

# Summary of Oversight and Regulatory Activities

September 2018

DIRECTION PRINCIPALE DU FINANCEMENT DES SOCIÉTÉS

THE **DIRECTION PRINCIPALE DU FINANCEMENT DES SOCIÉTÉS** (“CORPORATE FINANCE”) IS RESPONSIBLE FOR ENSURING THAT INVESTORS ARE PROTECTED AND MARKETS OPERATE EFFICIENTLY.



**OVERSIGHT** of compliance with continuous disclosure, securities distribution, take-over bid, and insider reporting requirements.



**DEVELOPMENT** and **IMPLEMENTATION** of guidance and regulations related to securities distributions, mergers and acquisitions, and ongoing requirements for reporting issuers in Québec (the “companies”) and insiders.

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## Message from the Senior Director, Corporate Finance

The 2017-2020 Strategic Plan of the Autorité des marchés financiers (the “AMF” or the “Authority”) sets out orientations demonstrating our leadership, the value we add, and our capacity for innovation within the scope of our mission as Québec’s financial sector regulator. I am therefore proud to provide you with an overview of **Corporate Finance’s principal accomplishments for the year 2017-2018**.

The section **FOSTERING AWARENESS** presents a sampling of the main deficiencies identified this past year in MD&As, mining technical reports, insider reports, and prospectuses and related offering documents. I encourage you to read this section carefully as we may ask for corrections or delay the issuance of a prospectus receipt if we consider disclosure to be incomplete or incorrect.

The section **INFORMING** contains some interesting information, including a list of the issue-oriented reviews in progress and those planned for 2018-2019, the report on our first year overseeing enterprises subject to *An Act respecting transparency measures in the mining, oil and gas industries*, and a new item devoted to our regulatory work in socially responsible investing.



We were also very active with respect to financial technology (“fintech”) businesses. The AMF is co-lead of the Canadian Securities Administrators (“CSA”) Regulatory Sandbox, established in 2017. During 2017-2018, this committee considered approximately twenty applications, most of them from companies wishing to raise start-up capital by issuing cryptocurrencies or tokens. The work currently underway will enable us to develop our expertise and understanding of the issues and technologies behind these new business models.

The regulatory part of the section **INFORMING** discusses a major focus of our regulatory activities last year: the drafting of proposed *National Instrument 52-112 – Non-GAAP and Other Financial Measures Disclosure*. The AMF is co-lead on this initiative, reflecting the importance we place on the quality and consistency of financial information available in the markets.

The public consultation on reducing the regulatory burden, announced in our 2016-2017 summary, resulted in the creation of six regulatory projects. The AMF will be lead or co-lead on five of them. The purpose of all these projects is to facilitate access to public markets, which provide companies with transparency and visibility. We are therefore exploring avenues more in line with the new realities imposed by the speed at which financial information is transmitted and absorbed on the world’s stock markets, changing investor communication habits, and the heightened presence of private sources of financing.

Lastly, we changed the composition of the Corporate Finance Advisory Committee to include institutional investor, reporting issuer and brokerage firm representatives, as well as securities lawyers. In addition to this committee, the AMF also has a Financial Advisory Committee and a Mining Advisory Committee. These key forums for discussion and exchange are important to us, and I sincerely thank the members of all of them for their contribution: because of your invaluable input, we are better able to carry out our role as a local regulator.

**Lucie J. Roy**

Senior Director, Corporate Finance

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# PROFILE

We encourage you to read this section, which provides a snapshot of companies and securities trading in Québec.

## 1

## Companies

### Some figures

2,026 companies – reporting issuers in Québec

724<sup>1</sup> companies for which the AMF is the principal regulator

58%: venture issuers

42%: other issuers



<sup>1</sup> Including 183 companies subject to a cease trade order and 257 Desjardins caisses (credit unions).



## 2

## Overview of distributions by Québec companies<sup>2</sup>

Québec companies draw on a variety of financing sources to fund their operations. This section presents the amounts raised by Québec companies on the public market and exempt market.

