provide additional detail so as to explicitly permit both an administrator and a manager of a trust to certify the report. The instructions should also be revised to provide guidance for those completing the report on the issuer’s behalf in an agency or similar capacity.</p>	<p>The information required in the New Report is information that should be within the issuer’s knowledge. We note that disclosure of the shareholdings of promoters and control persons is no longer a requirement of the New Report.</p> <p>We have revised the instructions to this item to clarify that only an officer or director of the issuer/underwriter can certify the report. If the issuer/underwriter is not a company, an individual who performs functions similar to that of a director or officer may certify the report. This is a determination that must be made by the issuer/underwriter.</p>
<b>Notice – Collection and use of personal information</b>			
55.	Collection of information about individuals	One commenter noted that the certification regarding the collection of personal information is similar to the certification currently contained in Form 45-106F1 regarding purchasers resident in Ontario. The commenter, who was unaware of any corresponding provision in the freedom of information or protection of privacy legislation in any other province, said it was inappropriate to require issuers who have distributed securities in provinces other than Ontario to make this certification.	The certification regarding collection of personal information is intended to address notice and consent requirements in privacy legislation across Canada.
<b>Schedule 1 (Confidential Director, Executive Officer, Promoter and Control Person Information)</b>			
56.	Business contact information for issuer CEO	One commenter noted that this information would not be available to a person completing a report on behalf of an issuer or the dealer involved in the distribution, and also may not be information that the issuer is willing to provide.	We are requesting this information to assist us in addressing past challenges with contacting persons at issuers who are capable of answering questions about the distribution.

No.	Topic	Comments	Responses
			<p>We believe this information would not be unreasonably difficult to obtain.</p> <p>This information is collected in a non-public schedule.</p>
57.	Residential addresses of directors, executive officers, control persons and promoters	<p>One commenter agreed with the collection of residential addresses only if the information is kept confidential.</p> <p>Some commenters thought it was inappropriate for regulators to require residential addresses to be provided and thought it was unclear how this information would provide any useful information for regulators. One commenter said it would be burdensome for the issuer to obtain the residential addresses for these persons and another commenter suggested limiting the information to require only emails and telephone numbers. One commenter noted that CSA members could obtain information about officers and directors, and in certain jurisdictions, shareholder information, by reviewing corporate records with various government agencies.</p> <p>One commenter noted that an issuer would generally require consent under privacy laws to disclose residential addresses and questioned how the CSA would respond to requests to disclose this information under freedom of information legislation.</p>	<p>Residential address information has proven an effective means of locating and contacting individuals, when necessary to support our compliance functions.</p> <p>Information collected in Schedule 2 is not on the public record of any CSA member. The release of this information through a freedom of information request is governed by freedom of information legislation in place in each CSA jurisdiction.</p>
<b>Schedule 2 (Confidential Purchaser Information)</b>			
58.	Format for providing information about fully managed accounts	A number of commenters asked for further guidance on the format for providing information for fully managed accounts.	The New Report does not require issuers to provide information about the beneficial owner where a trust company, trust corporation or registered adviser is deemed to be purchasing the securities as principal on behalf of a fully managed account. In this instance, only information about the trust company, trust

No.	Topic	Comments	Responses
			corporation or registered adviser is required to be provided.
59.	Privacy concerns regarding purchaser information	<p>A number of commenters expressed privacy concerns about the provision of purchaser information. Examples of concerns raised by commenters include:</p> <ul style="list-style-type: none"> <li>• Government agencies in Canada and the U.S. have been hacked and requesting personal information <i>en masse</i> is difficult to justify.</li> <li>• Sales to European investors will likely come to an end mainly because of the privacy issues raised regarding the collection of purchaser information.</li> <li>• Public disclosure of purchaser information may occur through requests made under freedom of information legislation.</li> <li>• The release of personal purchaser information has a real and significant impact on investor confidence as the investing public expects to be respected and protected by their financial advisors and regulators.</li> </ul> <p>One commenter noted that the public reporting of purchaser information in British Columbia under Form 45-106F6 resulted from pressure by the media outlets, whose objective was isolated to a particular kind of market. The commenter noted that purchasers in British Columbia have complained about their personal information included in Form 45-106F6 filed with the BCSC appearing in Google searches.</p>	Information collected in Schedule 1 is not on the public record of any CSA member. The release of this information through a freedom of information request is governed by freedom of information legislation in place in each CSA jurisdiction.
60.	Persons being compensated	One commenter suggested that the instructions for Schedule 2 clarify that paragraph f(3) is intended to require additional details only with respect to the disclosure provided in Item 8. The commenter noted that an issuer can only report compensation they have provided and not any compensation given by third parties.	The purpose of this item is to identify the person being compensated for each distribution of the issuer's securities to a specific purchaser. As noted in the instructions, the name of the person compensated should be consistent with the name provided under Item 8. Item 8 only requires the name of persons to whom the issuer directly

