Annex F
Summary of Comments on the March 2014 Proposals

No.	Topic	Comments	Responses
General			
1.	Support for improved information collection	Several comments supported the proposal to improve data collection to better understand activity in the exempt market. One commenter believed the private markets are in need of more information to better calculate trends and market conditions. Another commenter supported improvements to the ability to monitor the use of capital-raising exemptions and the parties involved to better inform policy making in the future. This commenter supported the March 2014 Proposals and other necessary changes in order to collect better information and also supported the publication of this information in order to improve the policy making process. This commenter encouraged all CSA members to adopt the March 2014 Proposals in order to collect the required information on the exempt market.	We acknowledge these comments of support.

No.	Topic	Comments	Responses
2.	Further disharmony in the exempt market reporting regime	Several commenters expressed general concern that the March 2014 Proposals represent a further fragmentation of the CSA, as it could require issuers to file up to four different exempt distribution reports each with unique information and filing requirements. The following are examples of specific concerns provided: • Filing various reports in different formats would be time consuming and increase compliance costs which may deter issuers from offering securities in some jurisdictions altogether to reduce their compliance burden. • The March 2014 Proposals would undermine the harmonization principle in section 2.1 of the *Securities Act* (Ontario). • A cursory review of documents suggests that with some slight re-drafting the various proposed forms could be harmonized into a single reporting document. • The disharmony in regulatory approach paints Canadian securities regulation in a poor light to foreign issuers. This undermines the goal of creating confidence in the capital markets in Canada. Several of these commenters strongly encouraged the CSA to work to harmonize the exempt market reporting regime in Canada. One commenter acknowledged that while certain prospectus	The CSA recognizes the importance of having harmonized forms. The Proposed Report would be the required form across the CSA.

No.	Topic	Comments	Responses
		exemptions are designed to facilitate early stage and small business financing, which can be local in nature, this local activity does not warrant a fragmented approach to prospectus exemptions or exempt trade reporting. This commenter was of the view that Canada's capital markets, including investors, intermediaries and issuers operating in local markets only, would greatly benefit from consistent, harmonized securities regulation.	
3.	Benefit of collecting additional information is unclear and may not justify cost and burden of compliance	Some commenters believed that the benefit of collecting some of the additional information is unclear. One of these commenters further noted that some of the proposed items that may provide better information on exempt market activity with respect to transactions that largely involve Canadian entities would not provide better information on exempt market activity in Canada where the transaction has little or no connection with Canada other than a very small number of Canadian institutional investors purchasing securities through exempt international dealers. Several commenters were of the view that the additional cost and burden that would be incurred to comply with the March 2014 Proposals outweigh the benefit of additional information for regulatory authorities.	The Proposed Report is intended to: • reduce the compliance burden of exempt distribution for issuers and underwriters by harmonizing the report, and • provide securities regulators with the information that is necessary to enhance its understanding of exempt market activity, including the activities of dealers and advisers in the exempt market, and facilitate more effective regulatory oversight of the exempt market and related policy development. We have also removed certain requirements from the Proposed Report that were set out in the March 2014 Proposals. The notice describes the information that would be required in the Proposed Report that is not required by the Current Reports, together with the CSA's rationale for such requirements.

No.	Topic	Comments	Responses
		Examples of concerns raised by commenters include the following: • The requirements would likely act as (i) an additional disincentive for investment funds that are currently distributed in the exempt market to continue to do business in Canada, and (ii) a barrier to entry for new investment funds. • Any marginal investor protection benefits which the March 2014 Proposals might create are outweighed by the drag created on capital formation by gathering information in these reports when the information could easily and more reliably be gathered from issuers in a different way. • It is not appropriate for the CSA to download research costs onto the shoulders of stakeholders without first making an effort to minimize the compliance resources of registrants which would be consumed by its information requests. • The March 2014 Proposals would substantially increase the costs of capital raising for Canadian businesses through the significant additional compliance burdens they would impose. • Start-ups and SMEs would be subject to additional compliance costs. • Underwriters should not be subject to filing obligations which they cannot fulfill without the cooperation of issuers and much of the information would not be available in a timely manner for filing purposes.	Also, as explained in items 4, 6 and 40, the Proposed Report has been designed to reduce duplicate reporting of information that is otherwise available to the CSA. The Proposed Report would also provide carve-outs from certain information requirements where we believe the cost of compliance may exceed the benefit of the information. We have provided carve-outs from certain information requirements to: • reporting issuers and their wholly owned subsidiaries, • foreign public issuers and their wholly owned subsidiaries, • issuers distributing eligible foreign securities only to permitted clients, and • investment fund issuers.

No.	Topic	Comments	Responses
		• It has not been demonstrated that there are significant issues in exempt distributions of investment funds, which demand increased information requests.	
4.	Increased compliance burden placed on foreign issuers, IFMs and dealers may result in less choice for Canadian investors	Several commenters expressed concern that the administrative burden placed on foreign issuers and dealers to comply with the March 2014 Proposals may provide a disincentive for foreign issuers to conduct offerings in Canada, resulting in less choice for Canadian investors. Examples of concerns raised by commenters include the following: • Foreign dealers would be required to obtain and disclose information regarding foreign issuers and Canadian investors to which they do not have access, have a legal right to receive and which would be difficult to obtain within the prescribed 10-day filing deadline. • Foreign dealers operating under the "international dealer" exemption would be unable to comply with the new reporting requirements on a cost effective basis, if at all. As a result, Canadian institutional and other accredited investors would not be able to continue purchasing non-Canadian securities on a private placement basis, because foreign dealers may not be able to obtain the information required by the new reporting forms.	Offerings by foreign issuers represent a significant portion of exempt market activity in Canada. The CSA's primary source of information on the exempt market is reports of exempt distribution. We believe that better information is necessary to more effectively inform policy development and to better understand the participants in the exempt market in Canada. However, the Proposed Amendments do not contemplate certain requirements that were included in the March 2014 Proposals applying to certain foreign issuers. For example, the Proposed Report carves out foreign public issuers and issuers distributing an eligible foreign security only to permitted clients from the proposed requirement to provide information regarding an issuer's directors, executive officers, control persons and promoters. We believe that the remaining information requested of foreign issuers in the Proposed Report is information that filers would be able to provide. Please also refer to response 33 for a discussion of marketing materials.

