

**Proposed Changes to
Companion Policy 52-107CP to National Instrument 52-107
Acceptable Accounting Principles and Auditing Standards**

- 1. *The changes proposed to Companion Policy 52-107CP to National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards are set out in this Schedule.***
- 2. *Section 1.1 is changed by inserting “, National Instrument 51-103 Ongoing Governance and Disclosure Requirements for Venture Issuers (NI 51-103)” after “(NI 51-102)”.***
- 3. *Section 2.9 is changed by***
 - a. *replacing “of NI 51-102 states” with “of NI 51-102 and subsection 32(4) of NI 51-103 state”,***
 - b. *inserting “and subsection 31.2(5) of Form 41-101F4” after “Form 41-101F1”, and***
 - c. *inserting “or section 31.2, as applicable” after each instance of “section 32.2”.***
- 4. *Section 2.11 is replaced by the following:***

2.11 Financial statements for a reverse takeover or capital pool company acquisition

– Subsection 8.1(2) of NI 51-102 states that Part 8 of that rule does not apply to a transaction that is a reverse takeover. Similarly, subsection 35.1(1) of Form 41-101F1 and subsection 34.2(1) of Form 41-101F4 indicate that Item 35, in respect of Form 41-101F1, and Item 34, in respect of Form 41-101F4, do not apply to a completed or proposed transaction that was or will be accounted for as a reverse takeover. Therefore, if a document includes financial statements for a reverse takeover acquirer, as defined in NI 51-102 and NI 51-103, for a period prior to completion of the reverse takeover, section 3.11 of the Instrument does not apply to the financial statements. Such financial statements must comply with section 3.2, 3.7, 3.9, 4.2, 4.7 or 4.9 of the Instrument, as applicable.

Paragraph 32.1(b) of Form 41-101F1 and paragraph 31.1(b) of Form 41-101F4 indicate that financial statements of an issuer required under Item 32, in respect of Form 41-101F1, and Item 31, in respect of Form 41-101F4, include the financial statements of a business acquired or business proposed to be acquired by the issuer if a reasonable investor would regard the primary business of the issuer upon completion of the acquisition to be the acquired business or business proposed to be acquired. Consistent with this provision, if a capital pool company acquires or proposes to acquire a business, regardless of whether or not the transaction will be accounted for as a reverse takeover, financial statements for the acquired business or business proposed to be acquired must comply with section 3.2, 3.7, 3.9, 4.2, 4.7 or 4.9 of the Instrument, as applicable.

5. *Section 2.14 is changed by*
 - a. *replacing* “venture issuer and not an IPO venture issuer” *with* “venture issuer, an IPO venture issuer, a senior unlisted issuer or an IPO senior unlisted issuer”, *and*
 - b. *replacing* “non-venture issuers similar” *with* “issuers that are not venture issuers or senior unlisted issuers similar”.
6. *Section 2.16 is changed by replacing* “venture issuer or IPO venture issuer” *with* “venture issuer, an IPO venture issuer, a senior unlisted issuer or an IPO senior unlisted issuer”.
7. These changes become effective on ●.