No.	Topic	Comments	Responses
			provides, or will provide, compensation. It does not, for example, require the names of individuals to whom a company receiving compensation from an issuer may then compensate for employment.
61.	Email address of purchaser	One commenter expressed concern over the burden of having to provide the personal email addresses of purchasers. Another commenter questioned the relevance of requesting this information and what regulators would do with the information.	<p>An email address is only required to be provided by the issuer if the purchaser has provided this information to the issuer.</p> <p>This information enhances our ability to contact purchasers if needed as part of our compliance programs.</p>
62.	Identifying whether a purchaser is a registrant or insider	<p>Some commenters expressed concern about the burden of having to determine whether the purchaser is a registrant and questioned the relevance and benefit to regulators of collecting this information. One commenter raised concerns about the burden of determining whether a purchaser is an insider.</p> <p>One commenter said the identification of whether a purchaser is a registrant or insider is currently a requirement under Form 45-106F6 in British Columbia, which may have contributed to the decision of certain market participants not to offer foreign securities for sale in that province. The commenter recommended that the other CSA members not impose similar requirements.</p>	<p>We believe information regarding whether a purchaser is a registrant or insider is not unreasonably difficult to obtain.</p> <p>This information is useful for identifying relationships between purchasers and issuers, which will facilitate our oversight of the exempt market and enhance our compliance programs.</p>
63.	Disclosure of specific exemption relied on for each purchaser	<p>One commenter said it was reasonable to require the identification of the specific exemption relied upon as it would assist in tracking the use of exemptions.</p> <p>Two commenters said the report should allow the issuer or underwriter to identify all categories for which a purchaser is</p>	Issuers are required to identify a specific exemption relied on in order to distribute their securities. Information regarding the specific exemption relied on supports our compliance programs, policy development and data collection on the exempt market.



No.	Topic	Comments	Responses
		<p>eligible. Otherwise, the information being collected about the use of specific exemptions by individual investors would be incomplete and may raise questions about why one category of exemption was chosen for disclosure over another.</p> <p>Two commenters noted the burden of requiring detailed information about the exemption relied upon. One commenter noted that international dealers have not been previously required to gather this information, which would require them to undertake significant changes to their computer systems to maintain and easily access this information.</p>	<p>Following a review of the comments received and considering the cost of compliance relative to the benefit of the information, we have not required the issuer to identify all categories for which a purchaser is eligible.</p>
64.	Repetitive reporting of information	<p>One commenter noted that sections (a), (d), (e) and f(3) are largely repetitive. The commenter would like to see entries streamlined and/or auto-populated in an electronic filing.</p>	<p>Section (a) of Schedule 1 is only required to be provided once. For each purchaser, separate entries are required to be provided for each distribution date, security type and exemption relied on for the distribution.</p> <p>We have developed Excel templates, published concurrently with this Notice, to facilitate the reporting of information required in the schedules. Schedules 1 and 2 must be filed in .xlsx format using these Excel templates.</p>
65.	Reporting information per distribution	<p>Two commenters noted that the report requires information to be provided not only on a per purchaser basis, but also on a per distribution basis. In the case where an investor (or a portfolio manager on behalf of a managed account) purchased units of a fund multiple times over the course of the year, the commenters asked for clarification on whether a separate entry would be required in Schedule 2 for each such purchase. One of these commenters also questioned the relevance of the information and what the CSA would do with the information.</p>	<p>For each purchaser, separate entries are required to be provided for each distribution date, security type and exemption relied on for the distribution.</p> <p>We have developed Excel templates published concurrently with this Notice, to facilitate the reporting of information required in the schedules. Schedules 1 and 2 must be filed in .xlsx format using these Excel templates.</p>

