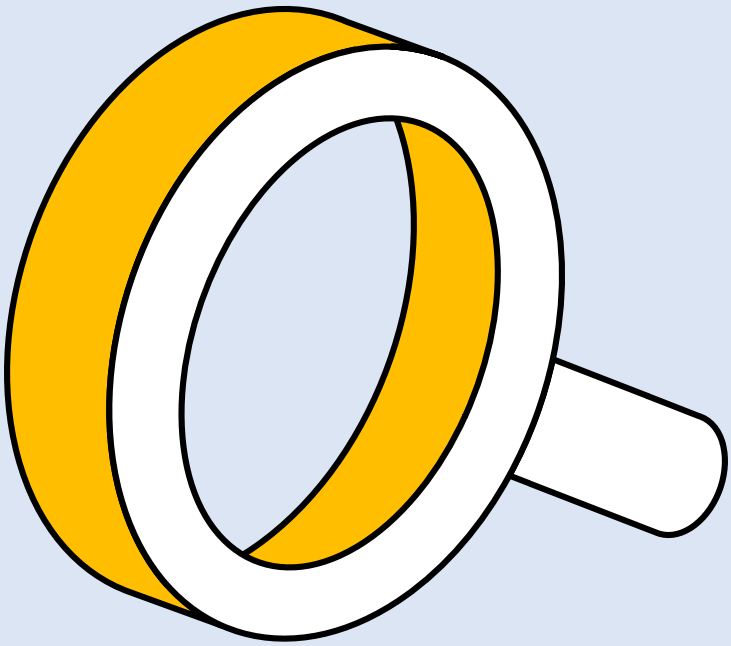
Autorité
des marchés
financiers

May 2025

Summary of Oversight and Regulatory Activities

Direction principale du financement des sociétés



NOTE: For ease of reading, the full names of regulations (including forms), policy statements and notices are listed in the Appendix.

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Message from the Senior Director, Corporate Finance

I am pleased to once again present capital market participants with the summary of oversight and regulatory activities of the AMF's Direction principale du financement des sociétés (DPFS) for the year ended December 31, 2024.

The AMF is responsible for ensuring that investors are protected and markets operate in an orderly manner. In connection with this mandate, the DPFS oversees compliance with continuous disclosure, securities distribution, bid and insider reporting requirements. In line with its objective to be an influential regulator supporting Québec's financial sector, the AMF provides leadership on various issues affecting local, domestic and international capital markets while adjusting its regulatory approaches and reducing market participants' compliance burden.

Exempt market distributions by Québec companies culminated in a record amount distributed of $18.5 billion. As for public market financings, we welcomed the closing of the first IPO in Canada on the TSX since 2022, which was completed by a Québec company.

A number of issues will obviously be on our radar in 2025, including decisions by the U.S. government and inflation and monetary policy developments. We will closely monitor the impact of these issues on our market and Québec companies.

The first section of the summary provides statistics on Québec companies and the distributions they carried out.

The second section presents the findings of our corporate offering and continuous disclosure document reviews and highlights various identified regulatory issues in order to help companies and their advisors improve the level of disclosure in such documents.

The "Regulatory initiatives" section summarizes our recent regulatory activities. In this regard, we are continuing our work to reduce regulatory burden for issuers without compromising investor protection or market efficiency.

The last part of the summary addresses assorted topics of interest, including our international work.

I would like to conclude by thanking DPFS staff for their collaboration and engagement in carrying out our mission.

We hope you find this summary both interesting and informative.

Benoît Gascon

Senior Director, AMF Corporate Finance

Table of contents

1. Abbreviations and acronyms used in this summary

AI:	Artificial intelligence
AMF:	Autorité des marchés financiers
ASC:	Alberta Securities Commission
BCSC:	British Columbia Securities Commission
BIA:	*Bankruptcy and Insolvency Act*
CBCA:	*Canada Business Corporations Act*
CCAA:	*Companies' Creditors Arrangement Act*
CPAB:	Canadian Public Accountability Board
CPC:	Capital pool company
CSA:	Canadian Securities Administrators
CSE:	Canadian Securities Exchange
CSSB:	Canadian Sustainability Standards Board
CTP:	Crypto asset trading platform
EDGAR:	Electronic Data Gathering, Analysis and Retrieval System
GAAP:	Generally Accepted Accounting Principles.
GDP:	Gross domestic product
IAASB:	International Auditing and Assurance Standards Board
IASB:	International Accounting Standards Board
IFRS:	International Financial Reporting Standards
IOSCO:	International Organization of Securities Commissions
IPO:	Initial public offering
NAICS:	North American Industry Classification System
NASDAQ:	National Association of Securities Dealers Automated Quotations
NRD:	National Registration Database
OSC:	Ontario Securities Commission
SEC:	Securities and Exchange Commission (United States)
SEDAR+:	System for Electronic Document Analysis and Retrieval +
SEDI	System for Electronic Disclosure by Insiders
SPAC:	Special purpose acquisition company
TMX:	TMX Group
TSX:	Toronto Stock Exchange
TSXV:	TSX Venture Exchange
WKSI:	Well-known Seasoned Issuers

2. Portrait of Companies[1] – Financings

2.1. In figures

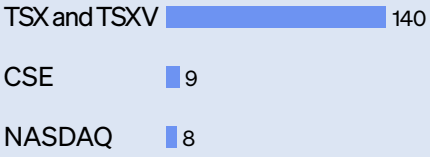
Overview of public markets

1,139
reporting issuers[2]

219
reporting issuers[3] with the AMF as principal regulator
52% venture issuers / 48% other issuers

157
Québec companies listed on the TSX, TSXV, NASDAQ or CSE

$804.6
billion market capitalization of Québec companies listed on the TSX, TSXV, NASDAQ or CSE



145
prospectuses filed
10% by Québec companies

$1.6
billion amount raised by TSX- or TSXV-listed Québec companies

Overview of the exempt market

135
Québec issuers[4] filed 592 reports of exempt distribution

$18.5
billion amount raised by Québec issuers

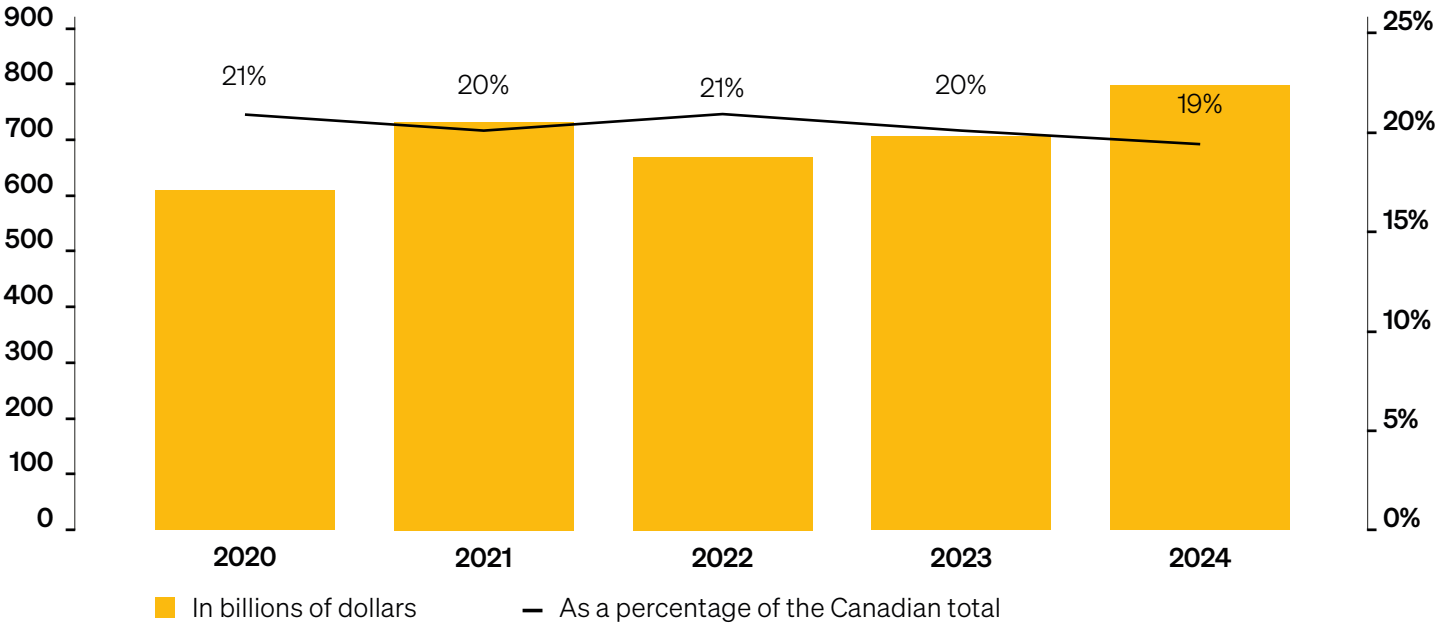
$25.4
billion amount invested by Québec purchasers in securities issued by Canadian companies and foreign companies

1 Unless otherwise indicated, all figures are as at December 31, 2024.
2 Excluding 531 reporting issuers that were under cease trade orders for more than 12 months.
3 Excluding 242 reporting issuers that were under cease trade orders for more than 12 months.
4 Within the meaning given to the term in footnote 16.

2.2. TSX- or TSXV-listed Québec companies

The following chart shows the changes in the total market capitalization of TSX- or TSXV-listed Québec companies.[5] It also shows the total market capitalization of Québec companies as a percentage of the total market capitalization of all companies in Canada from 2020 to 2024.

Market capitalization of TSX- or TSXV-listed Québec companies



Sources: TMX and The AMF

The market capitalization of TSX- or TSXV-listed Québec companies continued on its upward trend in 2024. The market capitalization of Québec companies rose 12%, from $717.4 billion in 2023 to $803.5 billion in 2024, while the market capitalization of non-Québec Canadian companies increased 18%, from $2.8 trillion in 2023 to $3.3 trillion in 2024.

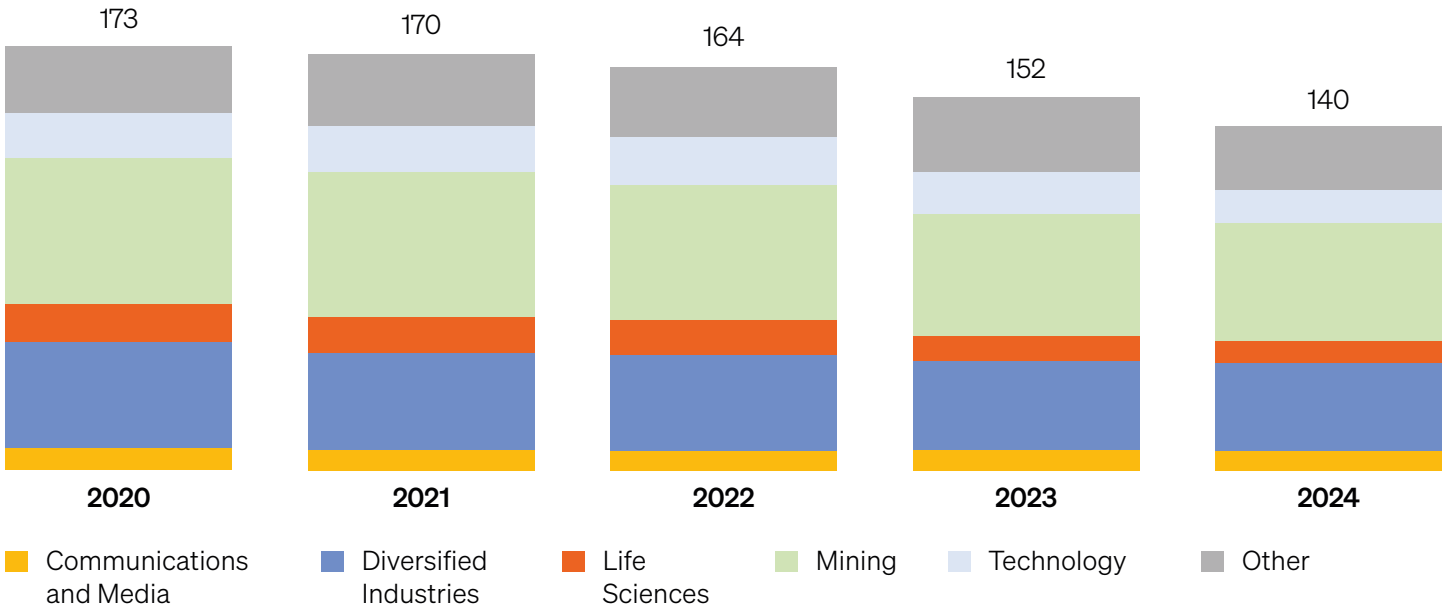
5 In items 2.1 to 2.4 and 2.7, the terms “Québec companies” and “reporting issuers” refer to issuers for which the AMF is the principal regulator within the meaning of Regulation 11-102.