No.	Topic	Comments	Responses
		• The March 2014 Proposals may be considered a step backward as the granting of the "wrapper" exemption orders was an attempt to make it easier for international offerings to be extended to the Canadian institutional market. Requiring foreign issuers to seek legal advice regarding certain Canadian concepts is also inconsistent with the purpose of the exempt system which is intended to permit foreign issuers to access the Canadian market without having to examine these concepts which apply to Canadian reporting issuers. • Given the size of the Canadian investor base, global capital market practice generally would not adapt to meet Canadian requirements, which would result in the exclusion of foreign offerings from Canada or particular Canadian provinces to the detriment of Canadian investors and Canada as a financial centre. One commenter also suggested further consideration of the aggregate impact of changes to the reporting regime contemplated by the March 2014 Proposals, including the filing of marketing materials, on Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets* and the IFM registration requirements in certain provinces. In particular, this commenter suggested regulators consider whether the benefit justifies the compliance cost along with the extent to which Canadian institutional investors would be excluded from participating in offerings by foreign issuers. This	

No.	Topic	Comments	Responses
		commenter also suggested the CSA establish a committee of Canadian institutional investors to solicit feedback on access to foreign investment opportunities. Another commenter proposed that as an alternative to satisfying the proposed reporting requirements, a foreign investment fund should be able to provide a foreign filed report as a schedule to Proposed Form 45-106F10 or incorporate by reference a publicly filed foreign document.	
5.	Requirements are inconsistent with original purpose of reports	One commenter noted that the March 2014 Proposals are inconsistent with the original purpose of the reports of exempt distribution which was to allow regulators to monitor compliance with available exemptions and hold periods, and not as a tool for regulators to enhance their understanding of exempt market activity at the expense of filers.	Exempt market activity has grown and evolved, resulting in a need for better information than what is being provided in the Current Reports to more effectively oversee compliance in the exempt market. The Proposed Report and Proposed Amendments would improve information collection, which is intended to better inform future policy development.
6.	Duplication of existing information	Several commenters were of the view that much of the new information requested in the March 2014 Proposals is already available to regulators. To the extent information can otherwise be obtained, these commenters recommended exclusion from the proposals to reduce administrative burden for issuers and underwriters. Commenters suggested that information can be obtained from other sources such as NRD, continuous disclosure filings and documents that IFMs already produce and make available to investors.	As compared to the March 2014 Proposals, the Proposed Report contemplates not requiring issuers or underwriters to report certain information that would be available to the CSA through alternative sources. For example: • information that would be readily available from an issuer's SEDAR profile if the issuer provides its SEDAR profile number, • information about directors, executive officers, control persons and promoters for

No.	Topic	Comments	Responses
			reporting issuers, foreign public issuers and wholly owned subsidiaries of such issuers, and • specific information about registered firms that is readily available from NRD, if the firm's NRD number is provided.
7.	Static information for investment funds	As certain information in Proposed Form 45-106F10 would likely not change from quarter to quarter, several commenters suggested that Proposed Form 45-106F10 and/or the reporting system be changed to allow investment funds to rely upon information provided in previously filed reports in order to ease the administrative burden. One approach would be to divide the information in Proposed Form 45-106F10 to two types – Fund Information and Distribution Data. The former would generally be unchanged from report to report; whereas, the latter would be different for each report. The system can then be designed to setup the fund initially with Fund Information and update accordingly, and the Distribution Data can be uploaded on a quarterly basis.	The Proposed Report contemplates excluding certain information that can be obtained from an IFM's NRD number, if the NRD number is provided. These suggestions will be considered as part of any future review of filing systems. Also, as further discussed in response 8 below, investment fund issuers will continue to be able to file annually, or more frequently if desired.
Change in Filing Requirements for Investment Fund Issuers			
8.	Increased frequency of reporting would increase compliance costs	Some commenters were of the view that the alternative filing frequency for investment funds should not be increased from annually to quarterly, as this would increase compliance costs, which would ultimately be borne by investors.	After reviewing the comments from market participants, we have determined not to change the filing frequency at this time. However, we are instead proposing to change the annual filing option for investment funds from financial year

No.	Topic	Comments	Responses
	and burden	A few commenters said that as details pertaining to an investment fund change infrequently, an annual report should be more than sufficient to keep regulators informed and questioned why annual reporting was insufficient so as to require a shift to quarterly reporting. In addition, one commenter noted that as the original purpose of annual reporting was to lessen the frequency of exempt market reporting, for investment funds in continuous distribution, the CSA should retain the annual reporting regime instead of moving to quarterly reporting.	reporting to calendar year reporting. This change would improve the comparability and timeliness of the information collected for the investment fund industry.
9.	Increased activity fees	Several commenters said that a change from annual to quarterly filing requirements would result in increased activity fees for investment funds that are in continuous distribution. Some of these commenters said that it is not necessary to charge fund managers the requisite activity fees per quarter to provide information that is generally already available to the regulators, especially investment funds with relatively small assets under management and/or not enough activity to justify the increased fees. These commenters expressed concern that there may be instances when there is infrequent activity, for example, when there is only one distribution per quarter across all or most of an IFM's funds, which would result in a four-fold increase in the number of reports filed and corresponding activity fees.	As noted above, we have determined not to change the frequency of reporting at this time. As a result, there will be no increase in activity fees because of more frequent filings.