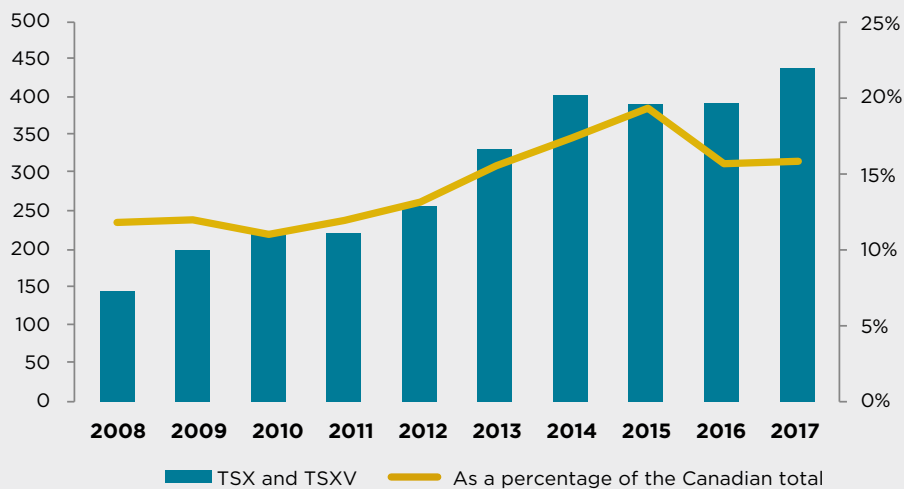
### Profile of Québec companies listed on the Toronto Stock Exchange and the TSX Venture Exchange

The following graph shows the changes in the market capitalization of Québec companies listed either on the Toronto Stock Exchange ("TSX") or the TSX Venture Exchange ("TSXV").<sup>3</sup> It also shows the changes from 2008 to 2017 in such market capitalization as a percentage of the total capitalization of all Canadian companies.

In 2016, market capitalization was \$390 billion and represented 16% of Canadian market capitalization. In 2017, as in 2016, the market capitalization of Québec companies increased to \$438 billion, but still accounted for 16% of the total market capitalization of companies in Canada. Moreover, this percentage continued to be smaller than Québec's share of Canada's gross domestic product ("GDP") in 2017, which stood at 19%.<sup>4</sup>

#### Market Capitalization of Québec Companies

(in billions of dollars)



Sources: TMX Group and the AMF

<sup>2</sup> Companies that have their head office in Québec.

<sup>3</sup> The market capitalization of companies listed on other stock exchanges is not included.

<sup>4</sup> Source: Statistics Canada.

2

## Overview of distributions by Québec companies (continued)

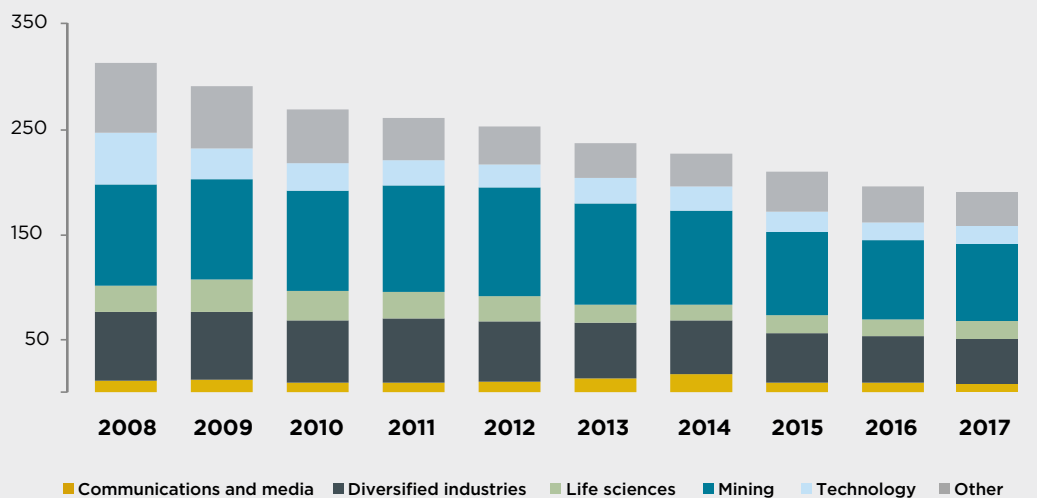
When the Morningstar National Bank Québec Index is compared with the S&P/TSX Composite Index, Québec companies outperformed Canadian companies as a whole over the past few years. Like the Québec economy, the sectoral distribution of Québec companies is more diversified than for Canadian companies as a whole. The Québec index's improved performance in recent years is partly explained by the small number of energy companies in the index.