The total market capitalization of Québec companies as a percentage of the total market capitalization of Canadian companies remained relatively stable in 2024 (19%) compared with 2023 (20%), slightly lower than Québec's share of Canadian GDP (19.9%).[6]

While the market capitalization of Québec companies has increased steadily, the number of TSX- or TSXV-listed companies continued to decline. The number of Québec companies listed on the TSX or TSXV slipped 8% in 2024, from 152 in 2023 to 140 in 2024, versus 7% in 2023. The same downward trend was seen in the rest of Canada, where the number of non-Québec Canadian companies listed on the TSX or TSXV dropped 4%, from 1,840 in 2023 to 1,766 in 2024.

The following chart shows the number of Québec companies listed on the TSX or TSXV by industry sector.

Number of TSX- or TSXV-listed Québec companies by industry sector[7]



Sources: TMX and theAMF

6 Sources: Statistics Canada and the Institut de la statistique du Québec. Gross domestic product by income account – seasonally adjusted at annual rates. Preliminary data.

7 The number of reporting issuers between 2020 and 2024 has been adjusted to include reporting issuers that were under cease trade orders for less than 12 months as at December 31 of each of these years and to reflect the companies' headquarters based on the disclosures they have filed on SEDAR+ since its launch, and not only on information prepared by TMX in this regard. Sectors are classified according to the sector classification used by TMX. Diversified Industries includes Consumer Products and Services, Industrial Products and Services and Real Estate.

2.3. CSE and NASDAQ

The number of Québec companies listed on the CSE or the NASDAQ remained virtually unchanged in 2024. Nine Québec companies were listed on the CSE (the same number as in 2023) and eight on the NASDAQ in 2024 (down from nine in 2023).

At $158 million, the market capitalization of Québec companies listed on the CSE rose 113% in 2024 compared with 2023, while the market capitalization of Québec companies listed on the NASDAQ was down 15%, for a total of $1 billion in 2024..

2.4. Public market offerings by Québec companies

The number of prospectuses filed in Canada continued to decline, from 276 prospectuses in 2023 to 248 in 2024, down 10%. This trend was less pronounced for the number of prospectuses filed in Québec, which fell 4% in 2024, from 151 prospectuses filed in 2023 to 145 filed in 2024. Of the prospectuses filed in Québec in 2024, 10% were filed by Québec companies and the remaining 90% were filed by companies for which the AMF is not the principal regulator, unchanged from 2023.

In Canada, the number of IPOs[8] filed by TSX- or TSXV-listed companies rose slightly from 2023. Four IPOs were conducted in 2024. The largest, and only one to close on the TSX, was by a Québec company; the other three were conducted by three non-Québec Canadian companies on the TSVX. In 2023, two IPOs were filed[9] by two non-Québec Canadian companies. This pattern change positively impacted the value of IPOs in Canada, which rose approximately 98%, from $0.15 billion[10] in 2023 to $0.3 billion in 2024.

All told, Québec companies raised $1.6 billion[11] in 2024 on the TSX or TSXV, a significant increase of 300% from the $0.4 billion[12] raised in 2023. This uptrend stands in contrast to the slight decline of 4% in public distributions by non-Québec Canadian companies, from $12.7 billion[13] in 2023 to $12.2 billion[14] in 2024. The majority of public distributions were conducted by TSX-listed companies.

8 Not including IPOs of CPCs and SPACs and IPOs for CSE-listed securities.

9 Source: TMX and the AMF.

10 Source: TMX. Excludes the value of the IPOs of CPCs, SPACs and companies listed on the CSE or the NASDAQ.

11 Source: TMX. Excludes public offerings of TSX- or TSXV-listed CPCs and SPACs.

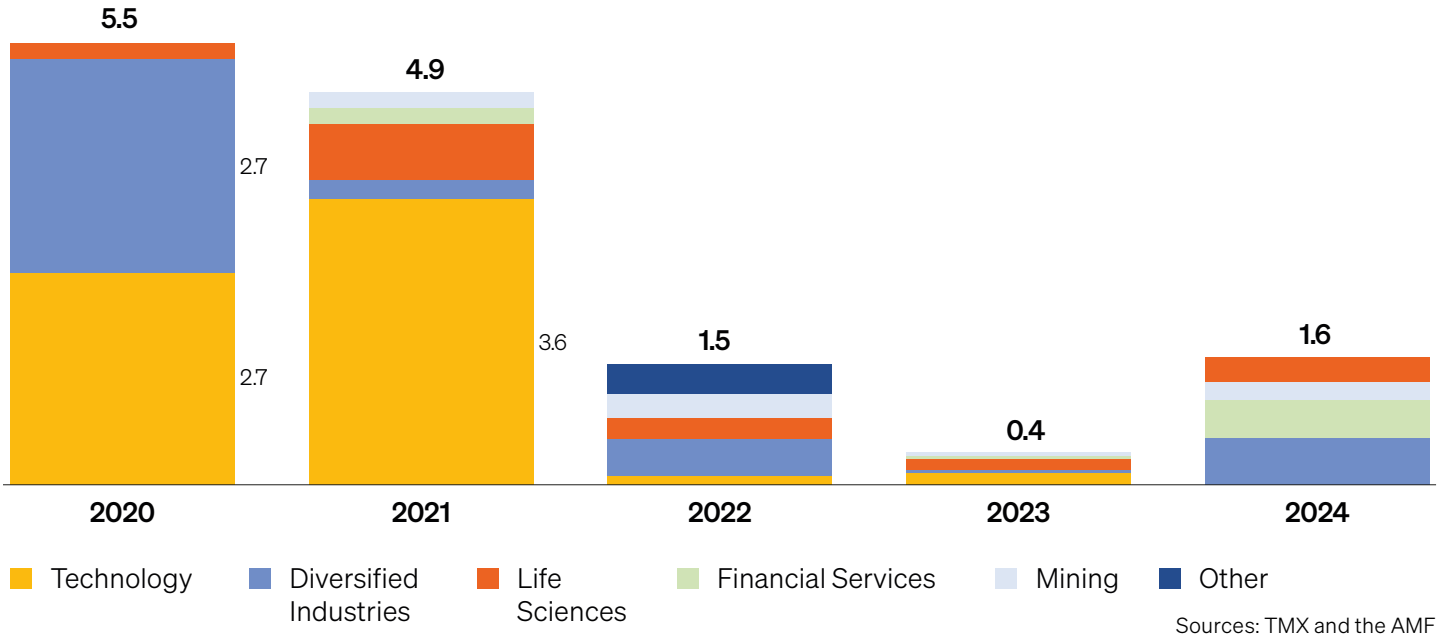
12 Idem note 11.

13 Idem note 11.

14 Idem note 11.

The following chart shows the distributions by TSX- or TSVX-listed Québec companies from 2020 to 2024 by industry sector.

Distributions by TSX- or TSXV-listed Québec companies (in billions of dollars)[15]



Sources: TMX and the AMF

As shown in the chart, distributions by Québec companies operating in the mining, diversified industries and financial services sectors were up significantly in 2024 compared with 2023.

15 Sectors are classified according to the sector classification used by TMX. Diversified Industries includes Consumer Products and Services, Industrial Products and Services and Real Estate.

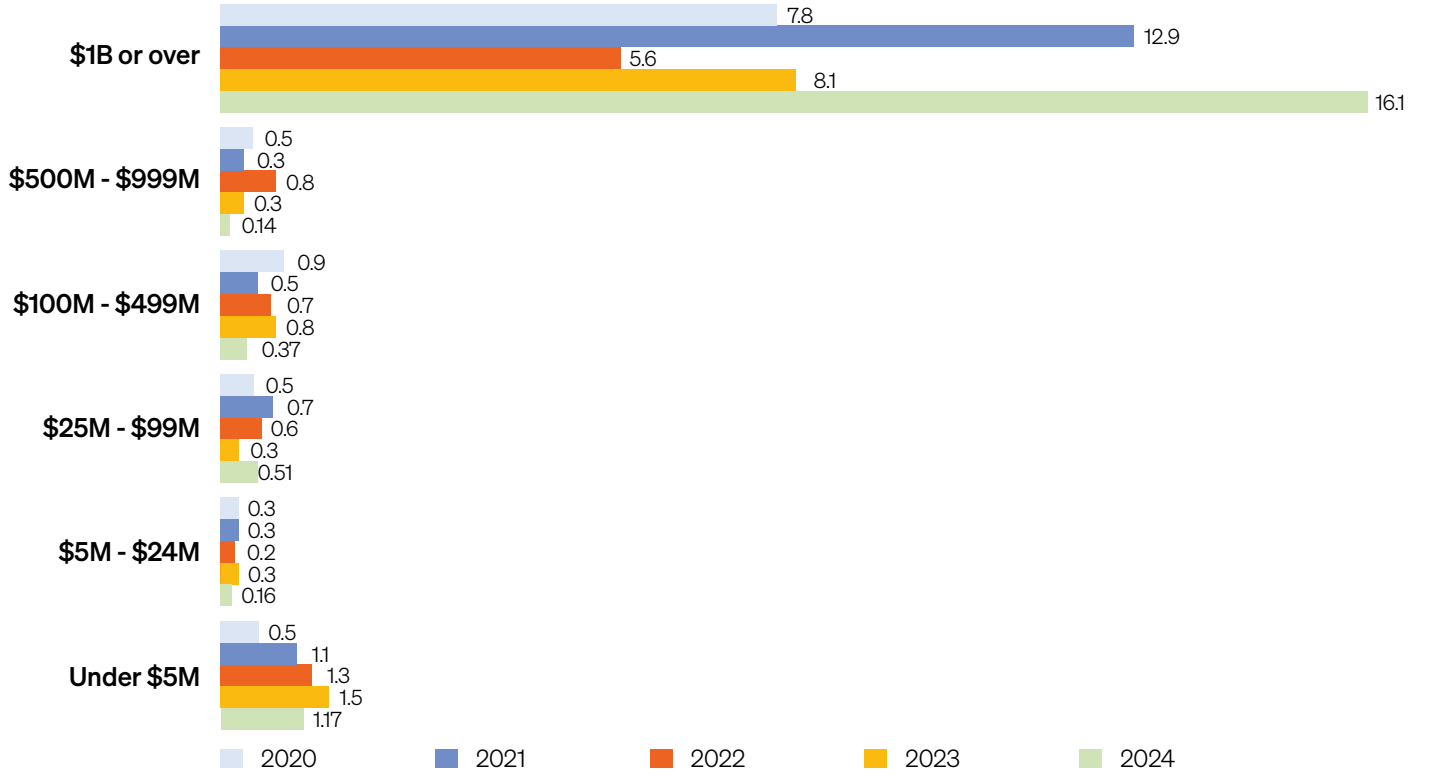
2.5. Exempt market offerings by Québec issuers

Québec issuers[16] raised $18.5 billion in the exempt market in 2024,[17] a significant increase of 64% from the $11.3 billion raised in 2023.[18]

In 2024, 135 Québec issuers filed 592 reports of exempt distribution. Reporting issuers retook the top spot in exempt market distributions in 2024, accounting for 65% of all amounts distributed, in contrast to 2023, when just 36% of all amounts distributed by Québec issuers came from distributions by reporting issuers.

By size of assets, Québec issuers with total assets in excess of $1 billion continued to attract most of the capital raised, at 87% in 2024, up from 72% in 2023. The following chart shows exempt market offerings, conducted from 2020 to 2024 by size of Québec issuer assets.