No.	Topic	Comments	Responses
Proposed Form 45-106F10 and Proposed Form 45-106F11: Foreign Currency			
10.	Using foreign currency	Some commenters stated that dollar amounts in the March 2014 Proposals should be provided in the issuer's currency in order to reduce the risks associated with converting values to Canadian dollars.	It is important that issuers report values associated with the distribution in Canadian dollars for the purpose of calculating fees and information comparability. The Proposed Report would allow filers to provide specific details regarding the currency of the distribution and includes an instruction regarding the conversion of foreign currencies for the purpose of the Proposed Report.
Proposed Form 45-106F10 – Item 1 and Item 7 and Proposed Form 45-106F11 – Item 2 and 3.2: Business Email Address			
11.	Business email address of CEO of issuer, CEO of underwriter and IFM	Five commenters had concerns with the proposed requirement to provide this information due to one or more of the following reasons: • designated contact information for the issuer and underwriter is provided elsewhere on the form, • the CEO would be reluctant to disclose and the public disclosure of a CEO's email address may give rise to abuse and hacking attempts, • there are no other requirements to provide information about the CEO of an exempt international dealer including in a registration exemption filing, • the CEO of the issuer may not and the CEO of the underwriter would not have any involvement in the distribution, • it is ordinarily an underwriter that handles the post-trade filings with Canadian securities	We are seeking more meaningful contact information of the issuer to address past challenges with contacting the persons at organizations who are capable of answering questions about the distribution. We believe business email communication is an effective, efficient and commonly used method of communication. While the March 2014 Proposals included the disclosure of the business email address of the IFM and the CEO of the issuer and underwriter, the Proposed Report does not require the business email address of the CEO at the underwriter. Consistent with the reporting requirements in item 5, the Proposed Report would only require the filer to provide the email address of the CEO of certain issuers in a confidential schedule of the Proposed Report.

No.	Topic	Comments	Responses
		regulators, with no involvement in the filing on the part of the issuer, • the CEO of a foreign issuer whose securities are distributed globally may not be aware that the securities are being sold, for example, into Ontario, and • this may be information that the issuer is unwilling to provide or is not known to the dealer. One of these commenters also suggested that the CEO of a foreign issuer may consider it inappropriate to provide this information to the public, or even privately to a Canadian regulator, where it is not required by other foreign regulators or in the home jurisdiction, potentially impacting offerings to Canadian investors.	
Proposed Form 45-106F10 – Item 1 and Proposed Form 45-106F11 – Item 3.3.1: Date of Formation			
12.	Difficulty in providing information regarding the date of formation (for a non-investment fund issuer) or date created (for an investment fund)	Some commenters expressed concern that many issuers may be entities that have undergone various reorganizations and transformations over a long period of time and identifying the date on which they were formed may not be straightforward. The need to obtain this specific information may cause the underwriters to forego offering securities to Canadian investors. Another commenter expressed concern that unless this information is clearly stated in the offering document the preparer would have to contact the	This information is already provided by issuers that have a SEDAR profile. The Proposed Report would require issuers that do not have a SEDAR profile number to report this information in order to enhance our understanding of issuers that are operating in the exempt market and their stage of development. As underwriters and filing agents adjust to the requirements of the Proposed Report, they would have an opportunity to streamline their processes for

No.	Topic	Comments	Responses
		issuer to obtain this information, as it would not likely be known to the dealer. For investment fund issuers, the same commenter noted that this information may be difficult to obtain for a service provider as the investment fund's formation documents would not necessarily have this information.	obtaining the requisite information from issuers.
Proposed Form 45-106F10 – Item 2 and Proposed Form 45-106F11 – Item 3.3.2 and 3.3.3: Reporting Issuer Status and Listing Status			
14.	Relevance of naming all the exchanges or marketplaces on which securities of the issuer are listed or traded	One commenter stated that the definition of "marketplace" in National Instrument 21-101 *Marketplace Operations* is broad, and may capture locations of which the issuer may itself be unaware. The same commenter also questioned the relevance of naming all the exchanges or marketplaces on which the issuer is listed or traded, especially when that relates to securities other than those being reported. One commenter noted that issuers may be listed without having applied for, and without knowledge of, such listing. As such, the issuers should only be required to name exchanges they have applied for and received a listing or on which the issuer has its primary listing. Another commenter expressed concern that the preparer would have to obtain this information from the dealer who would have to consult a third party source in order to supply a comprehensive list.	The Proposed Report contemplates not requiring this information for issuers that provide this information in a SEDAR profile. For other issuers, the instructions to the Proposed Report clarify that the information to be provided is limited to exchanges where an issuer has applied for and received a listing and excludes automated trading systems.

No.	Topic	Comments	Responses
15.	Foreign issuers – difficulty in determining reporting issuer status	One commenter noted that in the case of foreign issuers, it is difficult to certify that it is not a reporting issuer in Canada, as it may have elected not to file on SEDAR and there is no national reporting issuer list.	The Proposed Report retains this requirement from the Current Reports.
Proposed Form 45-106F10 - Item 4 and Item 8: Directors and Executive Officers of the Investment Fund and IFM			
16.	Concerns with providing information	One commenter noted that a general partner of a limited partnership may be a limited partnership itself and, accordingly, additional guidance should be provided as to reporting in such instances. This same commenter also noted privacy concerns for private limited partnerships and general partners who would be required to report such non-public information. One commenter noted that the identification of "executive officers", as defined in NI 45-106, involves significant analysis and would be burdensome solely for the purposes of a post-closing trade report, especially for large foreign issuers with numerous directors and officers. One commenter noted that names listed in offering documents may not be full legal names and would be impractical to obtain. This commenter also noted that titles and jurisdictions of residence may change from time to time, which would require a service provider to conduct an ongoing update to ensure this information is correct for an investment fund's proposed quarterly filings.	In the Proposed Report, investment fund issuers would not be required to provide director and executive officer information as this information is collected as part of the registration of the IFM and available on NRD.