The strong global trend that had been emerging over the previous several years of fewer and fewer businesses turning to the stock markets for their capital needs appeared to reverse direction in 2017.

Companies began to seek financing again on the stock markets. Globally, 2017 saw more initial public offerings ("IPOs") than the past ten years. In 2017, there were 28 IPOs in Canada on the TSX and TSXV, for a total of \$6.1 billion—a significant improvement over 2016.<sup>5</sup> However, the trend reversal did not happen in Québec. In 2017, for a second consecutive year, there were no Québec IPOs on the TSX or TSXV.

As shown in the graph below, the number of Québec companies listed on the TSX and TSXV decreased slightly over the past year, from 195 to 189, in keeping with the downward trend of the past ten years.

### Number of Québec companies by industry sector



Sources: TMX Group and the AMF

## Distributions by Québec companies on the public market and exempt market

In 2017, Québec companies raised \$3.0 billion on the public markets. This represents a slight decrease from \$3.2 billion, which was both the amount raised in 2016 and the average for the last three years.

In 2017, 376 prospectuses were filed in Canada, including 161 in all Canadian provinces (43%) and 104 in all Canadian provinces excluding Québec (28%). The other 111 prospectuses were filed in only a few Canadian provinces (29%), including, in some cases, Québec.

2

## Overview of distributions by Québec companies (continued)

In addition to raising capital on the public markets, Québec companies raised \$10.3 billion on the exempt market in 2017.<sup>6</sup> They therefore raised a total of \$13.3 billion, down from \$16.3 billion in 2016.

The following table shows a breakdown of exempt-market data for distributions made by Québec companies under the four most frequently used prospectus exemptions provided under [Regulation 45-106](#): the accredited

investor exemption (section 2.3); the family, friends and business associates exemption (section 2.5); the offering memorandum exemption (section 2.9); and the minimum amount investment exemption (\$150,000) (section 2.10). Distributions made under other exemptions accounted for less than 5% of total distributions in 2017.

### Exempt market distribution amounts: 2015, 2016 and 2017 (in thousands of dollars)<sup>7</sup>

		ACCREDITED INVESTOR (S. 2.3)	FAMILY, FRIENDS AND BUSINESS ASSOCIATES (S. 2.5)	OFFERING MEMORANDUM (S. 2.9)	MINIMUM AMOUNT INVESTMENT (S. 2.10)
<b>TOTAL DES PLACEMENTS</b>					
2015	Reporting issuers	\$6,982,510	\$10,515	\$887	\$116,430
	Non-reporting issuers	\$3,892,063	\$400	\$4,664	\$210,481
	2015 total	\$10,874,574	\$10,916	\$5,551	\$326,912
	% of all exempt distributions	96.49%	0.10%	0.05%	2.90%
2016	Reporting issuers	\$7,678,211	\$2,777	\$517	\$1,240,686
	Non-reporting issuers	\$2,036,182	\$13,292	\$14,243	\$2,039,875
	2016 total	\$9,714,393	\$16,069	\$14,760	\$3,280,562
	% of all exempt distributions	74% <sup>8</sup>	0.12%	0.11%	25%
2017	Reporting issuers	\$4,729,522	\$4,796	\$5	\$799,787
	Non-reporting issuers	\$2,084,120	\$2,876	\$28,306	\$2,151,793
	2017 total	\$6,813,642	\$7,672	\$28,311	\$2,951,581
	% of all exempt distributions	66% <sup>9</sup>	0.07%	0.27%	29%

<sup>6</sup> This figure reflects the amounts raised under prospectus exemptions reported in the reports of exempt distribution filed under section 6.1 of Regulation 45-106. It therefore excludes a very large number of distributions made under exemptions that do not require the filing of such a report.

<sup>7</sup> Following our last summary, we adjusted certain figures for 2015 and 2016 owing to the receipt of reports that were filed late. These adjustments are not significant.

<sup>8</sup> In 2016, two issuers filed a total of four reports of exempt distribution for major distributions made under the minimum amount investment exemption. All told, these distributions represented more than \$3.2 million. If we exclude these distributions because they were unusual, 99% of all distributions in 2016 were made by issuers under the accredited investor exemption.

