

British Columbia Securities Commission

BC Instrument 51-515

Temporary Exemption from Certain Corporate Finance Requirements

Definitions

1. Terms defined in the *Securities Act*, National Instrument 14-101 *Definitions*, National Instrument 25-101 *Designated Rating Organizations* (NI 25-101), National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, National Instrument 44-102 *Shelf Distributions*, National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*, National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102), have the same meaning in this Instrument.

2. In this Instrument:

“**extension period**” means the period between the date the person was required to file, send or deliver a document under a requirement listed in the Group A requirements and 45 days following that date;

“**Group A requirements**” means the requirement to file, send or deliver a document during the period from March 23, 2020 to June 1, 2020 under any of the following provisions:

- (a) section 4.2 [filing deadline for annual financial statements] of NI 51-102,
- (b) section 4.4 [filing deadline for an interim financial report] of NI 51-102,
- (c) section 4.6(1) [annual request form] of NI 51-102,
- (d) sections 4.6 (3) and (5) [delivery of financial statements] of NI 51-102,
- (e) sections 4.7(2) and (3) [filing of financial statements after becoming a reporting issuer] of NI 51-102,
- (f) section 4.10(2) [financial statements of the reverse takeover acquirer for periods ending before a reverse takeover] of NI 51-102,
- (g) section 5.1(2) [filing of MD&A] of NI 51-102,
- (h) section 5.2 [filing of MD&A for SEC issuers] of NI 51-102,
- (i) sections 5.6 (1) and (3) [delivery of MD&A] of NI 51-102,
- (j) section 6.2 [filing deadline for an AIF] of NI 51-102,
- (k) section 11.6 [executive compensation disclosure for certain reporting issuers] of NI 51-102,
- (l) section 4.2(1)(j) [technical report filing] of NI 43-101 *Standards of Disclosure for Mineral Projects*,
- (m) section 2.1 [reserves data] of NI 51-101 *Standards of Disclosure for Oil and Gas Activities*, and
- (n) any similar annual or interim disclosure document of a reporting issuer required pursuant to an exemption from one of the requirements listed in this definition included in an exemptive relief decision made by a securities regulatory authority or regulator prior to the date of this order; and

“Group B requirements” means the requirement to file, send or deliver a document during the period from March 23, 2020 to June 1, 2020 under any of the following provisions:

- (a) section 4.8 [notice of change in year-end] of NI 51-102,
- (b) section 4.9 [notice of change in corporate structure] of NI 51-102,
- (c) section 4.11 [change of auditor reporting package] of NI 51-102, and
- (d) section 8.2 [obligation to file a business acquisition report and filing deadline] of NI 51-102.

Background

3. As a result of the COVID-19 pandemic, some issuers and designated credit rating organizations may have difficulties or may be unable to comply with certain obligations under securities legislation, including requirements to make certain filings or to send or deliver certain documents.
4. The Commission expects that each securities regulatory authority will issue orders providing similar exemptions to those provided in this order.
5. The Commission expects that jurisdictions that have adopted continuous disclosure obligations in relation to the offering memorandum prospectus exemption will provide exemptions from those requirements. The Commission has not adopted those continuous disclosure obligations so an exemption is not required in British Columbia.
6. Section 61 of the Act requires a person to file a prospectus and to receive a receipt for that prospectus prior to distributing a security.
7. Section 85 of the Act requires a reporting issuer to provide periodic disclosure about its business and affairs and to provide other prescribed disclosure.
8. The Commission has adopted National Instruments that impose periodic disclosure requirements on issuers and disclosure requirements for designated rating organizations.
9. The Commission is satisfied, having considered the interests of issuers that are impacted by COVID-19 and the needs of investors to have timely disclosure about an issuer’s or designated rating organization’s financial and business affairs that, subject to the conditions set out in this Instrument, it is appropriate to provide exemptions from the requirements of sections 61 and 85 of the Act and variations of certain Commission rules to extend the time required to comply with the Group A requirements, the Group B requirements, the annual reporting obligations of designated credit rating organizations and the lapse date requirements for certain prospectuses.