No.	Topic	Comments	Responses
		Furthermore, this commenter expressed that an unaffiliated fund manager is not obligated to provide this information to an investment fund and would be unlikely to provide this information solely to conduct a private placement in Canada. According to this commenter, this information goes beyond what is required for the purposes of compliance with the registration requirements for non-resident managers. Another commenter stated that the requirement to provide director and executive officer information should not apply where (a) the entity is formed outside of Canada, or (b) the entity is a reporting issuer in Canada as this information may not be required to be provided in foreign jurisdictions and is made publicly available by reporting issuers.	
Proposed Form 45-106F10 - Item 5: Type of Investment Fund			
17.	Further guidance	One commenter sought further guidance and clarification as to the definitions of "money market fund", "hedge fund" and "other investment fund".	The categories and instructions of investment fund types have been updated to assist issuers to accurately identify their fund type based on general industry classifications.
Proposed Form 45-106F10 - Item 6: Size of Investment Fund			
18.	Net asset value (NAV) of investment fund	Some commenters noted that the assets under management reported in 3 of the 4 reporting periods would not be an audited value and may put a filer offside the certification requirement under Item 18. One commenter noted that an investment fund	In addition to ensuring compliance with prospectus exemptions, the reports of exempt distribution are our primary sources of information of activity in the Canadian exempt market, which is necessary to support policy development.

No.	Topic	Comments	Responses
		would not be able to provide this information for the specific date required as per Proposed Form 45-106F10 as this information is generally only available on specific dates for record keeping or reporting purposes. Another commenter suggested that it would be more practicable to require investment funds to provide the size of the investment fund as at the date of their most recent NAV calculation rather than as at the date of the report. Two commenters questioned the utility of this information and how it relates to prospectus exemptions.	We have revised the Proposed Report to permit issuers to indicate the size of the investment fund based on the following ranges, as of the date of their most recent NAV calculation: • under $5 million • $5 million to under $25 million • $25 million to under $100 million • $100 million to under $500 million • $500 million to under $1 billion • $1 billion or over
Proposed Form 45-106F10 - Item 7: IFM Information			
19.	Benefit of collecting information	One commenter questioned the benefit of collecting this information where the IFM is registered as it duplicates information that is already required to be provided to the regulators.	The Proposed Report has been streamlined from the March 2014 Proposals in response to comments and retains this requirement when the IFM is not registered. While the March 2014 Proposals contemplated disclosure of the business email address of the IFM's CEO, the Proposed Report would require disclosure of the business email address of a person that could answer questions about the report. This change addresses the concern that the CEO may not have involvement with the distribution. In addition, we note that this particular information may not be ascertainable from prior registration.

No.	Topic	Comments	Responses
Proposed Form 45-106F10 - Item 9: Principal Service Providers			
20.	Cost vs. benefit of information	Some commenters questioned the utility of this information in the context of a post-trade report, especially a foreign investment fund with limited connection to Canada. One commenter stated that the compliance burden on dealers, who would have to obtain this information from the investment fund, would greatly exceed any benefit to the CSA. This same commenter said that, at a minimum, this requirement should not apply where either the fund is formed outside of Canada or is a reporting issuer for reasons noted above.	We have removed this requirement in the Proposed Report.
Proposed Form 45-106F10 –Item 10: First Report			
21.	Limit requirement	One commenter noted that an investment fund should only be required to indicate whether it is the first report of exempt distribution filed in Canada. Another commenter suggested this may discourage foreign issuers who had not previously reported (through inadvertence or misinformation about Canadian law) from selling into Canada and reporting under this report, on the basis that regulators are likely to ask why they have never filed before.	We have removed this requirement in the Proposed Report.

No.	Topic	Comments	Responses
Proposed Form 45-106F10 –Item 15 and Proposed Form 45-106F11 – Item 4.4.1: Aggregated Purchaser Information			
22.	Jurisdiction of distribution	Two commenters encouraged the regulators to clarify in the instructions when there is a distribution in the local jurisdiction and accurately reflect the law in each jurisdiction as current guidance and instructions published by the CSA are confusing. One commenter suggested that the table should be completed "for each purchaser in the local jurisdiction, and each purchaser outside of the local jurisdiction where the distribution to that purchaser is a distribution in the local jurisdiction", as the current drafting implies that a foreign issuer with no connection to Canada that distributes into Canada is required to identify each purchaser in every jurisdiction globally. The same commenter did not believe that a single Form 45-106F1 identifying all purchasers, including purchasers that do not reside in the jurisdiction, should be mandatory as issuers should not be required to disclose purchasers in one jurisdiction to a regulator in another jurisdiction. The filing of a single form should be optional.	The instructions to the Proposed Report provide greater detail regarding when there is a distribution in the local jurisdiction than was reflected in the February 2014 Proposals, the March 2014 Proposals or the current Form 45-106F1. However, it is important to refer to applicable securities legislation, securities directions and case law to determine whether a distribution has taken place in a local jurisdiction. We have considered the commenter's suggestion and clarified that if the issuer is located outside of Canada, the Proposed Report only requires information about purchasers resident in Canada. However, consistent with CSA Staff Notice 45-308 *Guidance for Preparing and Filing Reports of Exempt Distribution under National Instrument 45-106 Prospectus Exemptions*, when distributions are made in more than one jurisdiction by a Canadian issuer, the issuer or underwriter must complete a single current Form 45-106F1 that identifies all purchasers, including purchasers that reside in other jurisdictions. The issuer or underwriter must then file the report in each of the Canadian jurisdictions in which the distribution is made. Issuers located outside of Canada would be required to identify all purchasers resident in Canada and file the report