Exempt distributions by Québec issuers from 2020 to 2024 by size of assets (in billions of dollars)



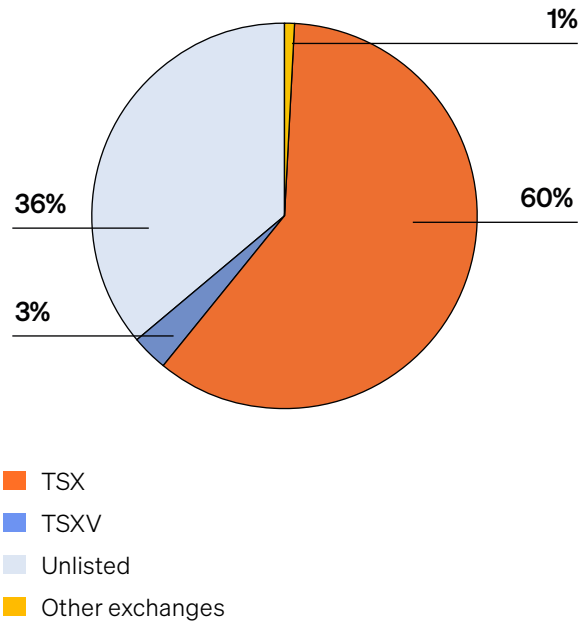
16 In section 2.5, the expression "Québec issuers" refers to reporting and non-reporting issuers headquartered in Québec that completed exempt market distributions. The figures provided cover the distributions made by these Québec issuers under Regulation 45-106 prospectus exemptions requiring the filing of a report of exempt distribution (Form 45-106F1) where such filing took place in 2024. Amendments to those reports that were filed after January 15, 2025, are not considered.

17 Source: AMF calculations.

18 The figures for the years 2022 and 2023 in section 2.5 have been adjusted to take into account the amounts distributed by Québec issuers in 2022 and 2023 for which the required reports of exempt distribution were filed or amended after January 15, 2024.

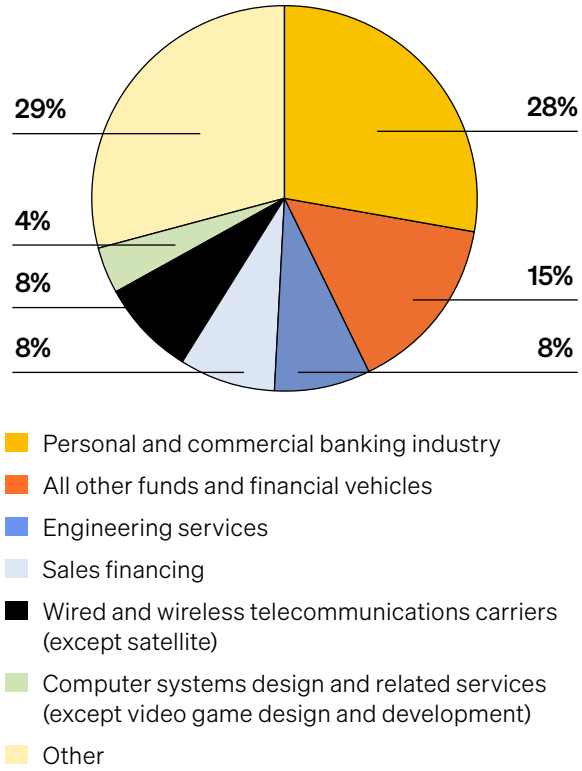
In 2024, TSX- or TSXV-listed Québec issuers, despite representing no more than 42% of all exempt market issuers, were the most active in the exempt market, accounting for nearly 64% of the total capital raised. Unlisted Québec issuers, although more numerous (48%), accounted for 36% of total capital raised in 2024 in the exempt market. The following chart shows exempt distributions by Québec issuers in 2024 by listing exchange.

Exempt distributions by Québec issuers in 2024 by listing exchange



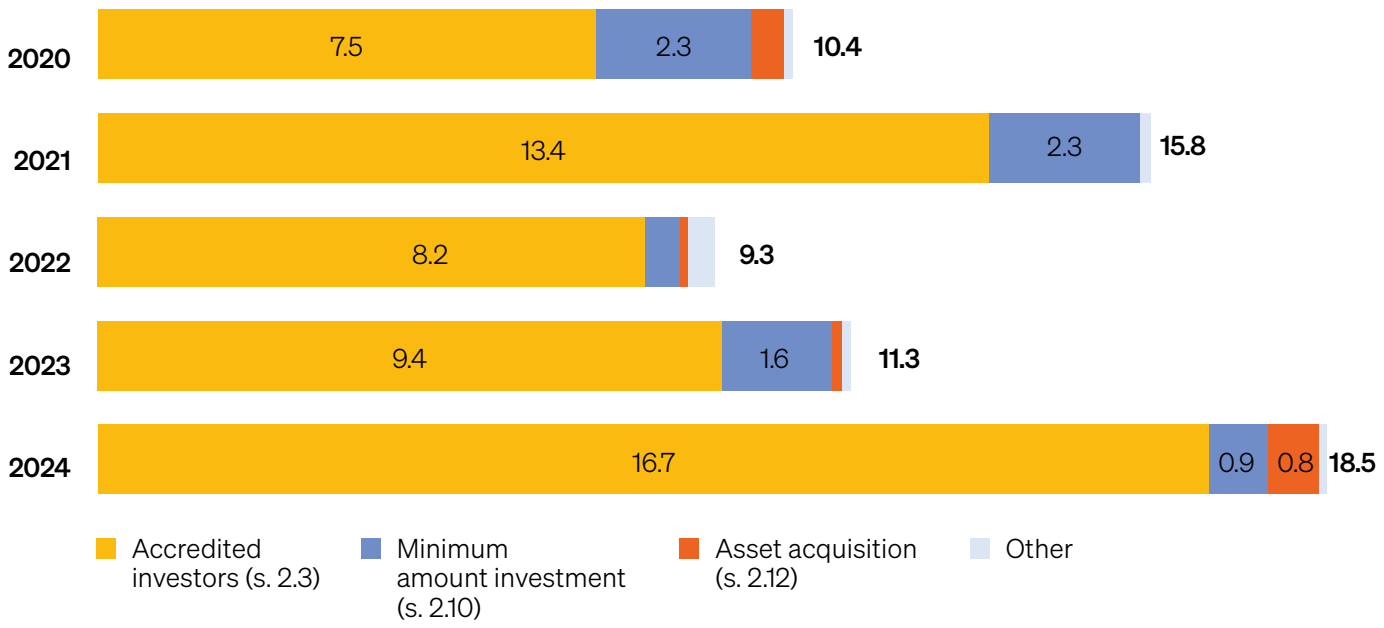
Approximately 43% of Québec issuers that distributed securities in the exempt market in 2024 were in the banking and financial sectors, as indicated in the following chart showing the breakdown by industry, using the nomenclature of the NAICS, of exempt distributions by Québec issuers.

Exempt distributions by Québec issuers by industry



As in previous years, the accredited investor prospectus exemption (section 2.3 of Regulation 45-106) continued to be the exemption most frequently relied upon by Québec issuers in 2024, followed by the minimum amount investment exemption ($150,000) (section 2.10 of Regulation 45-106). The next chart shows the changes in Québec issuer distributions from 2020 to 2024 by exemption used.

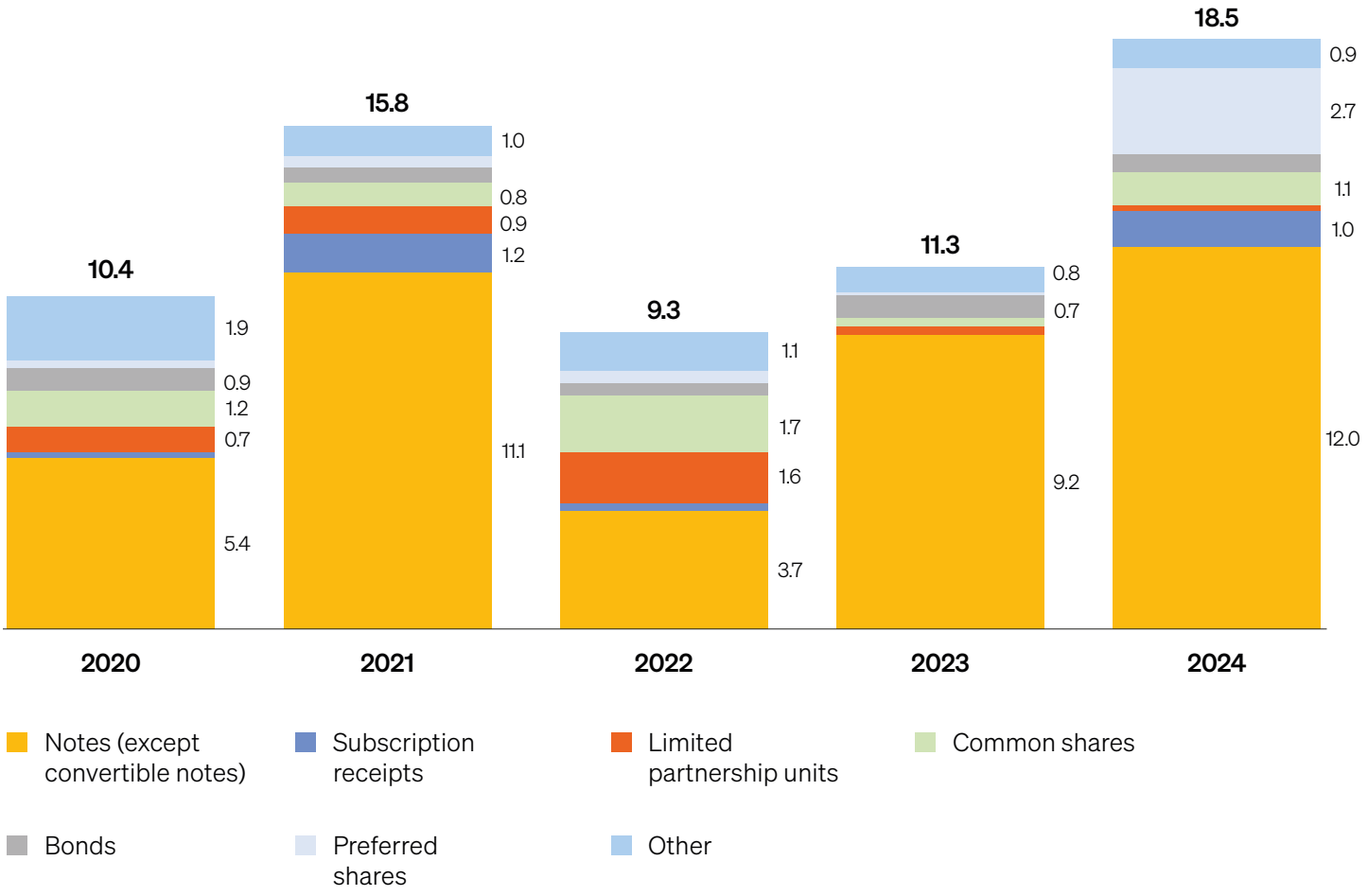
Changes in exempt distributions by Québec issuers from 2020 to 2024 by exemption used (in billions of dollars)[19]



19 The sections mentioned in this chart refer to Regulation 45-106.

In consideration of the amounts raised, Québec issuers continued to issue mainly debt securities in the exempt market in 2024. Notes (other than convertible notes) accounted for 65% of all distributions, followed by preferred shares (15%). The next chart shows amounts distributed by class of securities issued for the years 2020 to 2024.