No.	Topic	Comments	Responses
66.	Identifying distribution end date	One commenter noted it may not be possible to provide a distribution end date as required under paragraph a(2) if the distribution is ongoing, as can be the case with distributions by an investment fund.	We have revised this item to require the certification date of the report (as required in Item 10 of the New Report) instead of the distribution end date.
<b>Filing</b>			
67.	Change in filing deadline for investment funds to calendar year-end	<p>Many commenters supported a calendar year-end deadline for investment funds. One commenter thought the change in filing deadline would increase administration costs.</p> <p>Some commenters proposed an extended filing deadline, such as 45-60 days from calendar year-end, to accommodate the increased administrative demands of gathering the additional required information. Another commenter noted that the transitional provisions should provide for an exemption from having to provide the “new” information for trades that were completed prior to a date that is at least 90 days after the amendments come into force.</p> <p>To avoid the situation where an investment fund may be required to file twice in one calendar year during the transition period, the commenters suggested that investment funds be allowed to delay filing the report until the first new filing deadline that is more than 12 months since the date of their previously filed report, or to file an aggregate report as of the next new filing deadline.</p> <p>One commenter noted that additional filing time should be given to private equity funds that corresponds with the investment fund filing period.</p>	<p>We acknowledge the comments of support.</p> <p>We have revised the transition period for investment fund issuers that file annually in response to commenters.</p> <p>We have introduced a transition period to allow investment fund issuers that file annually to use either the Current Report or New Report to report distributions that occur before January 1, 2017.</p> <p>For further guidance on the annual filing deadline and transition period, see Annex H and Staff Notice 45-308, published concurrently with this Notice.</p>
68.	Method to file reports of exempt distribution	One commenter supported electronic filing, noting that this would add efficiencies for issuers and assist in data collection.	Issuers are required to file the New Report electronically in all CSA jurisdictions, except certain foreign issuers when filing on SEDAR.

No.	Topic	Comments	Responses
		<p>Some commenters noted the lack of harmonization of the electronic filing systems for exempt market reporting and encouraged regulators to work towards a harmonized electronic filing system. A number of commenters suggested delaying the New Report until the CSA establishes a single, integrated filing system.</p> <p>One commenter suggested issuers be permitted to submit only one cross-country report to an online system with their principal regulator, and the CSA should share this information and reduce duplication of effort on the part of issuers.</p> <p>Some commenters noted that the use of SEDAR for exempt market filings would increase the burden and cost of reporting for issuers and may be problematic for certain issuers, particularly non-Canadian issuers.</p> <p>One commenter recommended that electronic filing forms and filing portals must be designed, tested and proven to be user-friendly. Similarly, another commenter encouraged regulators to adopt filing methods that allow regulators, researchers and governments to easily utilize the data collected.</p> <p>Two commenters raised privacy concerns about personal information being provided in electronic form.</p>	<p>The BCSC is developing a web-based filing system on eServices to accommodate the structured data format of the New Report. Beginning on June 30, 2016, when the New Report is effective, issuers filing in both British Columbia and Ontario will file the New Report with BCSC and OSC by completing an electronic form on the BCSC's eServices and the OSC's Electronic Filing Portal, respectively. In all CSA jurisdictions other than British Columbia and Ontario, the New Report will be required to be filed on SEDAR, except by certain foreign issuers.<sup>2</sup> Both the BCSC's eServices and the OSC's Electronic Filing Portal will generate an electronic copy of the completed report, which issuers can then use to file on SEDAR, if required.</p> <p>A longer-term CSA project is underway to create a single integrated filing system for reports of exempt distribution that would further reduce the regulatory burden on market participants. The integrated filing system is part of the larger CSA National Systems Renewal Program.</p> <p>Staff Notice 45-308, published concurrently with this Notice, contains guidance on how to file the New Report.</p>
69.	Use of Excel templates to file schedules	Some commenters supported the use of the Excel format for the provision of the information in the schedules and two of these commenters were also supportive of the CSA providing	<p>We acknowledge the comments of support.</p> <p>Issuers must file Schedules 1 and 2 in .xlsx</p>

<sup>2</sup> See Multilateral CSA Notice of Amendments to National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)* and Multilateral Instrument 13-102 *System Fees for SEDAR and NRD*, published on December 3, 2015.

No.	Topic	Comments	Responses
		<p>templates for these schedules. One commenter asked whether filing in PDF format would be permissible. One commenter asked for clarification on whether the Excel or CSV format would be permissible for filing under Item 8 when providing compensation details.</p>	<p>format using the Excel templates developed by the CSA. The Excel templates are being published concurrently with this Notice and available on the website of each CSA member.</p> <p>The Excel templates will assist filers in providing the information required in the schedules in a structured format.</p> <p>The Excel templates include detailed instructions and examples and will improve the consistency and comparability of the information collected through the schedules.</p> <p>Compensation information must be provided in Item 8 of the New Report, and cannot be provided in an Excel or CSV format.</p>
70.	Format for providing information	<p>One commenter suggested the CSA consider the format of current information requirements, such as the risk acknowledgement questionnaire spreadsheet that was used by the OSC in 2014 to collect details with respect to private funds.</p>	<p>We have considered different formats for collecting information required in the schedules and believe the Excel spreadsheet format is best suited for collecting the information in the schedules because it is an accessible and widely used tool.</p> <p>In addition, the Excel templates we have developed for Schedules 1 and 2 will assist filers in providing the required information. They also allow us to collect the information in a structured and organized format to support our compliance programs, policy development and data collection purposes.</p>