No.	Topic	Comments	Responses
			in each Canadian jurisdiction where there is a distribution. Many jurisdictions currently use this information to understand how and where issuers in their jurisdiction are accessing capital and for compliance purposes.
23.	Reporting of each Canadian and foreign jurisdiction where purchaser resides	Some commenters were of the view that requiring the reporting of all sales by an investment fund regardless of where the purchaser resides would result in the extra-territorial application of a local rule and provide a disincentive for foreign investors to acquire securities of Canadian investment funds.	The instructions to the Proposed Report provide greater clarity regarding the law in each jurisdiction and the reporting requirements when there is a distribution in the local jurisdiction. The reporting of sales by an investment fund, regardless of where the purchaser resides, is the application of the local rule as a distribution may also occur in a particular jurisdiction if the issuer is located in or has a significant connection to the jurisdiction. As discussed above, if the issuer is located outside of Canada, the Proposed Report clarifies that only information about purchasers resident in Canada is required.
24.	Reporting of information relating to the total value of all redemptions	Several commenters stated that information on redemptions requested in the first report of exempt distribution would be unduly burdensome and difficult to collect for any investment fund which has been in existence for several years, especially for foreign domiciled investment funds, which are required to report based on redemptions received world-wide. One commenter did not understand	We have simplified this item in the Proposed Report by asking for the net proceeds (purchases minus redemptions) to the investment fund issuer by jurisdiction for the period reported. We note that the information from the Current Reports for investment fund issuers reflects purchases only and not redemptions of

No.	Topic	Comments	Responses
		how this information would be of assistance or relevant to the CSA, or help in assessing the performance of an investment fund. This same commenter noted that this information is publicly available for reporting issuers. One commenter noted that the Proposed Form 45-106F10 is not clear as to whether redemption information is required only for the distributed securities which are the subject of the Proposed Form 45-106F10 or for all securities of the investment fund.	investment funds. As most investment funds offer some redemption rights, we believe the purchase information likely overstates the size of the market for investment fund issuers. The requirement to provide net proceeds would provide better information and further guide our evidence-based policy making.
Proposed Form 45-106F10 – Instruction 8 and Proposed Form 45-106F11 – Instruction 9: Reference to Purchaser			
25.	Beneficial owners of fully managed accounts	Three commenters noted that it would not be possible to obtain information regarding beneficial owners of fully managed accounts as the purchaser to which it is confirming the sale would be the discretionary manager, who is not required to identify the underlying beneficial owner of the account. Two commenters suggested the instruction should read as follows: References to a purchaser in this report are to the beneficial owner of the securities. However, if a trust company or a registered advisor has purchased securities on behalf of a fully managed account under subsections 2.3(2) and (4) of NI 45-106, provide the information solely in respect of the trust company or registered advisor, as the case may be.	We note that references to a purchaser as being to the beneficial owner of the securities is an existing requirement in the Current Reports. The instructions in the March 2014 Proposals sought to provide further clarity and guidance as to specific instances where disclosure of the beneficial owner of the securities is required. We use this information in our oversight of registered advisors and to assist with our compliance functions.

No.	Topic	Comments	Responses
Proposed Form 45-106F11 – Item 3.1: Name of issuer and parent			
26.	The name of the issuer's parent, if applicable	Two commenters expressed concern that if not disclosed in the offering memorandum, or if no offering memorandum was used, the preparer would have to seek out the issuer or an individual at the dealer who is sufficiently knowledgeable about the issuer to provide this information.	We have removed this requirement in the Proposed Report.
Form 45-106F11 – Item 3.3.1: Size of issuer			
27.	Relevance and burden of providing approximate number of employees of the issuer	Six commenters questioned the requirement to provide the approximate number of employees of the issuer for reasons including the following: • The number of employees of an issuer has no bearing on the size or type of offering that it may undertake, the type of investors who may purchase the offered securities or on whether or not there is an available prospectus exemption to effect the distribution. • If not stated in the offering document, the preparer would have to seek this information from the issuer, who may not be willing to provide it, or attempt to conduct research to obtain this information from a publicly available source which may not have reliable or current information. One of these commenters was also unclear as to whether this would require reporting the number of employees outside of Canada and employees of	The Proposed Report retains this requirement with broader ranges to approximate the total number of employees of the issuer. We believe information about the approximate size of the issuer is important to our assessment of whether capital raising prospectus exemptions are benefiting small and medium sized issuers and may inform our policy development in this regard. We believe that ranges representing the number of employees provide an appropriate metric for size because: • the ranges selected are largely consistent with those used by Statistics Canada to represent distinctions between small, medium and large businesses and as such would already be familiar to some issuers, and • reporting such a range is likely less commercially sensitive than reporting the

No.	Topic	Comments	Responses
		subsidiaries of the issuer. This commenter supported the removal of this requirement or, in the alternative, limiting the requirement to the number of employees in Canada excluding subsidiaries.	actual number of employees.
Proposed Form 45-106F11 – Item 3.3.4: Primary industry of the issuer			
28.	Definitions or guidance as to what is meant by industry categories	One commenter suggested that further guidance be provided regarding industry categories to avoid ambiguity and to assist with completing Form 45-106F11.	We have proposed to change the categories of industries to align with the NAICS in order to gain a better understanding of which industries are raising money in the exempt market and to reduce the number of issuers that select the "other" category. NAICS is maintained in Canada by Statistics Canada. We believe NAICS would be familiar to many issuers and is less subjective to use. Statistics Canada also provides a web-based search tool for issuers to locate their relevant industry category. For more information on the NAICS, refer to the notice.
Proposed Form 45-106F11 – Item 3.3.5: Directors and executive officers, including title and jurisdiction of residence			
29.	Information required duplicates information provided by Canadian reporting issuers in other filings	Some commenters believed that the burden of providing this information exceeds the benefit of collecting it because it duplicates information provided by reporting issuers in other filings.	The Proposed Report would not require disclosure for directors, executive officers, control persons or promoters of reporting issuers or wholly owned subsidiaries of reporting issuers.