Changes in Québec issuer exempt distributions from 2020 to 2024 by class of securities issued (in billions of dollars)

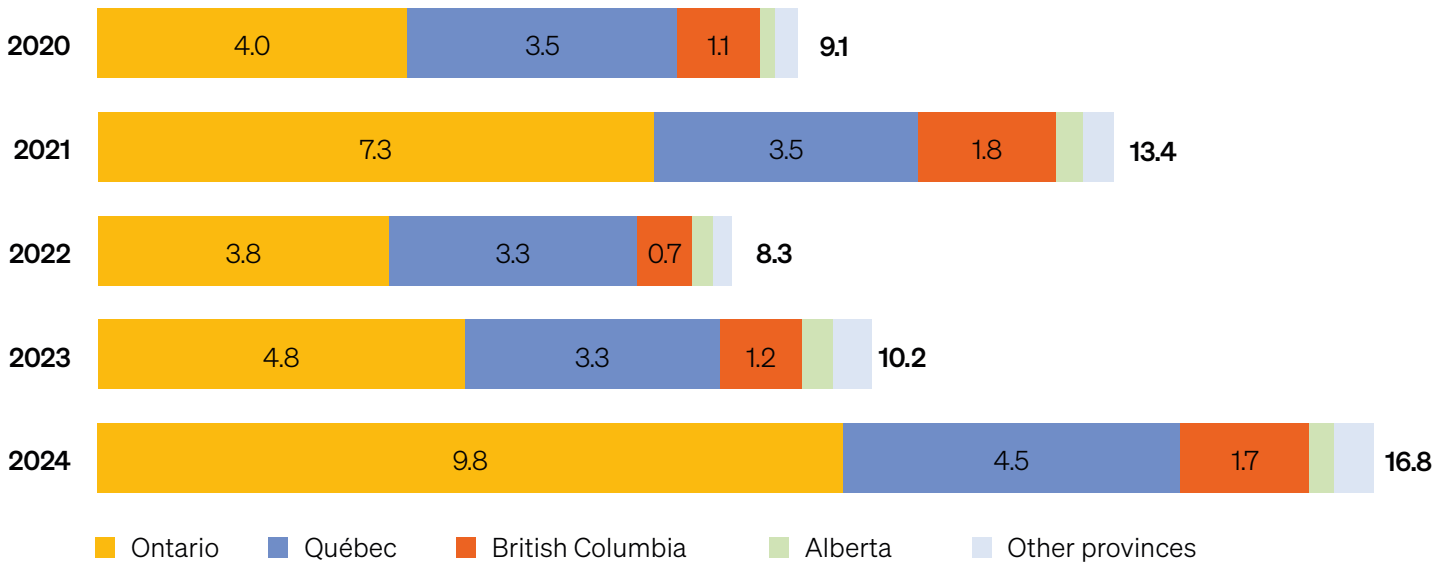


Purchasers residing in Canada continued to be the top investors in securities issued by Québec issuers. Over 91% of securities distributed by Québec issuers were purchased by Canadian investors in 2024, for a total of $16.8 billion, up from $10.1 billion in 2023. In 2024, distributions by Québec issuers to investors residing outside of Canada and the United States rose sharply, from $288.4 million in 2023 to $1.5 billion in 2024, an increase of 432%. At the same time, purchases by U.S. investors fell 85% in 2024, to $126.8 million, less than one percent of the total amount raised by Québec issuers, compared with $828.8 million in 2023 (7%).

Ontario investors were once again the most active in the exempt market for securities distributed by Québec issuers, with amounts purchased in 2024 up 104% from 2023. The percentage of amounts distributed to investors residing in Ontario rose to 58% of all securities distributed in Canada by Québec issuers in 2024, up from 48% in 2023. Although Québec purchasers' investments in securities of Québec issuers rose 35% in 2024, from $3.3 billion to $4.5 billion, they continued to decline as a percentage of amounts distributed, reaching 27% in 2024, down from 33% in 2023 and 40% in 2022.

The following chart shows exempt distributions to Canadian purchasers by province of residence from 2020 to 2024.

Exempt distributions by Québec issuers to Canadian investors from 2020 to 2024 by province of residence (in billions of dollars)



2.6. Other exempt market investments by Québec purchasers

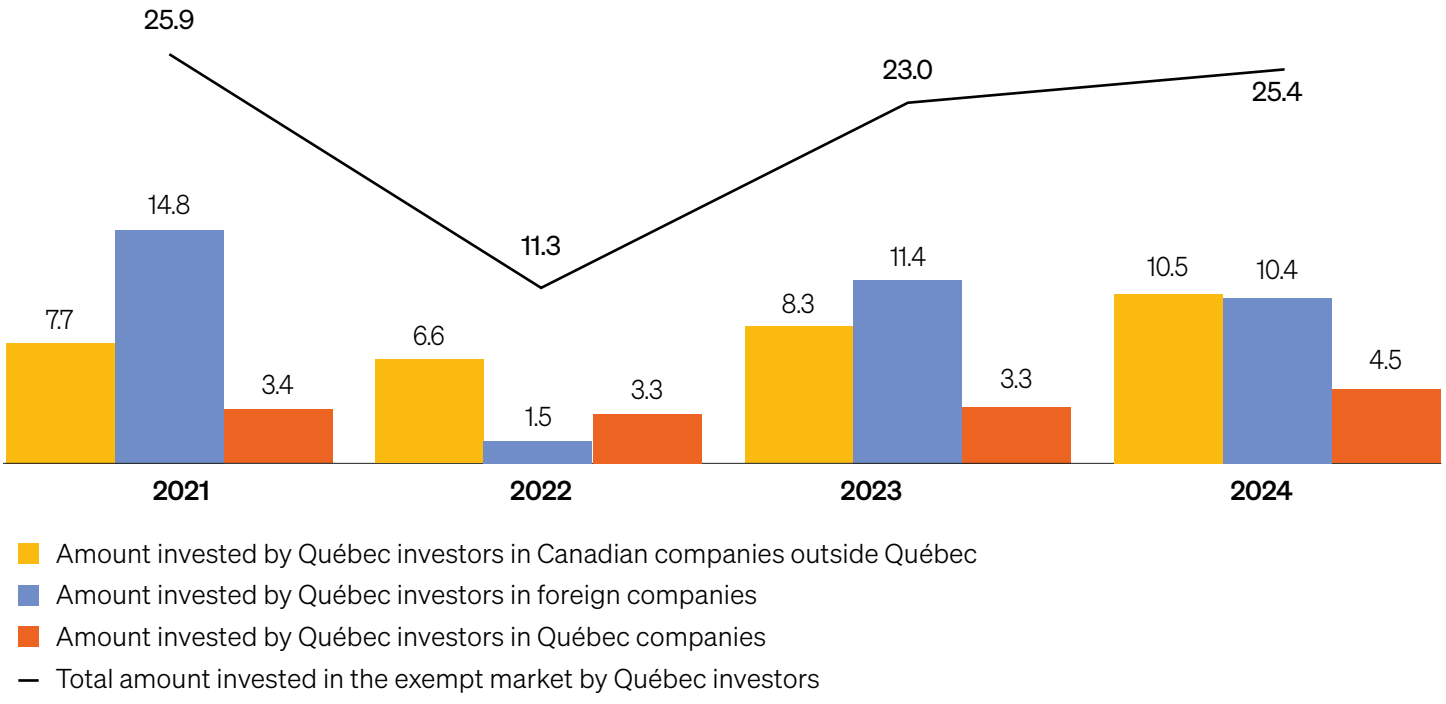
Altogether, Québec investors channelled close to $25.4 billion of their savings into the exempt market in 2024, up 10% from $23 billion in 2023. This amount was invested as follows:

- $4.5 billion in securities of Québec issuers (as shown in the preceding chart);
- $10.5 billion in securities of Canadian issuers outside Québec, up 26% from 2023; and
- $10.4 billion in securities of foreign companies, down 8% from 2023.

As in 2023, foreign companies relied almost exclusively on the accredited investor exemption for distributions to Québec purchasers in 2024 (99% of all amounts invested).

The following chart breaks down Québec purchasers' exempt market investments according to the locations of the head offices of the issuers that effected exempt distributions between 2021 and 2024.

Total amount invested by Québec investors in the exempt market between 2021 to 2024 by location of issuer head office (in billions of dollars)



2.7. Other distributions by Québec companies

In 2024, the AMF agreed to allow Québec companies, under section 12 of the *Securities Act*, to make distributions outside Québec (under a prospectus or a prospectus exemption) 20 times for a maximum total amount of CAN$7.3 million, US$92.2 billion and €13 billion.[20] In 2023, the AMF agreed to allow Québec companies to make distributions outside Québec eight times for a maximum total amount of US$152 billion.

20 The amount indicated is the sum of the amounts that were authorized. As there is no requirement to inform the AMF of the amounts that were actually raised, these amounts may differ from the amounts that were authorized.

3. Main deficiencies identified in continuous disclosure and prospectus reviews

AMF Corporate Finance monitors compliance with the legislative and regulatory requirements governing continuous disclosure documents and prospectuses of Québec companies.

The continuous disclosure regulations ensure that companies provide investors with information they can rely on to make informed investment and voting decisions. Among other things, the CDR Program assists companies in understanding the nature and scope of their obligations under those regulations so they can enhance the level, completeness and timeliness of their disclosures.

Under the *Securities Act*, every person intending to make a distribution of securities must prepare a prospectus subject to a receipt issued by the AMF. One aspect we give particular focus to during our prospectus reviews is the requirement that companies ensure that their prospectuses and the documents incorporated by reference into their prospectuses contain full, true and plain disclosure of all material facts relating to the securities issued or being distributed.

With the aim of promoting high-quality disclosure to investors, we outline in the following pages the main deficiencies identified in our reviews during 2024. We also propose good practices to follow to address those deficiencies and file distribution and continuous disclosure documents consistent with the securities regulations.

Did you know?

We may intervene when a filing does not comply with applicable regulations.

Companies that fail to comply with their obligations under securities legislation or regulations may:

- be required to correct and refile a document
- be required to make changes to subsequent filings
- be placed on a public list of defaulting companies
- become subject to a cease trade order
- be denied a receipt for prospectus financings
- be liable to administrative penalties
- be required to delay a meeting of security holders
- be required to change the composition of their board of directors

3.1. Points of focus relating to regulatory compliance

3.1.1. Mergers, acquisitions and transactions subject to Regulation 61-101

AMF Corporate Finance is responsible for ensuring compliance with securities regulations in the course of merger and acquisition transactions. These transactions are analyzed by taking related factors into account, including regulatory deadlines and corporate law requirements, while considering the public interest.

We also monitor transactions subject to Regulation 61-101—business combinations, related party transactions, insider bids and issuer bids—on a continuous basis.

Special attention is paid to compliance with the conditions of relied upon exemptions, the required disclosure and the obligation to treat security holders fairly, the latter being essential to protecting the public interest and maintaining capital markets that operate efficiently and with integrity.

Through detailed analyses of disclosures in circulars, news releases and material change reports, we are able to identify cases of securities regulatory non-compliance in real time and, in many cases, address deficiencies before materials are delivered to the shareholders or a transaction is completed.

Our interventions may lead to a range of measures based on the identified issues. We promptly contact issuers so that the necessary corrections may be made in an efficient manner. Identified deficiencies, depending on how serious they are, may cause additional delays and therefore affect the transaction timetable, particularly when the transaction does not comply with material requirements of Regulation 61-101 and the principles relating to the protection of minority security holders.

During the past year, we brought attention to deficiencies or ambiguities in connection with Regulation 61-101 in 24% of the materials analyzed with respect to this regulation.

Most recurring deficiencies were found in material change reports and, to a lesser extent, in information circulars. The most frequently identified deficiencies are:

- Disclosure regarding the interest in the transaction of every related party and the anticipated effect of the transaction on the percentage of securities of the issuer beneficially owned by each related party is insufficient and therefore not in compliance with the requirements of paragraph 5.2(1)(d) of Regulation 61-101. In 2024, such cases accounted for 42% of our interventions pursuant to Regulation 61-101.
- Disclosure regarding the review and approval process of the board of directors is insufficient and therefore not in compliance with the requirements of paragraph 5.2(1)(e) of Regulation 61-101. In 2024, such cases accounted for 29% of our interventions with respect to Regulation 61-101.
- Use of the exemptions from the formal valuation requirement and the minority approval requirement, respectively, of paragraph 5.5(a) and paragraph 5.7(1)(a) of Regulation 61-101 (the “25% market capitalization exemptions”) is inappropriate, specifically because the transaction does not meet the requirements of the exemptions under paragraph 5.5(a)(iii), when the transaction is one of two or more connected transactions, and under paragraph 5.5(a)(iv), when the transaction involves the possible future purchase of securities or other assets. In 2024, such cases accounted for 19% of our interventions with respect to Regulation 61-101.