No.	Topic	Comments	Responses
<b>Other</b>			
71.	Publication of exempt distribution information	<p>One commenter said current reports of exempt distribution must be compiled, summarized and published regularly. Similarly, one commenter noted that in order for the information collected through the report to be useful, it must be available electronically to the public in a format that can be sorted and analyzed. One commenter questioned how the various members of the CSA will work together to consolidate information in filed reports in the various jurisdictions to develop a pan-Canadian view of the exempt markets.</p> <p>One commenter recommended that information collected through the reports, be made available in a format comprehensive to investors before they make their investment decision.</p> <p>One commenter questioned why the OSC was publishing detailed exempt distribution information on its website and why it was necessary to have this information publicly available in a format that can be “used, searched and analyzed” by stakeholders. The commenter also asked how this information would change with the New Report.</p>	<p>Reports filed in British Columbia and through SEDAR will be published and publicly available (with the exception of the non-public schedules) on the BCSC website and on SEDAR. The OSC will continue to publish on its website summaries of exempt distribution information drawn from reports filed in Ontario.</p> <p>A number of CSA jurisdictions also publish on a periodic basis data and statistics on activity in the prospectus exempt market based on the information collected through the reports. However, the CSA does not have the ability to aggregate and reconcile the data collected through the reports across all CSA jurisdictions. An integrated filing system that would allow us to aggregate and reconcile this data is part of a longer-term CSA National Systems Renewal Program.</p>
72.	Effective date	<p>One commenter thought the timeframe to require use of the New Report beginning in January 30, 2016 was very tight.</p>	<p>Provided all ministerial approvals are obtained, the Amendments will come into force on June 30, 2016. This means the New Report is required to be filed for distributions that occur on or after June 30, 2016. There is a transition period which will give investment funds that file annually the option to file either the Current Report or the New Report for distributions that occur before January 1, 2017.</p>

No.	Topic	Comments	Responses
			For further guidance on the transition to the New Report, see Annex H.
73.	Compliance with existing prospectus exemptions	One commenter noted that securities regulators must take measures to compel compliance with existing rules governing prospectus exemptions and said regulators and governments needed to recognize that disclosure will not be sufficient to provide the necessary level of protection to individual investors.	The CSA recognizes the importance of compliance with its rules governing prospectus exemptions. One of the key objectives of the New Report is to support and improve our oversight of the exempt market and compliance functions.
74.	Helpline for issuers	One issuer suggested the CSA create a telephone helpline for issuers that would be available on an ongoing basis as the proposals would significantly increase the complexity of filings.	To assist filers with preparing and filing the New Report, we have revised Staff Notice 45-308, published concurrently with this Notice. We also plan to develop presentations and webinars to assist filers, and to conduct training seminars for interested stakeholders.
75.	Warning on misrepresentations	One commenter recommended that the potential penalties for making a misrepresentation in the report should be specified at the top of the report in addition to the warning that it is an offence to make a misrepresentation. The commenter also suggested that regulators and governments should ensure there is an appropriate penalty for not completing the information and filing it on time (regardless of whether it is a misrepresentation under securities law).	CSA members have various avenues and penalties they could pursue in the event of a misrepresentation, which depends on the facts and circumstances of each case, including the nature and significance of the misrepresentation. Accordingly, we do not think it is necessary to specify the potential penalties for making a misrepresentation in the report.
76.	Fees	One commenter recommended that the CSA develop a harmonized and rationalized fee structure. The commenter noted that for the most part, various members of the CSA simply accept the filed reports and do not review or comment on the information. The commenter thought that the fee structures adopted by the various provinces should reflect the level of services or activities provided by the various applicable regulators.	The development of a harmonized fee structure is outside the scope of the project.

No.	Topic	Comments	Responses
77.	One report for multiple investment funds	One commenter believed it would be operationally efficient if multiple investment funds could be covered under one form.	Each investment fund is considered to be a separate issuer with separate reporting requirements. It would also be challenging for the CSA from a data collection and analysis perspective if multiple investment funds were covered in one report.