No.	Topic	Comments	Responses
30.	For issuances of securities by foreign issuers, this disclosure requirement imposes an additional compliance burden	Four commenters were of the view that this disclosure requirement imposes an additional compliance burden for issuances of securities of foreign issuers that would impact offerings extended to Canadian investors. Examples of concerns raised include the following: • The information about directors, officers, control persons and promoters may or may not be publicly available and issuers may be unwilling to provide it, particularly in circumstances where the information is not required to be publicly disclosed in their home jurisdictions. • A foreign issuer may require advice from Canadian counsel in order to determine who in their organization is an "executive officer" and who is an "insider" or a "promoter" of their organization under Canadian law, as those concepts may not be recognized under their local law. Even if Canadian legal advice is received, they might not have the internal means to determine who falls into the relevant categories without expending resources as this information may not be readily available. • The identification of executive officers, as defined in NI 45-106, would be unnecessarily burdensome especially for large foreign issuers with numerous officers and directors.	The Proposed Report would not require disclosure for directors, executive officers, control persons or promoters of foreign public issuers, wholly owned subsidiaries of foreign public issuers or issuers distributing eligible foreign securities only to permitted clients. We believe this information is important for other foreign issuers to assist in our compliance function and in our understanding of the participants in exempt market activity in Canada. We note that this disclosure requirement applies under Form 45-106F6.

No.	Topic	Comments	Responses
31.	Difficulty in obtaining this information	Two commenters expressed general concern that it is unlikely that this information would appear in an offering document or be readily available to the dealer. In addition, the issuer might be unwilling or unable to provide this information.	See responses 29 and 30 above.
32.	Alternative approach for requiring information	Two commenters suggested that the requirement to provide director and executive officer information should not apply where (a) the entity is formed outside of Canada, or (b) the entity is a reporting issuer in Canada as this information may not be required to be provided in foreign jurisdictions and is made publicly available by reporting issuers. In the alternative, this commenter proposed an exemption from the requirement to provide this information if all of the purchasers in Canada are accredited investors.	The Proposed Report contemplates that the following issuers would not be required to provide disclosure regarding directors and executive officers: • reporting issuers and their wholly owned subsidiaries, • foreign public issuers and their wholly owned subsidiaries, and • issuers distributing eligible foreign securities only to permitted clients.
Proposed Form 45-106F11 – Item 4.3: Documents provided in connection with the distribution – presentations or other marketing materials			
33.	Requirement would be novel and goes beyond what is required in the United States or any other jurisdiction	Five commenters expressed concern regarding the filing of all marketing materials by foreign issuers if not required in other jurisdictions and the impact this would have on foreign issuers extending offerings into the Canadian market. Examples of specific concerns provided include: • In nearly all United States registered or Rule 144A offerings, road show communications (including slides or other visual aids available	Neither the March 2014 Proposals nor the Proposed Amendments would necessitate the filing or delivery of marketing materials for offerings that are open only to institutional investors or other accredited investors, which typically rely on the accredited investor prospectus exemption. While the March 2014 Proposals contemplated the submission of marketing materials in connection with distributions under certain prospectus

No.	Topic	Comments	Responses
		only as part of that road show) are not required to be filed with the Securities and Exchange Commission or any other regulatory body in the United States. Foreign issuers and dealers will no longer extend offerings (including those which are conducted primarily in the United States) into Canada on a private placement basis if they are required to provide this information, particularly when no similar requirement exists in the United States. • The proposed requirement in connection with a private placement is broader than the requirement to file "marketing materials" in connection with an IPO or other long-form prospectus offering in Canada. Specifically, Section 13.12(1)(a) of National Instrument 41-101 *General Prospectus Requirements* provides an exemption from the requirement to file marketing materials in connection with a "U.S. cross-border offering" where, among other things, there is a reasonable expectation that the securities will be sold primarily in the United States. It is unclear why the CSA is proposing a more stringent requirement in connection with private placements, which are limited to Canada's most sophisticated investors, than would be required in connection with a United States cross-border public offering, which may be sold to retail investors in Canada. One of the above commenters also questioned the public interest purpose for filing with Canadian	exemptions that would be available to retail investors, this proposal did not extend to marketing materials provided in connection with the accredited investor prospectus exemption. Rather than imposing new requirements to file or deliver marketing materials, the Proposed Report contemplates reporting that such materials have been filed or delivered only where otherwise required by applicable securities legislation of a local jurisdiction. The proposals regarding marketing materials in the March 2014 Proposals remain under consideration as part of a separate CSA initiative.

No.	Topic	Comments	Responses
		regulators marketing materials that are prepared solely for institutional investors who are able to assess and conduct their own due diligence to protect the interests of their investors and/or stakeholders. Other commenters recommended exemptions from this requirement in certain circumstances such as cross-border exempt distributions to permitted clients, or if purchasers in Canada are accredited investors or in the alternative permitted clients.	
34.	Difficulty in identifying which marketing documents have been delivered to investors	Some commenters believed that it may be difficult to identify what documents have been delivered to particular investors in specific provinces after the completion of an offering. One commenter noted this would be a specific concern in a global transaction.	We expect issuers to keep track of the marketing materials that they provide to investors. There are separate proposals under consideration by some CSA jurisdictions to require that any marketing materials used in the context of the offering memorandum prospectus exemption be incorporated by reference into the offering memorandum and be filed or delivered with the securities regulatory authorities of certain jurisdictions. Requirements to deliver marketing materials have been proposed in connection with the crowdfunding exemption in proposed Multilateral Instrument 45-108 *Crowdfunding.* Filing or delivery of marketing materials is an important investor protection mechanism in the context of exemptions that are available to issuers distributing to retail investors.