Various approaches are used to correct identified deficiencies. We can make comments requesting a prospective change to a document, require the document to be refiled or ask that the shareholders' meeting called to approve a transaction be postponed. The AMF will require a meeting of shareholders to be postponed if disclosure in a circular or other related documents is incomplete or material features of the transaction on which the shareholders are required to vote are missing. Over the past year, the AMF issued forward-looking comments in 43% of interventions relating to Regulation 61-101 and required that documents be refiled in 33% of these cases.

To enhance disclosure contained in the materials required under Regulation 61-101 and thereby reduce our interventions, we wish to remind reporting issuers of the importance of filing a detailed material change report for a transaction or any other disclosure document related to the transaction. These documents must satisfy the disclosure requirements imposed by the regulation.

A material change report must, among other things, include the name of each related party, the number of securities issued to them and the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, for every interested party or for every related party and associated entity of the interested party for which there would be a material change in that percentage.

The board of directors and the special committee, if any, must put strict and rigorous governance rules in place to provide a comprehensive review and approval process that ensures treatment that is fair and is perceived as fair by the minority security holders. The disclosure must present this process and include a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee. It is relevant to reiterate that if a member of the board of directors is a related party to a transaction referred to in Regulation 61-101 and the board of directors votes on the transaction, it is necessary to indicate if this member of the board was excluded from the vote.

Lastly, we wish to point out that the calculation required for the 25% market capitalization exemptions must include the values of any connected transactions within the meaning given to these terms in Regulation 61-101. Accordingly, all connected transactions must be aggregated and treated as a single transaction, particularly in determining the value of the transaction and whether the issuer meets the tests for the 25% market capitalization exemptions. We also remind issuers that the calculation relating to the use of the 25% market capitalization exemptions must include both the maximum number of securities that may be issued as part of the initial transaction and the underlying securities, if applicable, and be calculated at fair market value as of the time the initial transaction is agreed to.

Regulation 61-101 establishes a regulatory framework for certain types of transactions that are considered capable of being abusive or unfair for minority security holders and to which specific requirements are applicable. The AMF gives great importance to this regulation, as it is a significant pillar of securities regulation.

Did you know?

The Policy Statement to Regulation 61-101 explains several concepts regarded as essential to the protection of minority security holders. Please refer to it and contact us if there is any uncertainty regarding the requirements of Regulation 61-101.

3.1.2. Reporting issuers subject to insolvency or restructuring proceedings

Reporting issuers that decide to rely on the protections provided by the CCAA or BIA must continue to comply with securities legislation, particularly their continuous disclosure obligations.

When a reporting issuer fails to comply with its continuous disclosure obligations, the AMF will usually issue a cease trade order against it. If, when the AMF is about to issue the cease trade order, the reporting issuer has placed itself, or intends to place itself, under the protection of the CCAA or BIA, the AMF may, upon request and under certain conditions, make the cease trade order subject to exceptions to enable the reporting issuer to carry out transactions during the bankruptcy or restructuring proceedings.

If a reporting issuer is under a cease trade order at the time of carrying out restructuring transactions under CCAA or BIA proceedings, it must contact the AMF to obtain a partial revocation of the cease trade order.

A reporting issuer that intends to obtain an initial order from the Superior Court of Québec pursuant to the CCAA or BIA should contact the AMF without delay to inform it of any action or proceeding (i) involving securities legislation (ii), that could otherwise affect its obligations to the AMF, or (iii) that could have an impact on the AMF's rights or remedies.

As part of such proceedings, a reporting issuer should also consider whether placing itself under the protection of the CCAA or BIA constitutes a material change within the meaning of the securities legislation and, if applicable, file a material change report.

Lastly, we remind reporting issuers applying for protection or intending to restructure their activities under the CCAA or BIA that such transactions may have an impact on their status as a reporting issuer, be it the discontinuation of such status or the emergence of a new issuer subject to the terms of the transactions. Changes in status must be disclosed to the AMF and on SEDAR+ in a timely manner.

If reporting issuers have any questions regarding these issues, they should contact the AMF by e-mail at: financementdessocietes@lautorite.qc.ca.

3.1.3. Observations and clarifications pertaining to insider reports

Recurring cases of non-compliance and omissions identified over the past year in connection with insider reports are presented below.

3.1.3.1. Insider reports pertaining to securities-based compensation

A large number of late insider reports pertain to securities acquired by reporting insiders as part of compensation plans established by the reporting issuers. Frequently, the reason reporting insiders give for the late filing is that they did not obtain the information concerning their securities-based compensation in a timely manner or that they delegated responsibility for filing their insider report to the issuer and the issuer, for various reasons, was unable to complete the filing.

Reporting insiders are required to file their insider reports and are therefore responsible for ensuring that such reports are filed within the period prescribed by securities regulation, that is, within five days of a change or 10 days for an initial report. An insider who delegates the filing of their report to the issuer or a third party remains responsible for ensuring that the report is filed within the prescribed time period, failing which the insider is liable to penalties.

A reporting issuer may, however, choose to file an issuer grant report on SEDI when it grants securities to its reporting insiders under compensation arrangements. Under Part 6 of Regulation 55-104, an issuer grant report must be filed by a reporting issuer within five days of the date the securities were granted.[21]

This report is used to provide the market with timely information about the existence and material terms of the grant, and also gives reporting insiders an opportunity to rely on the exemption set out in section 6.2 of Regulation 55-104, which, if the conditions of the exemption are met, authorizes them to file their insider reports on or before March 31 of the next calendar year rather than within the usual periods set out in Part 3 of Regulation 55-104.

3.1.3.2. Insider reports in respect of debt securities

Some reporting insiders who provide financial support to reporting issuers in financial difficulty and receive debt securities in consideration of such support fail to file an insider report. We reiterate that reporting insiders are required to disclose their control or direction, as well as any changes in control or direction, over debt securities such as debentures, convertible debentures, bonds and notes on SEDI within the periods prescribed by securities regulation. Otherwise, they may face penalties. Note that the maturity and conversion of debt securities must also be reported on SEDI.

3.1.3.3. Refusal by an insider to file an insider report

Some insiders refuse to file insider reports required under the *Securities Act*. Under section 265 of the *Securities Act*, the AMF may order a person to cease any activity in respect of a transaction in securities when the person fails to provide disclosure prescribed by regulation in accordance with the conditions determined by regulation.

Did you know?

CSA Staff Notice 55-316 and CSA Staff Notice 55-315 contain extensive information on insider reports and the disclosure requirements under Regulation 55-104 and National Instrument 55-102. We encourage you to refer to them.

21 For information on this topic, see CSA Staff Notice 55-316.

3.1.4. Crypto asset trading platforms: Terms and conditions for trading value-referenced crypto assets with clients

On October 5, 2023, the CSA published CSA Staff Notice 21-333 on an interim approach applicable to CTPs in respect of value-referenced crypto assets (or "stablecoins") offered on or before February 22, 2023.

CSA Staff Notice 21-333 sets out the terms and conditions for which the CSA would consent to a registered CTP, or a CTP that provided a pre-registration undertaking ("PRU"), to allow their clients either to buy or deposit fiat-backed crypto assets ("FBCAs") or to enter into crypto contracts to buy or deposit FBCAs. The terms and conditions, however, include a requirement that the issuer of the FBCA has filed an undertaking with the CSA that is substantially in the form set out in CSA Staff Notice 21-333.

On December 3, 2024, an issuer of FBCAs filed an undertaking with the CSA, as provided for in the CSA's interim approach.

The AMF notes that value-referenced crypto assets or crypto contracts with a CTP do not provide the protections usually provided to holders of regulated deposits and that all crypto assets, including value-referenced crypto assets, carry risks and are distinct from fiat currency (such as the Canadian dollar, U.S. dollar or euro).

Did you know?

- Crypto assets and the investment products related to crypto assets are high-risk investments. These risks may result from, among other things, CTP non-compliance with registration terms and conditions or undertakings, interconnectedness within the crypto asset sector, insolvency, hacks, price volatility and uncertain value propositions for individual assets. Quebeckers are urged to exercise caution and consider seeking advice from a representative of a registered dealer before investing in crypto asset products, including crypto asset investment funds.[22]
- The CSA publishes a list of CTPs registered with the CSA and CTPs that have provided a PRU, as well as a list of issuers that have filed an undertaking under the interim approach outlined in CSA Staff Notice 21-333, and a list of websites, companies and individuals whose activities are high-risk. These lists can be found on the CSA website.

22 On March 27 and April 17, 2025, the AMF and the other CSA members published amendments to *Regulation 81-102 respecting Investment Funds* and related changes to *Policy Statement to Regulation 81-102 respecting Investment Funds* in regard to investment fund reporting issuers that invest directly or indirectly in crypto assets. These amendments and changes are intended to provide greater regulatory clarity with respect to certain matters, including criteria regarding the types of assets that crypto asset funds are permitted to purchase and requirements concerning custody of crypto assets held on behalf of a crypto asset fund.

3.1.5. Asset tokenization

Asset tokenization will continue to be a source of reflection for regulators in 2025. Although there are many variations of the definition, tokenization is generally understood to be the process whereby the ownership of an asset is represented as a digital token issued or generated using technologies such as distributed ledgers.

Distributed ledger technology ("DLT"), which could potentially result in significant benefits on traditional financial markets, involves risks and impacts that have not yet been fully identified and measured, or completely addressed. Although the use of tokenization is still limited, we have noticed an increase in the number of requests and participants in this sector.

In 2024, the AMF received a number of requests for assistance or information for capital market-related projects involving DLT-based asset tokenization. As most projects are in the embryonic stage, these requests have not yet resulted in the marketing of any such projects and no exemption has been granted by the AMF in their regard.

Securities legislation applies to asset tokenization files if the person selling or facilitating transactions in the securities is conducting business from within Canada or if Canadian investors can purchase securities. The CSA published CSA Staff Notice 46-307 and CSA Staff Notice 46-308 to clarify what is considered in assessing if a token offering is a distribution of securities, the digital platform used is a marketplace, the circumstances of the securities distribution gives rise to trading in securities for a business purpose, and any other impact of securities legislation on token offerings. In such situations, asset tokenization activities may trigger the requirements to file a prospectus, register as a dealer, comply with marketplace rules or obtain an exemption from such requirements.

Do not hesitate to contact the AMF at financementdessocietes@lautorite.qc.ca to discuss the applicable aspects of securities legislation and thereby potentially avoid costly regulatory surprises related to the development of your asset tokenization project.

Did you know?

The Financial Stability Board, whose role it is to promote global financial stability, published its report on the financial stability implications of tokenization.[23] The report focuses on the tokenization of financial assets and identifies several financial stability vulnerabilities associated with DLT-based tokenization.

23 The report entitled "The Financial Stability Implications of Tokenisation" was published on October 22, 2024.

3.1.6. Reminders

3.1.6.1. Offering memorandum – Indication of amount to be raised

An issuer who wishes to make a distribution under the prospectus exemption in section 2.9 of Regulation 45-106 by filing an offering memorandum must ensure compliance with the exemption conditions.

The offering memorandum used as part of such a distribution must state, on its cover page, the minimum and maximum offering amount. If there is no minimum offering amount before the distribution is made, the issuer must indicate this. We found that the maximum offering amount stated in the offering memorandum is often very high. A company that is a non-qualifying issuer and drafts an offering memorandum under Form 45-106F2 should not disclose a maximum offering amount unless the issuer reasonably expects, as at the date of the offering memorandum, to raise that amount under the offering memorandum.

Given that, for ongoing distributions, the offering memorandum must be updated at least once a year so that it includes the latest annual financial statements, the maximum must be the amount the issuer reasonably expects to raise during the remainder of that period.

Over the past year, we sent comment letters to certain issuers questioning the reasonableness of the maximum amount indicated in their offering memorandum given the size of the issuer and the amounts they actually raised under their previous offering memorandum. We will continue to monitor this situation.

Financial statement deficiencies were also found over the past year. They are discussed below under item 3.2.1.3. “Reminder concerning offering memorandums.”