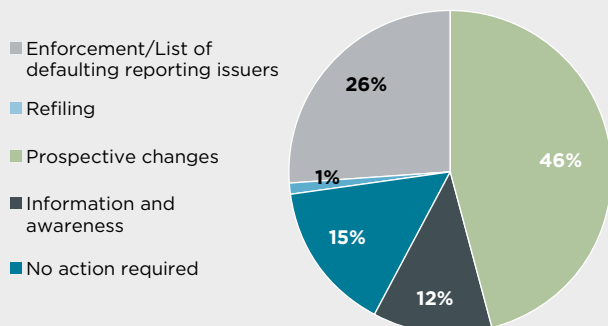
<sup>9</sup> In 2017, one issuer filed two reports of exempt distribution for major distributions made under the minimum amount investment exemption. All told, these distributions represented more than \$2.15 million. Excluding these distributions, 83% of all distributions in 2017 were made by issuers under the accredited investor exemption.

# 3

## Findings of continuous disclosure reviews

The findings of full reviews and issue-oriented reviews conducted under the Harmonized Continuous Disclosure Review Program (“CDR Program”) are divided into five categories.<sup>10</sup> A review can have more than one finding. For example, we may ask a company to refile certain documents and make prospective changes to others. The following are the findings for the fiscal year ended March 31, 2018.

### Findings of CDR Program reviews



In **73%** of all cases, we **asked the company to take specific measures to improve or modify its continuous disclosure** or applied enforcement measures.

In **12%** of all cases, our findings related to a study conducted by us on **climate change-related disclosure**.<sup>11</sup>

In **15%** of all cases, **no action was required**.

<sup>10</sup> For a description of the categories, see [CSA Staff Notice 51-355](#).

<sup>11</sup> For more information, see under the subheading “Climate change.”



# FOSTERING AWARENESS

We encourage you to read this section carefully to learn about deficiencies observed in the context of our oversight activities and for examples of corrected disclosures that are required and specific steps that may be taken by the AMF. You will also find useful reminders and tips to help you to file documents that comply with securities laws.



## BE CAREFUL: THE REGULATOR HAS TEETH!

Companies that fail to comply with requirements under securities laws may be subject to the following measures:

- correction and refiling of the documents involved;
- changes to subsequent filings;
- publication of the company's name on a public list of defaulting companies;
- cease trade orders;
- refusal to issue a receipt for prospectus financings; and/or
- administrative or penal sanctions.



# 1

## Management's discussion and analysis

### Finding



In the discussion of their operations in their MD&As, some companies simply reproduce the figures already presented in their financial statements without providing any analysis of material changes in revenue or gross profit.

Similarly, in the discussion of their liquidity, some companies simply reproduce the figures already presented in their financial statements without providing any analysis of their short-term and long-term liquidity requirements.

### The following are examples of corrected disclosures required by us:

#### NON-COMPLIANT DISCLOSURE

##### Discussion of operations

Revenue decreased by 14%, from \$25 million to \$21.5 million.

#### CORRECTED DISCLOSURE

##### Discussion of operations

Revenue decreased by \$3.5 million (14%), from \$25 million to \$21.5 million. Three factors contributed to this decrease:

- a decline in the unit price of product A (-\$5 million);
- an increase in the volume of sales of product A (+\$1 million); and
- the introduction of new product B in the fourth quarter (+\$0.5 million).

During the third quarter, in anticipation of the entry of new competitors into our market, we reduced the price of our inventory of product A in order to stimulate sales and concentrated on its replacement product, product B. The lower selling price resulted in sales of an additional 1,200 units of product A compared with the previous fiscal year, but also contributed to a decrease of approximately \$2 million in gross profit [...].

1

## Management's discussion and analysis (continued)

### Second example of an MD&A

#### NON-COMPLIANT DISCLOSURE

##### Liquidity

At year-end, the company had liquid assets totalling \$1 million and accounts receivable totalling \$15 million. Current assets amounted to \$25 million and current liabilities amounted to \$27 million.

The company believes that it has sufficient funds to meet its working capital requirements over the next 12 months.