No.	Topic	Comments	Responses
35.	Format of marketing materials may not permit reproduction	One commenter noted that investor presentation materials are often made available by way of the internet, on a basis that does not permit the viewer to download, record or print the contents.	The proposals regarding marketing materials that were published for comment on March 20, 2014 remain under consideration as part of a separate CSA initiative.
36.	Filed vs. delivered marketing materials	One commenter noted that subsection 2.9(17.2) of proposed amendments to NI 45-106 that were published in the March 2014 Proposals refers to the delivery of offering memorandum marketing materials and not the filing of such materials, and suggested Form 45-106F11 be amended to reflect the requirements of the proposed amendments to NI 45-106.	The proposals regarding the filing or delivery of marketing materials under the offering memorandum prospectus exemption in certain jurisdictions that were published for comment on March 20, 2014 remain under consideration as part of a separate CSA initiative. In Saskatchewan, Ontario, Québec, New Brunswick and Nova Scotia, the Proposed Amendments would require issuers or underwriters to list and provide certain details regarding any marketing materials that are required to be filed with or delivered to the securities regulatory authority or regulator under applicable securities legislation.
Proposed Form 45-106F10 and Proposed Form 45-106F11 - Schedule 1			
37.	Public funds not required to report purchaser information	Some commenters noted that public funds generally do not report information about purchasers to the regulators, and question why investment funds distributing in the exempt market should be required to do so. One commenter believed that the proposed requirement to provide more detailed purchaser information is irrelevant to the accredited investor	Purchaser information is required to be provided to the regulators as this information is used by regulators to monitor compliance with available exemptions. The reporting requirement applies to any issuer relying on certain exemptions, whether the issuer is a reporting issuer or not. While we acknowledge that the original purpose of the reports was to monitor compliance, they

No.	Topic	Comments	Responses
		criteria (i.e. age range, location of foreign purchasers, personal e-mail addresses). Several commenters noted the additional administrative burden to be placed on issuers by requiring them to collect the additional information from each purchaser. A few commenters noted some purchaser information is not necessarily made available to issuers, such as individual email addresses or telephone numbers.	are also the CSA's primary source of information on the exempt market. The proposed changes to reporting would improve information collection and help support the evidence-based policy making desired by stakeholders. Based on feedback from commenters, we have removed the requirement to provide certain purchaser information in the Proposed Report, such as a purchaser's age range and information on foreign purchasers if the issuer is located outside of Canada.
38.	Concerns regarding additional information relating to applicable paragraphs of the accredited investor prospectus exemption	Several commenters questioned the instructions to this requirement since collecting all paragraphs under which the purchaser could qualify, for example as an accredited investor, is unnecessary and administratively burdensome. For example, in the context of institutional investors, the requirement to list all applicable paragraphs of the accredited investor prospectus exemption is inconsistent with industry practice and other regulatory standards. Some commenters submitted that, for sales to institutional investors, it is reasonable to rely on a representation from the prospective purchaser that it is eligible to purchase the securities in reliance on the applicable prospectus exemption as the CSA accepted this reasoning in granting the wrapper relief and allowed the named dealers to distribute foreign securities to "permitted clients" on the basis	We believe how a purchaser specifically qualifies as an accredited investor is critical to our compliance function and understanding of exempt market activity. We do not believe this information is unduly burdensome to the issuer, underwriter or the purchaser as the determination must be made in order to rely on the exemption. The Proposed Report clarifies that the issuer or underwriter need only identify one category of accredited investor that applies to the purchaser. The issuer or underwriter is not required to list all paragraphs that may apply.

No.	Topic	Comments	Responses
		of these representations. One commenter noted that in addition to the dealer being unlikely willing or able to obtain information about all the potential subcategories under which an investor may qualify, the dealer is also unlikely to be willing or able to maintain databases or other information systems to keep track of this information comprehensively for all of its Canadian clients. One IFM also noted that existing systems and processes at investment managers will need to be substantially overhauled in order to continually assess and record all of the various bases upon which each client could qualify. As an alternative, it was suggested that this requirement not apply where (a) the investor is not an individual, or (b) the investor is an individual who is a "permitted client" as defined in NI 31-103, as these investors will qualify under multiple criteria as "accredited investors" as defined in NI 45-106.	
39.	Purchaser's age range (for individual purchasers)	Several commenters noted that the reporting of this information is irrelevant for the purposes of determining whether the securities in question have been validly distributed pursuant to securities legislation, and unreasonable to obtain. One commenter noted that this information should be justified on a cost/benefit basis, as purchasers may raise objections, which could impair sales of the investment fund.	We have reconsidered this requirement based on the comments received. The Proposed Report does not include a requirement to provide a purchaser's age.

No.	Topic	Comments	Responses
		One commenter was of the view that there is no reason to believe that the dealer would be aware of this information with respect to its individual clients, and it is not reasonable to expect that the dealer would obtain and retain this information for each of its individual clients. Another commenter was of the view that such information would typically be available to registrants who are required to have complete know your client information, but not necessarily collected in the ordinary course by issuers, particularly non-resident issuers.	
Other comments			
40.	Tiered approach for exempt market trade reporting	A few commenters suggested that a tiered approach be used for exempt trade reporting, where simplified reporting is available when securities are distributed to larger institutional investors or other sophisticated investors for the following reasons: • The CSA can collect more information about the segments of the exempt market which are most susceptible to abuse, while at the same time avoiding placing new obstacles in the way of sophisticated Canadian investors seeking access to alternative investment opportunities. • Large institutional investors or other sophisticated investors are less in need of regulatory protections, and would likely be willing to forego the benefit of certain	As the information collected on the reports of exempt distribution would inform compliance, assist in our regulatory oversight function, and better inform policy development, we do not believe a tiered approach for exempt trade reporting is appropriate. However, the Proposed Report has been streamlined as compared to the March 2014 Proposals, for example, by allowing use of an issuer's SEDAR filer profile number or firm's NRD number. The Proposed Report also includes a proposed carve-out from providing information regarding an issuer's directors, executive officers, control persons and promoters for:

