

Section 1

Identification questions submitted via e-form through the CSA website

September 22, 2026 - Delivered via e-form through the CSA website

Publication title

Proposed Amendments to National Instrument 45-106 Prospectus Exemptions relating to the Listed Issuer Financing Exemption

Comment addressed to participating jurisdictions:

British Columbia Securities Commission
 Alberta Securities Commission
 Financial and Consumer Affairs Authority of Saskatchewan
 Manitoba Securities Commission
 Ontario Securities Commission
 Autorité des marchés financiers
 Financial and Consumer Services Commission, New Brunswick
 Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island
 Nova Scotia Securities Commission
 Office of the Superintendent of Securities, Service NL
 Northwest Territories Office of the Superintendent of Securities
 Office of the Yukon Superintendent of Securities
 Superintendent of Securities, Nunavut

Identification

Instrument Number:

45-106

Publication Date:

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Email:

[REDACTED]

Place of residence:

Quebec, CA

Are you commenting on behalf of an organization?

Yes

Organization Name:

Canadian Independent Finance and Innovation
 Counsel Inc (CIFIC)

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Section 2

Questions answered via e-form through the CSA website

General Comments

Please see letter attached. Thank you.

Section 3

Uploaded documents via e-form through the CSA website

The uploaded document continues on the next page



Tuesday, September 22, 2026

Via CSA portal: <https://www.securities-administrators.ca/consultations/>

And by email: consultation-en-cours@lautorite.qc.ca

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission (New Brunswick)
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Service NL
Northwest Territories Office of the Superintendent of Securities
Office of the Yukon Superintendent of Securities
Superintendent of Securities, Nunavut

And

Me Philippe Lebel
Corporate Secretary and Executive Director, Legal Affairs
Autorité des marchés financiers
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2640, boulevard Laurier, bureau 400
Québec (Québec) G1V 5C1

Re. CSA Notice and Request for Comment - Proposed Amendments to National Instrument 45-106 Prospectus Exemptions Relating to the Listed Issuer Financing Exemption and Proposed Changes to Companion Policy 45-106CP Prospectus Exemptions, Published on July 23, 2026

The Canadian Independent Finance and Innovation Counsel (**CIFIC**) appreciates the opportunity to provide comments to the Canadian Securities Administrators (**CSA**) regarding the proposed

amendments to National Instrument 45-106, *Prospectus Exemptions Relating to the Listed Issuer Financing Exemption* and proposed changes to Companion Policy 45-106CP, *Prospectus Exemptions* (the **Proposed Amendments**).

The Canadian Independent Finance and Innovation Counsel represents over 40 national Investment Dealers and their industry's position on securities regulation, public policy, and industry issues. We represent notable CIRO-regulated Investment Dealers in the Canadian securities industry.

Industry View

CIFIC represents Investment Dealers operating across Canada. The Investment Dealers we represent are generally supportive of the Proposed Amendments and of the CSA's continued efforts to improve the Listed Issuer Financing Exemption (**LIFE**) as an efficient capital-raising mechanism for Canadian public companies.

LIFE has become an important financing tool, particularly for smaller issuers seeking efficient access to Canada's public capital markets. We therefore support measures that make the exemption more practical, flexible, and responsive to market conditions, while maintaining appropriate investor protection.

In particular, we support the CSA's proposal to codify the increased financing limits introduced through the 2025 blanket order. The significant use of LIFE following the increase in these limits demonstrates the importance of providing Canadian issuers with efficient and commercially viable alternatives for raising capital.

Our comments on specific aspects of the Proposed Amendments are set out below.

Sufficiency of Funds and Enhanced Disclosure

We support the CSA's proposal to modify the existing "sufficiency of funds" condition.

Currently, an issuer must reasonably expect to have sufficient available funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution. We understand that this requirement has represented a significant barrier to the use of LIFE by smaller issuers.

This is particularly relevant for early-stage and venture issuers, which often raise capital incrementally to achieve specific business, development, or operational milestones. Requiring these issuers to raise sufficient capital to fund 12 months of operations may be inconsistent with their normal financing practices and may unnecessarily restrict their ability to rely on LIFE.

We therefore support moving toward a more flexible approach that would require an issuer to have sufficient liquidity to satisfy its reasonably anticipated short-term milestones and financial obligations.

We also support enhanced disclosure regarding the issuer's financial condition, expected use of proceeds, short-term milestones, and anticipated liquidity requirements. Clear disclosure can provide investors with the information necessary to assess the issuer's financial position without imposing an unnecessarily rigid financing threshold on the issuer.

We encourage the CSA to avoid replacing the existing 12-month requirement with another arbitrary prescribed period. A principles-based approach focused on adequate disclosure and the issuer's reasonably anticipated short-term requirements would provide greater flexibility and better accommodate the diverse circumstances of Canadian issuers.

Offering Price and Price Discovery

We support the proposal to permit an issuer, subject to appropriate conditions, to launch an offering before the final offering price has been determined, and to subsequently amend the offering document once the price is established.

This change better reflects the practical realities of capital-raising: investor feedback and market demand are important components of price discovery, and issuers and Dealers should have sufficient flexibility to assess market interest before establishing final pricing.

We also encourage the CSA to provide appropriate flexibility regarding any expected price range required to be disclosed when an offering is announced. Market conditions can change quickly, particularly for smaller and venture issuers. The framework should therefore accommodate legitimate changes resulting from market conditions and investor feedback without unnecessarily requiring an issuer to restart or delay the offering.

Extension of the Offering Period

We support increasing the maximum offering period from 45 days to 60 days.