#### CORRECTED DISCLOSURE

##### Liquidity

At year-end, there was a working capital shortfall of \$2 million. Since then, the company has taken a series of steps, including:

- carrying out a \$3 million private placement; and
- renegotiating an additional \$2 million in bank indebtedness.

In order to complete project ABC, the company estimates that it will need an additional \$10 million over the next two years. Cash flow from operating activities and the recent initiatives should sustain part of this project. The company will also have to carry out other distributions or exercise options and subscription rights [...].

### How to comply with the requirements in Items 1.4 (Discussion of operations) and 1.6 (Liquidity) of [Form 51-102F1](#)

The MD&A must provide an analysis of the company's operations outlining the company's results, including material changes in revenue and gross profit. It must also provide an analysis of the company's liquidity outlining the company's ability to generate sufficient amounts of cash and cash equivalents, in the short term and the long term, to maintain its capacity to meet planned growth or to fund development activities.

# 2

## Certification of disclosure in issuers' annual and interim filings

### First finding

Companies sometimes fail to include the following in their annual MD&As:

- conclusions about the effectiveness of internal control over financial reporting ("ICFR") at the financial year-end; and
- any material ICFR weakness relating to design; despite the certifying officers having stated in the annual certification that disclosure relating to these items was presented in the MD&A.



### The following is an example of corrected disclosure required by us:

#### NON-COMPLIANT DISCLOSURE

##### MD&A

No conclusion or material weakness presented.

##### Although the certification of annual filings states:

5.2. **Material weakness relating to design:** In its annual MD&A, the issuer presented the following information regarding each material weakness relating to operation existing at the financial year end:

- (a) a description of the material weakness;
- (b) the impact of the material weakness on the issuer's financial reporting and its ICFR; and
- (c) the issuer's current plans, if any, or any actions already undertaken, for remediating the material weakness.

#### CORRECTED DISCLOSURE

##### MD&A

Management concluded that the company's ICFR is ineffective and contains the following material weakness:

- inadequate segregation of duties.

Given the company's current size, management and the board of directors concluded that the company does not have the required resources to hire additional staff to remediate the material weakness [...].

### How to comply with the requirements in [Regulation 52-109](#)

The certifying officers must ensure that the annual MD&A presents the information certified by them and that disclosure in the certification of annual filings and in the annual MD&A is compliant and consistent.

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## Certification of disclosure in issuers' annual and interim filings (continued)



### Second finding

Companies sometimes provide incomplete conclusions regarding the effectiveness of ICFR at the financial year-end, despite the certifying officers having stated in the annual certification that the conclusions regarding the effectiveness of the ICFR were presented in the company's annual MD&A.

### The following is an example of corrected disclosure required by us:

#### NON-COMPLIANT DISCLOSURE

##### MD&A

Management concluded that the design of ICFR was effective.

#### Although the certification of annual filings states:

6. (b). **Evaluation:** The issuer's other certifying officer(s) and I have evaluated, or caused to be evaluated under our supervision, the effectiveness of the issuer's ICFR at the financial year end and the issuer has disclosed in its annual MD&A our conclusions about the effectiveness of ICFR at the financial year end based on that evaluation.

#### CORRECTED DISCLOSURE

##### MD&A

Management concluded that the design **and operation** of ICFR were effective.

### How to comply with the requirements in [Regulation 52-109](#)

Certifying officers must make sure that they have evaluated not only the design, but also the operation of ICFR. They must also ensure that the company's annual MD&A presents their conclusions in this respect.



# 3

## Insider reports



### Finding

We noted that reporting insiders still all too often fail to report, or are late in reporting, their trades in securities of a reporting issuer.

### Reminder about requirements

Under [Regulation 55-104](#), every reporting insider of a reporting issuer must file on SEDI<sup>12</sup> an insider report within five days<sup>13</sup> of a change:

- in the beneficial ownership of, or control or direction over, whether direct or indirect, securities of the reporting issuer;
- in any interest in, or right or obligation associated with, a related financial instrument involving a security of the reporting issuer.

### Tips to help you meet deadlines

- The five-day period is counted in calendar days, not in business days.
- Don't forget to also report securities attributed to you under the reporting issuer's compensation plans (such as stock options or other such securities).
- Ask your broker to send you trade execution details in a timely manner. It is your responsibility to file your insider reports within five days of the trade.