No.	Topic	Comments	Responses
		protections in order to have the benefit of continuing to be able to acquire foreign issuer securities for their investment portfolios on a private placement basis. Two of these commenters also suggested that Proposed Form 45-106F10 and Proposed Form 45-106F11 only be used when an issuer relies upon one of the new prospectus exemptions.	• reporting issuers and their wholly owned subsidiaries, • foreign public issuers and their wholly owned subsidiaries, • issuers distributing eligible foreign securities only to permitted clients, and • investment fund issuers.
41.	Alternatives to proposed report for investment funds	Some commenters recommended that regulators consider other ways to obtain targeted information, for example, by one-off requests or conducting a survey of a sample of select IFMs, the results of which would dictate whether or not more frequent data from the Proposed Report is required in order to ease the burden on registrants and regulators. As the stated benefit is "more timely and better data" for regulatory authorities and more meaningful information for monitoring market activity, one commenter suggested that we require quarterly reporting from only large investment funds (i.e. funds with AUM in excess of $1bn CDN).	We have determined not to change the frequency of reporting for investment funds at this time. Investment funds still have the option to file once a year.
42.	Privacy/freedom of information concerns	Some commenters raised privacy concerns with the Proposed Form 45-106F10 and Proposed Form 45-106F11 as freedom of information legislation may require a regulator to make the information available, which raises concerns given the sensitive information that is required to be disclosed. Investor names, addresses, email addresses, phone numbers	We acknowledge these comments. We note that Schedule 1 and Schedule 2 of the Proposed Report contemplate collecting certain personal information regarding purchasers, as well as directors, executive officers, control persons and promoters in a non-public format. While aspects of this information may be subject to freedom of

No.	Topic	Comments	Responses
		and age ranges were provided as specific examples of such information. One of these commenters believed that the additional information required to better understand the profile of issuers and investors in the exempt market should be balanced with privacy requirements on behalf of individual investors as well as in recognition of the fact that private issuers might not otherwise be required to provide certain information to the regulators. Another commenter noted seeing investor documentation of US and other issuers limiting the availability of certain sensitive information to their investors if that information may have to be filed with a regulator in a jurisdiction that has freedom of information legislation. One commenter also noted that there is an increased risk in privacy violation as a result of information being electronically filed and stored due to data theft.	information requests, such requests would be subject to the protective mechanisms, including the exemption protecting personal privacy, of applicable freedom of information and privacy legislation.
43.	Additional information re: certain registrants who provide advice to retail investors	One commenter suggested that information be collected on the use of certain registrants (i.e. "eligible advisor" under NI 45-106) who provide advice to retail investors in order to obtain correlation data between types of registrants and investor losses and unsuitable advice.	Schedule 2 of the Proposed Report has been revised to require the name of the registrant involved with the purchaser under the reported distribution.

No.	Topic	Comments	Responses
44.	Identify angel investors	One commenter suggested the reports of exempt distribution capture whether or not an investor would classify themselves as an angel investor as statistics to date about the follow-on investment rate of angel-involved companies indicate that angel investors are one of the best economic drivers of job creation in the country with the least amount of government subsidy. Having better statistics to follow the activities would be invaluable to all levels of government.	The Proposed Report does not require the filer to identify investors as an "angel investor". Although we agree that this would be useful information, this term is not defined in securities legislation.
45.	Method to file reports of exempt distribution	Several commenters noted that there is disharmony in how the reports of exempt distribution are required to be filed – in Ontario the report will be an e-form; whereas, in Alberta, New Brunswick and Saskatchewan, the report will be in paper form. One commenter encouraged all CSA jurisdictions to implement any necessary technological changes in order to obtain the information electronically. Some commenters believed that jurisdictions that are not currently set up to receive electronic filings should be required to accept a paper print-out of the "as-filed" electronic form submitted in the jurisdiction that requires electronic filing. For example, if a distribution occurs in Ontario, Manitoba and Québec, Manitoba and Québec should be required to accept a print-out of the electronic form filed in Ontario.	Members of the CSA other than British Columbia and Ontario have proposed to require issuers to file reports of exempt distribution on SEDAR. See Multilateral CSA Notice Request for Comment Proposed Amendments to National Instrument 13-101 *System for Electronic Document, Analysis and Retrieval* and Multilateral Instrument 13-102 *System Fees for SEDAR and NRD* published on June 30, 2015. British Columbia and Ontario currently have electronic filing systems for the submission of the Current Reports. For a cross-country distribution, we anticipate that an issuer or underwriter would be able to file the Proposed Report by completing the OSC's electronic form and subsequently filing an electronic copy of the report generated by the OSC's system on BCSC eServices and SEDAR. Furthermore, an issuer or underwriter that

No.	Topic	Comments	Responses
			prepares a report for filing on SEDAR would be able to file that same report on BCSC eServices and vice versa.
46.	Electronic format of reports of exempt distribution	Several commenters suggested that the reports of exempt distribution be delivered in a "flat" data file and electronically uploaded in order to ease the administrative burden, as it is quicker to upload a data file than to fill in fields on an electronic form. One commenter suggested that all CSA jurisdictions adopt an MS Excel format that can be electronically filed and accessible by all regulators for analysis. Several commenters noted that the Ontario e-form does not work with a variety of browsers (i.e. IE v.11, Google Chrome, Apple Safari), which represents a substantial proportion of installed web browsers. These same commenters recommended that we consider the use of these superior browsers as compatible alternatives to those currently available on the web portal.	The Proposed Report would be in a format that allows market participants to easily access and file such reports with the appropriate regulatory authorities. IT systems have been updated, and are continually monitored, to ensure that e-forms work with a variety of browsers in the marketplace. We note that different browser and security settings as well as monthly updates could impact the behaviour of the e-forms.
47.	Public availability of information	Several commenters had concerns around how issuers and the public could potentially access the additional information from the reports of exempt distribution without any centralized CSA database. One commenter also suggested a summary of the information (keeping specific details in confidence as proposed) be made available to industry participants via the OSC Bulletin.	A centralized CSA database is outside the scope of this project but is being considered as part of a broader longer term CSA national system initiative. Currently, there is a separate initiative in applicable jurisdictions to make the reports of exempt distribution publically available on SEDAR when a distribution occurs in these

No.	Topic	Comments	Responses
			jurisdictions. In British Columbia, reports of exempt distribution can be found on the BCSC's website http://www.bcsc.bc.ca/. In Ontario, it is anticipated that information regarding exempt market activity would be available electronically on the OSC's website. As noted in the Proposed Report, Schedule 1 and Schedule 2 would not be placed on the public file of any securities regulatory authority or regulator.