3.1.6.2. Notice required following a transaction that results in a company becoming, or ceasing to be, a reporting issuer

Some companies fail to file the notice required under section 4.9 of Regulation 51-102 after becoming or ceasing to be a reporting issuer as a result of a transaction. Companies are reminded of the importance of filing this notice, as it serves to inform the market about the actual status of the company and, consequently, its and its insiders’ continuous disclosure obligations.

The notice under section 4.9 must be filed on SEDAR+. The company must also update its SEDAR+ profile as a result.

3.1.6.3. Requirement to file an issuer event report

Some reporting issuers fail to file their issuer event reports on SEDI in accordance with section 2.4 of National Instrument 55-102. This report is required and enables an issuer’s reporting insiders to rely on the exemption in Part 8 (exemption for certain issuer events) of Regulation 55-104 when all the conditions are met.

3.1.6.4. Requirement to file a report of exempt distribution

Some issuers headquartered in Québec fail to file a report of exempt distribution with the AMF when all purchasers of the securities distributed under a prospectus exemption under Regulation 45-106 reside outside Québec.

Under the *Securities Act* and Regulation 45-106, an issuer headquartered in Québec that makes a distribution of its securities from Québec to purchasers residing outside Québec must file a report of exempt distribution with the AMF, provide the list of purchasers and pay the applicable fees. Since no purchasers reside in Québec in this situation, the amount of fees payable is the minimum indicated in subparagraph 4 of the first paragraph of section 267 of the Securities Regulation.

3.1.6.5. Importance of updating news announced in the market

Some issuers make announcements in the market regarding upcoming events but do not inform the market when the events do not occur. We wish to remind issuers that when a news event announced in the market does not occur, we expect issuers to inform of this. For example:

- If an issuer announces the renewal of a base shelf prospectus and ultimately does not proceed with the renewal, it should update the information when filing a subsequent news release or another continuous disclosure document, such as the MD&A; or
- If an issuer announces an upcoming partnership or contract and the partnership or contract does not materialize, the issuer should announce this.

3.1.6.6. Issuers that have securities listed on a Canadian or U.S. stock exchange

Some issuers that have filing obligations in Canada and the United States do not file on SEDAR+ all the material they file on EDGAR. Issuers that have securities registered with the SEC are reminded that, pursuant to paragraph 11.1(1)(b) of Regulation 51-102, they must file on SEDAR+ any disclosure material that they file with or furnish to the SEC under the *Securities Exchange Act of 1934* (United States), including material filed as exhibits to other documents, if the material contains information that has not been included in disclosure already filed in a jurisdiction of Canada. Issuers are responsible for determining and filing the documents that must be filed on SEDAR+.

3.1.6.7. Section 12 of the Securities Act and distribution in the United States

Some companies headquartered in Québec file base shelf prospectuses or other offering material with the SEC without first submitting an application to the AMF pursuant to section 12 of the *Securities Act*.

We remind companies that section 12 of the *Securities Act* exempts from preparing a prospectus any person who makes, from Québec, a distribution of securities to persons established outside Québec, provided that the AMF agrees or does not object within 15 days after receiving the information required by section 115 of the Securities Regulation. Consequently, the information required under section 12 of the *Securities Act* must be submitted before filing the base shelf prospectus with the SEC rather than before filing the base shelf prospectus supplement. Similarly, a company should also submit to the AMF the information required under section 12 of the *Securities Act* before filing other material it is required to file with the SEC that is used to make a distribution.

3.1.6.8. SEDAR+ profiles

We remind issuers of the importance of updating their SEDAR+ profile information and ensuring that it is accurate and complete. This information is important, as SEDAR+ relies on it to identify defaults and calculate deadlines and fees. Accordingly, an issuer that fails to modify its profile following, for example, a change in its financial year end or a change in listing venue or market may be automatically placed on the default list because SEDAR+ might determine, based on the issuer's profile information, that it is in default of having filed its continuous disclosure documents.

The following is a non-exhaustive list of items in a company's profile that need to be updated on an ongoing basis:

Issuer profile field	Why it's important
Full legal name in English and French	This information is required to ensure the accuracy of the issuer's name displayed in the reporting issuers list.
Auditor	This information is required to validate the company's compliance with securities legislation.
Year end	This information is used to determine deadlines and calculate late fees.
Contact information	Accurate contact information is necessary for us to contact issuers.
Profile information	Accurate information is necessary for us to contact issuers and to carry out certain analyses.
Listed or quoted on an exchange or other market	This information is used to calculate fees.
NAICS	This information is used to analyze data provided regarding distributions made.
Exchangeable security issuer or credit support issuer	This information is used to calculate fees.
Formation details – chief executive officer and chief financial officer	This information is necessary for us to contact issuers in a timely manner.

An issuer is required to report any changes to its SEDAR+ profile at the earlier of:

- the next time the issuer files a document on SEDAR+ after the date on which the issuer knew or reasonably should have known that the information contained in the profile is inaccurate; and
- ten days after the date on which the issuer knew or reasonably should have known that the information contained in the profile is inaccurate.[24]

24 Subsection 4(2) of Regulation 13-103

3.2. Points of focus relating to financial reporting

3.2.1. Observations and clarifications pertaining to IFRS standards

3.2.1.1. Finding related to IFRS 12 – Disclosure of Interests in Other Entities

Some companies do not present the disclosure of interests in other entities in their financial statements or the information they do provide is incomplete. For example, we found that the disclosure of summarized financial information for joint ventures and associates that are material and information relating to the risks associated with them was omitted.

In addition, the analyses presented in MD&As, in accordance with Form 51-102F1 *Management's Discussion & Analysis*, are sometimes incomplete, as they do not allow readers to gain a clear understanding of the impact of interests in other entities on the companies' financial condition, financial performance and cash flows.

How to comply with the requirements of IFRS 12?

A company must disclose information that enables users of its financial statements to evaluate the nature, extent and financial effects of its interests in a joint arrangement or associate, including the nature and effects of its contractual relationships with the other investors with joint control or significant influence.

IFRS 12 specifies that a company must disclose, among other things, the significant assumptions and judgments it has made in determining the nature of its interests and the type of joint arrangement. The financial information about its interests varies depending on the type of joint arrangement. For example, a company must, for a joint venture or associate that is material to the company, disclose summarized financial information that includes current and non-current assets and liabilities, revenue, and certain profit or loss and comprehensive income items. It must also disclose the nature of, and changes in, the risks associated with its interests, including by disclosing commitments that it has relating to its joint venture or associate separately from its other commitments. Provisions and other contingent liabilities incurred relating to its interests in its joint venture or associate must also be disclosed separately from other provisions and other contingent liabilities.

The transparency around the risks to which a company is exposed through its interests in other entities is important to investors. We will continue to review whether the disclosures made by companies in their continuous disclosure documents are compliant and consistent with the disclosure requirements in IFRS 12 and Form 51-102F1 *Management's Discussion & Analysis*, and we will take action, if necessary, to have companies correct or refile the documents or make changes to subsequent filings.

Don't forget!

According to IAS 1 – *Presentation of Financial Statements*, information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

Disclosure of interests in other entities must be assessed by taking account of IAS 1 and considering all the information required under IFRS 12.

Moreover, IFRS Practice Statement 2: *Making Materiality Judgements* provides guidance on how to make materiality judgments.

3.2.1.2. Reminder concerning IFRS 15 – Revenue from Contracts with Customers

We again reiterate this year that, under IFRS 15, companies must disaggregate revenue into categories to enable users of financial statements to understand how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. In order to comply with this requirement, companies must consider how the revenue disclosure is presented for other purposes, including in their MD&As, news releases and investor presentations on their website.

The extent to which revenue is disaggregated in order to satisfy the requirements of IFRS 15 depends on the facts and circumstances that pertain to the company. Some companies may need to use more than one type of category to meet the objective for disaggregating revenue, in accordance with the requirements of paragraph 114 of IFRS 15 and paragraphs B87 to B89 of its application guidance.

Companies are reminded of certain considerations presented in CSA Staff Notice 51-365, published on November 7, 2024, including:

- aggregation criteria for operating segments, which could lead to one reportable segment, under IFRS 8 – *Operating Segments*, does not exempt companies from the required revenue disaggregation disclosure;
- IFRS 15 does not contain an exemption from prescribed disclosure because a particular disclosure is considered by the company as "commercially sensitive";
- analysis of the disaggregation of revenue can enhance the company's discussion of operations in its MD&A, in particular changes in total revenue.

3.2.1.3. Reminder concerning offering memorandums

Companies that use an offering memorandum are required to prepare audited financial statements. Even though this is an exemption, we conduct oversight activities on offering memorandums, including on audited financial statements, in order to ensure that such companies comply with IFRS Accounting Standards and Canadian Auditing Standards.

Over the past year, we found some instances where annual financial statements and audit reports filed under an offering memorandum exemption contained material deficiencies with respect to compliance with these standards. We remind companies that, as in the case of a prospectus, information contained in offering memorandums and financial statements is important to investors. We can issue cease trade orders against companies that do not comply with securities regulations and, in some cases, recommend additional enforcement actions.

3.2.1.4. Impact of new accounting standards on securities regulation

IFRS 18 – Presentation and Disclosure in the Financial Statements – Early adoption of IFRS 18

In April 2024, the IASB issued IFRS 18 effective for annual reporting periods beginning on or after January 1, 2027, with earlier adoption permitted. For companies with calendar year ends, adoption of the standard would initially be required for the interim financial statements for the period ended March 31, 2027.

Regulation 52-112 respecting Non-GAAP and Other Financial Measures Disclosure

Among other things, IFRS 18 introduces the concept of "management-defined performance measures" (MPMs) and requires such measures to be disclosed in a note to the financial statements. MPMs are subtotals of income and expenses that meet specific criteria outlined in IFRS 18. Prior to the introduction of MPMs, such measures have traditionally been considered non-GAAP financial measures (e.g., adjusted operating income), which historically have only been disclosed outside the financial statements in disclosure documents such as management's discussion & analysis, earnings releases, and investor presentations.

We are currently assessing the implications of IFRS 18 on the application of Regulation 52-112 and exploring what amendments are necessary to Regulation 52-112. Among other things, we expect to update Regulation 52-112 to ensure that all financial measures traditionally considered "non-GAAP" continue to be regulated under Regulation 52-112 when disclosed outside the financial statements.

Any amendments to Regulation 52-112 would be subject to a public consultation and final amendments would be subject to the requisite approvals across the CSA and necessary government approvals. In the meantime, if a company is considering early adoption of IFRS 18, we recommend that it continue to apply Regulation 52-112 to those financial measures disclosed outside the financial statements that, other than for the fact that they are now identified as MPMs and disclosed in the financial statements of the company, would have met the definition of a non-GAAP financial measure in Regulation 52-112 prior to the company's adoption of IFRS 18.

Reflecting on non-GAAP financial measures disclosed

Companies may also want to reflect on the nature, extent, and manner of non-GAAP financial measures they disclose outside the financial statements as they may consequently be required to be disclosed inside the financial statements under IFRS 18, and thus subject to any financial statement audit.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which permits certain subsidiaries of reporting companies, that are not themselves subject to public accountability, to provide reduced financial statement disclosures. IFRS 19 is part of IFRS Accounting Standards, so an eligible subsidiary that applies IFRS 19 will assert its compliance with IFRS Accounting Standards and state it has applied IFRS 19.

IFRS 19 specifies that an eligible subsidiary that voluntarily elects to apply the standard must provide additional disclosures when it determines that information is necessary to enable financial statement users to understand the effect of transactions, events, and conditions on the subsidiary's financial position and financial performance. In some cases, this may result in a level of disclosure substantially similar to financial statements that comply with IFRS without applying IFRS 19.

IFRS 19 is not applicable to financial statements of entities that have public accountability, which are entities that:

- have debt or equity instruments traded in a public market (e.g. reporting issuers);
- are in the process of issuing debt or equity instruments for trading in a public market (e.g., entity undertaking an initial public offering); or
- hold assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (e.g., banks, credit unions, insurance companies, securities brokers/dealers, mutual funds and investment banks).