Exemption from Group A requirements

10. The Commission, considering that to do so would not be prejudicial to the public interest, orders under section 91 that a person is exempt from the applicable Group A requirements if the person complies with the following conditions:
 - (1) The person issues, and files on SEDAR as soon as reasonably practicable, a news release in advance of the deadline that would otherwise apply to the applicable requirement that:
 - (a) discloses each applicable requirement for which the person is relying on this exemption,
 - (b) states that the person's management and other insiders are subject to a trading black-out policy that reflects the principles in section 9 of National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions*,
 - (c) discloses the estimated date by which the person expects to file, send or deliver the document referred to in the applicable Group A requirements, and
 - (d) provides the following information about the person:
 - (i) an update of any material business developments since the date of the last annual financial statements or interim financial reports that the person filed, or
 - (ii) confirmation that there have been no material business developments since that date.
 - (2) The person issues, and files on SEDAR as soon as reasonably practicable:
 - (a) a news release no later than 30 days after the first day of the extension period, and
 - (b) a subsequent news release no later than 30 days following the date of the news release referred to in (2)(a) if the person has not yet filed, sent or delivered, as applicable, each document for which it is relying on this exemption.
 - (3) A news release referred to in (2) must provide the following information about the person:
 - (a) an update of any material business developments since the date of the last news release required by this section, or
 - (b) confirmation that there have been no material business developments since that date.
 - (4) The person does not file a preliminary prospectus or a final prospectus for an offering of securities until it has filed all documents for which it is relying on an exemption from the Group A requirements.
 - (5) The person files, sends or delivers all documents for which it is relying on an exemption from the Group A requirements by the date that is 45 days after the date the person was otherwise required to file, send or deliver the document.

- (6) Despite (5), a person that is relying on the exemption for the sending of an annual request form required by section 4.6(1) of NI 51-102 must send that annual request form before the record date for its next annual meeting of securityholders.
- (7) Despite (5), a person that is relying on the exemption for the delivery of annual financial statements required by sections 4.6(3) or (5) of NI 51-102 or management's discussion and analysis required by sections 5.6(1) and (3) of NI 51-102, the applicable documents are delivered before, or in conjunction with, the delivery of the management information circular for its next annual meeting of securityholders.

Exemption from Group B requirements

11. The Commission, considering that to do so would not be prejudicial to the public interest, orders under section 91 of the Act that a person is exempt from the applicable Group B requirements if the person complies with the following conditions:
 - (1) The person issues, and files on SEDAR as soon as reasonably practicable, a news release in advance of the deadline that would otherwise apply to the applicable requirement that discloses each applicable requirement for which the person is relying on this exemption.
 - (2) The person files, sends or delivers all documents for which it is relying on an exemption from the Group B requirements by the date that is 45 days after the date the person was otherwise required to file, send or deliver the document.

Variation for designated rating organization

12. The Commission, considering the public interest, orders under section 187 of the Act that the requirements applicable to a designated rating organization in section 14(1) of NI 25-101 *Designated Rating Organizations* to file Form 25-101F1 *Designated Rating Organization Application and Annual Filing* (Form 25-101F1) and section 14(2) of NI 25-101 to file an amended Form 25-101F are varied if the designated rating organization complies with the following conditions:
 - (1) The designated rating organization issues and sends to the securities regulatory authority that was its principal regulator for the purposes of its designation as a designated rating organization, a news release in advance of the filing deadline that would otherwise apply that discloses each applicable requirement for which the designated rating organization is relying on this exemption.
 - (2) The news release referred to in (1) must:
 - (a) briefly discuss any information in the latest annual or amended Form 25-101F1 filed by the designated rating organization that is materially inaccurate and may refer to current information on the designated rating organization's website for that purpose, or
 - (b) confirm that there is no such information that is materially inaccurate.

- (3) The designated rating organization files its annual or amended Form 25-101F1, as applicable, by the date that is 45 days after the date the designated rating organization was otherwise required to file the annual or amended Form 25-101F1.

Variation of base shelf prospectus lapse date requirements

13. The Commission, considering the public interest, orders under section 187 that if the 25 month expiration of a base shelf prospectus under sections 2.2(3)(a), 2.3(3)(a), 2.4(3)(a) or 2.6(3)(a) of National Instrument 44-102 *Shelf Distributions* (the lapse date) occurs during the period from March 23, 2020 to June 1, 2020, the lapse date is varied so that it is extended by 45 days if the person complies with the following conditions:

- (1) The person issues, and files on SEDAR as soon as reasonably practicable, a news release in advance of the lapse date that discloses the specific requirements for which the person is relying on this variation.
- (2) The person is not relying on the exemption in section 10 of this Instrument.

Effective date

14. This order is effective March 23, 2020.

Dated March 23, 2020

Brenda M. Leong
Chair

(This part is for administrative purposes only and is not part of the Order)
Authority under which Order is made:
Act and section: *Securities Act*, sections 76, 91 and 187