Providing issuers with additional time to complete an offering should enhance the practical utility of LIFE, particularly during periods of market volatility or where additional time is required to develop sufficient investor participation.

The additional 15 days should provide useful flexibility without materially changing the nature of the exemption or diminishing investor protection.

Offering Document Certificate

We support the CSA's proposed simplification of the certificate requirements.

Where market participants have experienced difficulties completing technical aspects of a prescribed certificate correctly, simplifying the requirement is appropriate, provided the underlying accountability and investor-protection objectives are maintained.

Regulatory requirements should be clear, understandable, and operationally practical. We therefore support amendments that reduce the risk of technical errors without reducing the substantive protections provided to investors.

Continuous Disclosure Lookback

We understand that the Proposed Amendments would extend the relevant lookback period to capture the issuer's continuous disclosure documents filed during the previous 18 months.

We do not object to this change, provided that the resulting obligations remain clear and operationally manageable for issuers and Dealers.

More broadly, we encourage the CSA to ensure that additional disclosure requirements under LIFE remain proportionate to the streamlined nature of the exemption. One of LIFE's principal benefits is its ability to provide issuers with more efficient access to capital than a traditional prospectus offering. Additional requirements should therefore be imposed only where they provide a meaningful investor-protection benefit.

Successor Issuers

We support the proposed mechanism allowing successor issuers to rely on LIFE where the applicable conditions are satisfied.

Corporate reorganizations and other transactions resulting in a successor issuer should not unnecessarily prevent an otherwise eligible issuer from accessing LIFE. Providing a clear mechanism for successor issuers should improve certainty and preserve access to the exemption following legitimate corporate transactions.

Convertible Debentures

We recommend that the CSA expand LIFE to permit the distribution of debentures that are convertible into listed equity securities.

Convertible debentures are an established financing instrument in Canadian capital markets and can provide issuers with an important alternative source of capital. They can also provide investors with an investment that combines fixed-income characteristics with potential participation in the issuer's equity.

We recognize the CSA's concern that convertible debentures may be more complex than common shares or units consisting of common shares and warrants. However, we do not believe that this complexity, in itself, warrants excluding convertible debentures from LIFE.

Appropriate disclosure of the principal terms of the debenture, including interest, maturity, conversion terms, ranking, and material risks, should enable investors to make informed investment decisions.

Where applicable exchange rules already impose requirements regarding convertible debentures, we also encourage the CSA to avoid introducing duplicative requirements through LIFE unless an additional requirement provides a clearly identifiable investor-protection benefit.

Dilution Limit

We encourage the CSA to reconsider whether the existing 50% dilution limit remains appropriate in all circumstances.

The limit can disproportionately affect smaller issuers whose capital requirements may be significant relative to their existing market capitalization. These are also among the issuers that may derive the greatest benefit from an efficient capital-raising exemption.

We recognize the importance of ensuring that investors understand the potential dilutive impact of an offering. However, dilution is fundamentally an economic consideration that can be clearly disclosed to investors.

Rather than unnecessarily restricting the amount of capital that may be raised, we encourage the CSA to consider whether enhanced disclosure of potential dilution could provide sufficient investor protection while allowing greater financing flexibility.

At a minimum, we recommend that the CSA continue to assess the operation of the 50% threshold based on market experience and remain open to increasing the threshold if it is demonstrated to constrain legitimate capital formation.

Broader Considerations

The success of LIFE demonstrates the value of developing regulatory approaches that facilitate capital formation while maintaining appropriate investor protection.

Canada competes internationally for issuers and investment capital. Efficient access to financing is therefore important not only to individual issuers but also to the overall competitiveness of Canadian capital markets.

In considering the final amendments, we encourage the CSA to preserve the fundamental characteristics that have made LIFE successful: simplicity, speed, flexibility, and reduced financing costs.

The regulatory framework should also recognize that investors purchasing securities under LIFE generally have access to the issuer's continuous disclosure record and that the same listed securities can generally also be purchased through the secondary market.

Accordingly, additional conditions imposed specifically on LIFE offerings should address identifiable investor-protection concerns and should not unnecessarily constrain issuers' ability to raise capital.

Conclusion

The Investment Dealers we represent generally support the Proposed Amendments and commend the CSA for continuing to improve LIFE based on its experience with the exemption and feedback from market participants.

In particular, we **support codifying the increased financing limits; introducing greater flexibility regarding the sufficiency of funds requirement; facilitating price discovery; extending the offering period to 60 days; simplifying certificate requirements; and accommodating successor issuers.**

We also **encourage the CSA to permit convertible debentures under LIFE and to reconsider whether the existing 50% dilution limit appropriately balances investor protection with the capital-raising needs of smaller issuers.**

LIFE has demonstrated that appropriately calibrated prospectus exemptions can meaningfully improve access to capital in Canada. We encourage the CSA to continue building on that success and to ensure that the final framework remains practical, flexible, and competitive for Canadian issuers and investors.

Thank you for considering our comments on this important proposal.

As always, we are available to discuss the content of this submission further, address any concerns you may have, or provide additional information as needed. Your feedback is invaluable to us, and we are committed to ensuring that we all achieve our objectives effectively and efficiently.

Please feel free to contact us with any questions, comments, or to schedule a call to discuss any aspects of the letter or explore potential next steps. We look forward to our continued collaboration on this matter.

Sincerely,

A solid black rectangular box used to redact the signature of Annie Sinigagliese.

Annie Sinigagliese, CPA, FCSI
Canadian Independent Finance and Innovation Counsel Inc.
Conseil Indépendant Finance et Innovation du Canada Inc.
www.cific.co