

**Companion Policy 72-503CP**  
***Distribution of Securities outside British Columbia***

1. This Instrument applies to issuers located in British Columbia seeking to distribute securities outside of the province, by either public offering or private placement, including issuers testing the waters in relation to distributions outside Canada. To determine if a distribution will occur in British Columbia, refer to BC Interpretation Note 72-702 *Distribution of Securities to Persons Outside British Columbia*.
2. An issuer cannot use the exemption in section 3 if it is relying on MI 45-108 in the jurisdiction where the purchaser is resident. BC Instrument 72-505 *Exemption from prospectus requirement for crowdfunding distributions to purchasers outside British Columbia* provides an exemption for issuers complying with the requirements of MI 45-108.
3. If the issuer of the security in section 4 is a reporting issuer, it must file the documents referred to in paragraph 4(c) on SEDAR under the document type “offering material” within the same SEDAR project number as the news release announcing the public offering.
4. The US JOBS Act permits emerging growth companies to engage in oral and written communications with qualified institutional buyers and certain other institutional investors to ascertain interest in a potential U.S. public offering. Without an exemption, BC-based issuers could not use these provisions since such communications would be considered acts in furtherance of a trade. Section 5 of the instrument allows BC-based issuers to use the U.S. testing of the waters provisions. If the purchaser is not resident in the U.S., then the BC issuer would have to consider whether the communication is also allowed under the securities laws of the jurisdiction where the purchaser is resident.
5. Under section 7, an issuer relying on the exemption in section 3 must file a Form 45-106F1 *Report of Exempt Distribution* with the Commission no later than 10 days after the distribution.

Under BC Instrument 13-502 *Electronic filing of reports of exempt distribution*, issuers are required to file exempt distribution reports through BCSC eServices. BCSC eServices will generate a reference number confirming the filing of the exempt distribution report.

Existing filers may use their current eServices profile in order to complete the filing. A new report filer must first register as a BCSC eServices user and create a profile with the Commission. Contact Financial Reporting, Corporate Finance at [finreport@bcsc.bc.ca](mailto:finreport@bcsc.bc.ca) for help creating an eServices profile.

6. Under section 8(a), if the issuer of the security in section 4 is a non-reporting issuer, it must file a Form 45-106F1 *Report of Exempt Distribution* no later than 10 days after the distribution. The issuer is not required to include Schedule 1 to Form 45-106F1 (*Confidential Purchaser Information*).
7. Under paragraph 8(b), if the issuer of the security in section 4 is a non-reporting issuer, it must deliver to the Commission the document referred to in paragraph 4(b) and any supplement to that document. To deliver these documents to the Commission, e-mail these documents to [finreport@bcsc.bc.ca](mailto:finreport@bcsc.bc.ca) and add the reference number generated when filing the exempt distribution report through BCSC eServices.