Although the scope of IFRS 19 is limited to entities that do not have public accountability, there are limited situations when financial statements that apply IFRS 19 could potentially be included in a securities regulatory filing, such as financial statements for a significant acquisition included within a business acquisition report. In these situations, we anticipate the requirements of IFRS 19 will usually necessitate additional disclosures in the financial statements because such financial statements are intended for use by investors in our public capital markets for making informed investment and voting decisions.

Did you know?

If the application of an IFRS standard in a securities regulatory filing is unclear, we would encourage companies and their advisors to contact us at bureau_chef_comptable@lautorite.qc.ca in advance of filing financial statements, particularly when IFRS 19 is applied or earlier adoption of IFRS 18 is being considering.

3.2.2. Observations and clarifications pertaining to MD&As

3.2.2.1. Findings related to the analysis of overall performance to be provided in the MD&A pursuant to item 1.2 of Form 51-102F1 of Regulation 51-102

Analyses of companies' financial condition, financial performance and cash flows are often insufficient. For example, some companies do not adequately explain the events and circumstances that led to an impairment and do not make the connection with the operating segment affected by the impairment. Companies fail to explain how certain industry and economic factors have uniquely impacted their operations. Any material impairment loss is required to be included in the issuer's discussion of overall performance to enable a reader to understand the effect on the continuing operations of the company.

How to comply with the requirements of item 1.2 of Form 51-102A1 of Regulation 51-102?

Companies must discuss known trends, demands, commitments, events or uncertainties that are reasonably likely to have an effect on the company's business. The analysis should address at least the following:

- operating segments that are reportable segments as those terms are described in the issuer's GAAP;
- industry and economic factors affecting the company's performance; and
- why changes have occurred or expected changes have not occurred in the company's financial condition and financial performance.

3.2.2.2. Reminder concerning MD&A requirements

Companies' analyses in their MD&As are often incomplete. The following are the issues that were most frequently identified over the past year:

Item 1.4 of Form 51-102F1 of Regulation 51-102 – Discussion of Operations

In order to comply with the requirement under this item, companies must discuss the following in their analysis of their operations:

- total revenue by reportable segment, including any changes in such amounts caused by selling prices, volume or quantity of goods or services being sold, or the introduction of new products or services;
- any other significant factors that caused changes in total revenue;
- cost of sales or gross profit; and
- for issuers that have significant projects that have not yet generated revenue, each project, including the company's plan for the project and the status of the project relative to that plan, and expenditures made and how these relate to anticipated timing and costs to take the project to the next stage of the project plan.

Items 1.6 and 1.7 of Form 51-102F1 of Regulation 51-102 – Liquidity and Capital Resources

In order to comply with the requirements under these items, we remind companies that they must provide an analysis of their liquidity, including their ability to generate sufficient amounts of cash and cash equivalents, in the short term and the long term, to meet their planned growth or to fund development activities.

Companies must also provide an analysis of their commitments for investment expenditures as of the date of their financial statements and expenditures not yet committed but required to maintain their capacity to meet their planned growth or to fund development activities. Known trends or expected fluctuations in capital resources and sources of financing that the company has arranged but not yet used must also be disclosed.

3.2.3. Other observations and clarifications

3.2.3.1. Parts 4A and 4B of Regulation 51-102 – Forward-Looking Information and FOFI and Financial Outlooks

Companies are reminded that, to comply with the requirements of Parts 4A and 4B of Regulation 51-102, they must not disclose forward-looking information unless they have a reasonable basis for the forward-looking information. Companies must specify the material risk factors that could cause actual results to differ materially from the forward-looking information, state the material factors or assumptions used to develop forward-looking information and describe their policy for updating such information.

3.2.3.2. Overly Promotional Disclosure – Greenwashing

Information on environmental, social and governance ("ESG") factors or sustainability presented in continuous disclosure documents, news releases, websites and voluntary filings, such as sustainability reports, has taken on growing importance in recent years.

CSA Staff Notice 51-365 reminds issuers of the importance of having a reasonable basis for statements respecting future targets or plans, and of disclosing the material factors or assumptions underpinning those targets or plans and the material risks to achieving those targets or plans.

In the course of our oversight activities, we may intervene with issuers that make potentially misleading, unsubstantiated or otherwise incomplete claims about business operations or the sustainability of a product or service being offered, conveying a false impression commonly referred to as "greenwashing".

3.3. Points of focus relating to mining issuers

In the past year, we intervened on several occasions with mining issuers to remind them of the requirements and obligations under Regulation 43-101 and Regulation 51-102. The following are the key topics addressed in our interventions.

3.3.1. Mineral projects and connecting factors within the meaning of Regulation 43-101

Some non-reporting issuers voluntarily disclose scientific and technical information about their mineral projects in Québec through their websites or during such promotional activities as conferences or conventions held in Québec or abroad.

We remind issuers that Regulation 43-101 is very broad in scope and applies to all types of issuers, including non-reporting issuers, private issuers and issuers whose securities are listed on a marketplace outside Canada and in respect to which there is a connecting factor with Québec.

For example, we consider that there is a connecting factor to Québec when an issuer discloses scientific and technical information relating to a mineral project located in Québec or when the issuer is headquartered in Québec. Accordingly, any issuer that discloses scientific and technical information in such circumstances, whether the disclosure is made in Québec or elsewhere, must disclose that information in accordance with the requirements of Regulation 43-101 and, if applicable, file a technical report with the AMF.

3.3.2. Presentation of financial outlooks relating to industrial projects

The emergence of energy-related projects has led some mining and non-mining issuers to disclose and issue financial outlooks in the form of results of an economic analysis. For example, during the year we found that some companies disclosed net present values and internal rates of return related to industrial projects, such as ore processing plants, without such projects being integrated into mineral projects.

We remind companies that, under Part 4B of Regulation 51-102, a financial outlook must be disclosed based on assumptions that are reasonable and should generally not extend beyond the issuer's following fiscal year. However, disclosure regarding a mineral project as defined in Regulation 43-101 is excluded from the scope of Part 4B of Regulation 51-102. As a result, such disclosure may contain a financial outlook for the total life of the project, so long as the project meets the definition of a mineral project and the reasonable basis of the assumptions and the underlying factors are established in a technical report in compliance with Regulation 43-101.

When an ore processing plant or conversion plant is an integral part of a mineral project and is presented in a technical report in compliance with Regulation 43-101, the exemption regarding financial outlooks provided in Regulation 51-102 applies. However, the AMF considers an ore processing plant project that is not connected with a mineral project to not be a mineral project within the meaning of Regulation 43-101 but, rather, an industrial project. Industrial projects are excluded from the application of Regulation 43-101 and, therefore, are subject to the provisions of Part 4B of Regulation 51-102. A company with such a project that elects to present a financial outlook must comply with the provisions of Regulation 51-102 by limiting their financial outlook to a period for which the financial outlook can be reasonably estimated.

4. Regulatory Initiatives

The following is an overview of recent and ongoing policy initiatives relating to company financing and continuous disclosure requirements and CSA staff notices published during the year.

Regulatory initiatives that recently came into force	Summary	Important dates
Regulation to amend Regulation 41-101 respecting General Prospectus Requirements and concordant –Amendments to Implement an Access Model for Prospectuses of Non-Investment Fund Reporting Issuers	The CSA published in final form amendments to implement an access model for prospectuses, generally, for non-investment fund reporting issuers. The access model is intended to modernize the way prospectuses are made accessible to investors and reduce regulatory burden on reporting issuers. The access model for prospectuses offers benefits for both issuers and investors by providing a more cost-efficient, timely and environmentally friendly manner of communicating information to investors than paper delivery.	Published on January 11, 2024, and coming into force on April 16, 2024.
Decision No. 2024-PDG-0058: Blanket Order Exemption from the Requirement to Deliver Certain Documents in the Event of a Disruption in Regular Postal Service (in French only) Decision No. 2024-PDG-0065: Coordinated Blanket Order 51-931 Temporary exemption from Requirements in Regulation 51-102 and Regulation 54-101 to Send Certain Proxy-Related Materials During a Postal Strike (in French only) CSA Notice regarding Coordinated Blanket Order 51-931 Temporary Exemption from Requirements in National Instrument 51-102 Continuous Disclosure Requirements and National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer to Send Certain Proxy-Related Materials During a Postal Strike	After all postal service by Canada Post was suspended on November 15, 2024, as a result of labour action by the Canadian Union of Postal Workers, the AMF, together with the other CSA members, provided temporary relief, subject to certain conditions, from • the requirement to deliver annual financial statements, interim financial reports and the related MD&As (Decision No. 2024-PDG-0058); • the requirement to deliver proxy-related materials for certain shareholders' meetings (Decision No. 2024-PDG-0065).	Decision No. 2024-PDG-0058 took effect on November 15, 2024, and expired when postal services resumed Decision No. 2024-PDG-0065 took effect on December 4, 2024, and expired on January 31, 2025

Regulatory initiatives that recently came into force	Summary	Important dates
Coordinated Blanket Order 41-930 Exemptions from Certain Prospectus and Disclosure Requirements (Decision No 2025-PDG-0026—in French only) Coordinated Blanket Order 45-930 Prospectus Exemption for New Reporting Issuers (Decision No. 2025-PDG-0028—in French only) Coordinated Blanket Order 45-933 Exemption from the Investment Limit under the Offering Memorandum Prospectus Exemption to Exclude Reinvestment Amounts (Decision No 2025-PDG-0027—in French only) CSA Notices - Coordinated Blanket Order 41-930 Coordinated Blanket Order 45-930 Coordinated Blanket Order 45-933	The blanket orders are in line with CSA initiatives to adapt to the evolving needs of issuers, investors and other market participants. Coordinated Blanket Order 41-930 is intended to streamline certain requirements with a view to reducing the time and costs of preparing disclosure related to prospectus filings, restructuring transactions and bids without compromising investor protection. Coordinated Blanket 45-930 is intended to facilitate capital raising for new reporting issuers by providing a new prospectus exemption, subject to the conditions of the order. Coordinated Blanket Order 45-933 is intended to increase capital raising opportunities for issuers and allow investors to participate in greater financing opportunities by increasing the investment limit in the current offering memorandum exemption.	

Ongoing policy initiatives	Summary	Important dates
CSA Notice of Consultation– Draft Regulation to amend Regulation 51-102 respecting Continuous Disclosure Obligations and Other Draft Amendments Relating to Annual and Interim Filings of Non-Investment Fund Reporting Issuers	The CSA published for comment draft amendments to Regulation 51-102 that would change the annual and interim filing requirements of reporting issuers, including by introducing the interim and annual disclosure statements. In October 2023, the CSA indicated that any access model they choose would apply to the annual and interim disclosure statements proposed in the draft amendments to Regulation 51-102, and that until that work advanced, the CSA did not anticipate implementing the amendments that would introduce the annual and interim disclosure statements.	
New developments regarding disclosure of climate-related matters - Draft Regulation 51-107 respecting Disclosure of Climate-Related Matters	The CSA has announced in a news release that it is pausing its work on the development of the new mandatory climate-related disclosure rule in order to support Canadian markets and issuers as they adapt to the recent developments in the U.S. and globally.	News release published on April 23, 2025.

Ongoing policy initiatives	Summary	Important dates
CSA Consultation Paper 43-401 Consultation on Regulation 43-101 respecting Standards of Disclosure for Mineral Projects	The CSA has assessed ways to update and enhance the mineral disclosure requirements in order to continue providing investors with consistent, comparable and useful information to assist them in making informed investment decisions. The proposed disclosure requirement changes arising from the consultation paper will be published for comment shortly.	The comment period ended on September 13, 2022.
New developments concerning corporate governance practices - Draft Regulation to amend Regulation 58-101 respecting Disclosure of Corporate Governance Practices and Draft Amendments to Policy Statement 58-201 to Corporate Governance Guidelines	The CSA has announced in a news release that it is pausing its work on the development of amendments to the existing diversity-related disclosure requirements in order to support Canadian markets and issuers as they adapt to the recent developments in the U.S. and globally.	News release published on April 23, 2025.
CSA Notice of Consultation: Draft Regulation to amend Regulation 44-102 respecting Shelf Distributions Relating to Well-known Seasoned Issuers	The draft amendments introduce an expedited shelf prospectus regime for WKSIs in Canada. The objective of the draft amendments is to facilitate capital raising by eligible issuers that satisfy certain conditions. The WKSI regime permits these issuers to file a final base shelf prospectus and be deemed to receive a receipt for that prospectus without first filing a preliminary base shelf prospectus, omit certain disclosure from their base shelf prospectus and benefit from receipt effectiveness for a period of 37 months from the date of its deemed issuance, subject to the issuer's annual reassessment of its qualification to use the regime. In the meantime, WKSIs that meet certain conditions may benefit from this regime under exemptions implemented through local blanket orders that are substantively harmonized in all jurisdictions. See CSA Staff Notice 44-306.	The comment period ended on December 20, 2023.
Notice of Consultation: Regulation to amend the Securities Regulation	Amendments to the Securities Regulation are also proposed in relation to the WKSI regime in order to ensure that the fees payable by an issuer using the WKSI regime are collected upon filing of the base shelf prospectus, since, under the rules of the WKSI regime, the issuer is not required to file a preliminary base shelf prospectus.	The comment period ended on August 17, 2024.

Ongoing policy initiatives	Summary	Important dates
CSA Notice of Consultation Draft Amendments and Changes to Certain Regulations and Policy statements related to the Senior Tier of the CSE, the Cboe Canada Inc. and AQSE Growth Market name changes, and Majority Voting Form of Proxy Requirements	The CSA published for comment proposed amendments to certain Regulations and Policy Statements to address a number of matters, including the creation of a senior tier by the CSE. The new CSE Senior Tier is intended for non-venture issuers, with requirements in line with a non-venture exchange. The proposed amendments and changes would revise the definition of "venture issuer" to exclude the CSE's Senior Tier companies and would also ensure that CSE Senior Tier issuers are treated the same way under securities legislation as issuers listed on other non-venture exchanges. The CSA Notice of Consultation also includes proposed amendments and changes relating to: • Aligning certain exemptions and eligibility requirements so that they apply in the same way to the CSE as they do to other, similar exchanges • Codifying blanket orders issued by CSA members to take into account recent "majority voting" amendments to the CBCA • Reflecting the name change of Aequitas NEO Exchange Inc. to Cboe Canada Inc. • Reflecting the name change of the PLUS markets to AQSE Growth Market, and • Removing the requirement for escrow agreements to be signed, sealed and delivered by securityholders in the presence of witnesses.	The comment period ended on October 30, 2024.

Ongoing policy initiatives	Summary	Important dates
CSA Second Notice of Consultation: Draft Amendments and Draft Changes to Implement an Access Model for Certain Disclosure Documents of Non-Investment Fund Reporting Issuers	The CSA republished for comment draft amendments and draft changes to implement an access model for certain disclosure documents of non-investment fund reporting issuers. The amendments affect Regulation 51-102 and Policy Statement 51-102, among others. The proposed access model is intended to modernize the way documents are made available to investors by allowing issuers to provide investors with electronic access to annual financial statements, interim financial reports and related MD&A, without impacting investors' ability to request or provide standing instructions to receive the documents in electronic or paper form. The CSA made substantive changes to the initial draft amendments in order to enhance the proposed access model from an investor perspective. On January 11, 2024, the CSA published amendments implementing an access model solely for prospectuses. These amendments came into force on April 16, 2024.	The second comment period ended on February 17, 2025.
CSA Notice and Request for Comment: Draft Regulation to amend Regulation 13-102 respecting System Fees	The CSA published for comment a draft regulation to increase system fees for SEDAR+ and the NRD over a five-year period starting in late 2025. These system fee increases are necessary to ensure sufficient funding to operate the CSA's national systems over those five years.	The comment period ended on February 19, 2025.

Staff notices	Summary	Important dates
Multilateral Notice 58-317: Review of Disclosure Regarding Women on Boards and in Executive Officer Positions – Year 10 Report	Certain CSA members published a report that outlines key trends from the tenth review of public disclosure regarding women on boards and in executive officer positions.	Published on October 30, 2024.
CSA Staff Notice 51-365 Continuous Disclosure Review Program Activities for the fiscal years ended March 31, 2024, and March 31, 2023	CSA staff published a notice to report on the outcomes of reviews conducted within the scope of the Continuous Disclosure Review Program. The goal of the program is to improve the completeness, quality and timeliness of continuous disclosure provided by reporting issuers in Canada. It assesses the compliance of continuous disclosure documents with securities legislation and helps issuers understand and comply with their obligations under continuous disclosure rules in order to assist investors in making informed investment decisions.	Published on November 7, 2024.

Staff notices	Summary	Important dates
CSA Staff Notice and Consultation 11-348: Applicability of Canadian Securities Laws and the use of Artificial Intelligence Systems in Capital Markets	CSA staff published a notice providing clarifications and guidance on how securities legislation applies to the use of AI systems by capital market participants. CSA staff also seek stakeholder feedback through consultation questions on the evolving role of AI systems and opportunities to tailor or modify current approaches to oversight and regulation in light of these advancements. The guidance in the notice addresses key considerations for registrants, reporting issuers, marketplaces and other market participants that may leverage AI systems. It highlights the importance of maintaining transparency, ensuring accountability and mitigating risks to foster a fair and efficient market environment. Responses received will assist CSA staff in determining if additional guidance and oversight can better facilitate responsible innovation and adoption of AI systems across capital markets, and if changes to requirements under securities law are needed.	Published on December 5, 2024. The comment period ended on March 31, 2025.
CSA Staff Notice 11-312 (Revised): National Numbering System	This Notice adds information on the numbering of CSA coordinated blanket orders and is a revised version of CSA Staff Notice 11-312, as published on February 6, 2009, and revised on February 19, 2010, and on January 29, 2015, which describe the numbering system for securities regulatory instruments.	Published on December 12, 2024.

5. Other Topics of Interest

5.1. Diversity on boards and in executive officer positions

Since 2015, several CSA members, including the AMF, have disclosed the results of their annual reviews of corporate disclosures relating to women on boards and in executive officer positions.

For information purposes, the table below presents data compiled by the AMF since the coming into force of the disclosure requirements regarding the representation of women for TSX-listed Québec companies. The 2024 review will most likely be the last.

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Number of companies[25]	64	66	64	59	60	55	56	58	55	53
Board seats held by women	18%	18%	20%	21%	23%	24%	27%	28%	31%	33%
Companies with at least one woman on their board	80%	80%	81%	88%	92%	95%	96%	98%	98%	98%
Companies with at least three women on their board	20%	24%	27%	29%	30%	36%	45%	48%	55%	58%

25 Companies with a year-end between December 31 of the preceding year and March 31 of the reference year that filed information circulars prior to July 31 of the reference year.

5.2. The AMF in Canada and on the international stage

5.2.1. Responses to exposure drafts

In the past year, the AMF commented on the IASB exposure draft entitled "Business Combinations – Disclosures, Goodwill and Impairment."

The objective of the exposure draft is to:

- increase the qualitative information provided about business combinations;
- simplify and reduce the costs associated with performing the quantitative impairment test; and
- improve the effectiveness of the impairment test.

The AMF supports the IASB's initiative to explore whether entities can provide more useful information about business combinations. However, we have concerns about the IASB's proposal with respect to the nature of forward-looking information, thresholds for identifying strategic business combinations and the application of exemptions.

5.2.2. Audit quality in Canada

The CSA Chief Accountants Committee, which includes the AMF, the OSC, the BCSC and the ASC, together with the CPAB and OSFI, co-hosted the sixth annual Canadian Audit Quality Roundtable, whose purpose is to facilitate a dialogue between financial regulators, audit firms and other key stakeholders on the current and emerging risks impacting audit quality in Canada.

5.2.3. Approval of amendments to CPAB rules

CPAB is the Canadian regulatory organization responsible for overseeing participating audit firms that audit Canadian reporting issuers. The AMF approved proposed CPAB rules amendments intended to enhance transparency and accountability and thereby improve audit quality. The amendments relate primarily to:

- disclosure by the CPAB of enforcement actions imposed against participating audit firms;
- disclosure by participating audit firms of reporting issuer-specific inspection findings to the reporting issuer's audit committee; and
- public disclosure by the CPAB of condensed regulatory oversight results.

5.2.4. IOSCO

The AMF is a member and active participant in the work of IOSCO. The organization develops, implements and promotes adherence to internationally recognized standards for securities regulation.

This year, IOSCO published a report of interest to companies entitled "Statement on the IAASB's International Standard on Sustainability Assurance (ISSA) 5000."[26]

This report reiterates IOSCO's support for the work carried out by the IAASB. The report is available on the IOSCO website.

26 This report was published on November 12, 2024.

5.3. Communicating with the AMF

When requesting information from the AMF, it is important to provide all relevant information associated with your request, including the SEDAR+ project number, the number of the submission (if applicable) and any other relevant information, in order to ensure a prompt response.

If you encounter any technical issues with SEDAR+, you may refer to the SEDAR+ Help Centre webpage or you communicate with the CSA Service Desk directly using the contact information available on the SEDAR+ site.

You can get the latest news from the AMF, such as news releases, decisions and other information, by subscribing to the AMF Bulletin. Just complete the form and select AMF Bulletin on the Subscription to E-mail Info | AMF webpage.

Appendix

List of certain regulations, policy statements and notices prescribed for companies

This appendix lists and provides hyperlinks to the regulations, policy statements and notices referred to in this Summary. All regulations and other texts are published under Securities and derivatives on the AMF website.

Number of regulation or policy statement	Name of regulation or policy statement
Regulation 11-102	respecting Passport System
Regulation 13-102	respecting System Fees
Regulation 13-103	respecting System for Electronic Data Analysis and Retrieval + (SEDAR+)
Regulation 41-101	respecting General Prospectus Requirements
Regulation 43-101	respecting Standards of Disclosure for Mineral Projects
Policy Statement 43-101	to Regulation 43-101 respecting Standards of Disclosure for Mineral Projects
Regulation 44-102	respecting Shelf Distributions
Regulation 45-106	respecting Prospectus Exemptions
Form 45-106F1	Report of Exempt Distribution
Form 45-106F2	Offering Memorandum for Non-Qualifying Issuers
Regulation 51-102	respecting Continuous Disclosure Obligations
Form 51-102F1	Management's Discussion & Analysis
Regulation 52-112	respecting Non-GAAP and Other Financial Measures Disclosure
National Instrument 55-102	System for Electronic Disclosure by Insiders (SEDI)

Number of regulation or policy statement	Name of regulation or policy statement
Regulation 55-104	respecting Insider Reporting Requirements and Exemptions
Regulation 58-101	respecting Disclosure of Corporate Governance Practices
Policy Statement 58-201	to Corporate Governance Guidelines
Regulation 61-101	respecting Protection of Minority Security Holders in Special Transactions
Policy Statement 61-101	to Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions

Notice number	Name of notice
CSA Staff Notice 11-312	National Numbering System
CSA Staff Notice and Consultation 11-348	Applicability of Canadian Securities Laws and the use of Artificial Intelligence Systems in Capital Markets
CSA Staff Notice 21-333	Crypto Asset Trading Platforms: Terms and Conditions for Trading Value-Referenced Crypto Assets with Clients
CSA Staff Notice 44-306	Blanket Orders Exempting Well-known Seasoned Issuers from Certain Prospectus Requirements
CSA Staff Notice 46-307	Cryptocurrency Offerings
CSA Staff Notice 46-308	Securities Law Implications for Offerings of Tokens
CSA Staff Notice 51-365	Continuous Disclosure Review Program Activities for the fiscal years ended March 31, 2024, and March 31, 2023
CSA Staff Notice 55-315	Frequently Asked Questions about Regulation 55-104 respecting Insider Reporting Requirements and Exemptions
CSA Staff Notice 55-316	Questions and Answers on Insider Reporting and the System for Electronic Disclosure by Insiders (SEDI)
CSA Multilateral Staff Notice 58-317	Review of Disclosure Regarding Women on Boards and in Executive Officer Positions – Year 10 Report

Contact Information

We welcome comments and suggestions to improve this Summary of Oversight and Regulatory Activities. For more information, or to give us your feedback, please contact any of the following people:

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