### BE CAREFUL!

Any reporting insider who fails to file a report is liable to an administrative monetary penalty of **\$100** for **each day** during which each such failure to report occurs, to a maximum amount of **\$5,000**.

### Have you received a notice of administrative monetary penalty?

You have 15 days within which to send the AMF your observations. However, the fact that you are unaware of your obligations, that you have delegated your reporting obligation to a third party, or that the securities purchased or sold are of minimal value will not alone be considered sufficient reason for us not to impose an administrative monetary penalty.

<sup>12</sup> System for Electronic Disclosure by Insiders, SEDI, <https://www.sedi.ca/sedi/>.

<sup>13</sup> Reporting insiders are required to file an initial insider report within 10 days of becoming a reporting insider.

# 4

## Disclosure for mineral projects

### ECONOMIC ANALYSIS OF A MINERAL PROJECT

The purpose of an economic analysis is to determine the viability of a mineral project. Given the importance of this step in the development of a mineral project, the results of an economic analysis constitute material information under securities laws.



#### Finding

We noted that some economic analyses are based on unrealistic mineral project development scenarios or overly optimistic assumptions.

The following is an example of steps taken by us:

#### EXAMPLES OF ECONOMIC ANALYSES BASED ON INVALID ASSUMPTIONS

- An economic analysis based on a product that does not meet the market's quality criteria, such as an industrial mineral concentrate contaminated by a deleterious element.
- An economic analysis based on an unproven ore processing technology.

#### STEPS TAKEN BY THE AMF

We sometimes question certain assumptions because they appear overly optimistic or unrealistic, in which case we ask the company and the qualified persons to justify the basis for them. If we find the explanation unsatisfactory, we ask the company to review and, if necessary, correct the economic analysis using a more balanced or reasonable approach.

If there are material deficiencies in economic analyses, we generally ask that corrected documents, including the technical reports and MD&As, be filed together with a press release outlining the material changes to the original disclosure.

#### How to comply with the requirements in Item 22 (Economic analysis) of Form 43-101F1 and in Part 4A (Forward-looking information) of [Regulation 51-102](#)

Companies must ensure that their economic analyses of mineral projects contain a clear statement of, and justification for, the principal assumptions. Furthermore, a company must not disclose forward-looking information unless it has a valid basis for the forward-looking information. Hence, any assumption in the economic analysis must have a reasonable basis in the context of the mineral project.

## 4 Disclosure for mineral projects (continued)



### Finding

We noted that companies sometimes refer to potentially outdated economic analyses without properly describing the current context and including cautionary language.

### TAKE NOTE!

Economic analyses in technical reports are based on commodity prices, costs, sales, revenue, and other assumptions and projections that can change significantly over short periods of time. As a result, economic information in a technical report can quickly become outdated.

### The following is an example of steps taken by us:

#### EXAMPLE OF A REFERENCE TO AN OUTDATED ECONOMIC ANALYSIS

An MD&A presents a mineral project and mineral reserves based on a technical report filed three years earlier, but makes no reference to a significant drop in the market price of the commodity (e.g., iron: ore or rare earth elements) that occurred after the technical report was filed. Other than a generic one-paragraph discussion of the risk related to metal price fluctuations, there is nothing in the MD&A enabling readers to understand the actual impact of the significant decrease in the commodity price on the determined value of the project in the technical report.

#### STEPS TAKEN BY THE AMF

When a company refers to economic analyses from a previously filed technical report, we ask that additional context and cautions be provided in order for the disclosure not to be misleading.

If there are material deficiencies in economic analyses, we generally ask that corrected documents, including the technical reports and MD&As, be filed together with a press release outlining the material changes to the original disclosure.

### How to comply with the requirements in paragraph 7 (Shelf Life of Technical Reports) of Part 4 (Obligation to File a Technical Report) of the [Policy Statement to Regulation 43-101](#)

When economic information in a technical report becomes outdated, the company should provide context for the economic analysis disclosure and include the necessary cautionary language in order for the disclosure not to be misleading.

### BE CAREFUL!

If you are planning a prospectus distribution and your record contains deficiencies such as the ones described above, you will have to correct them before the AMF will issue a receipt for the prospectus.

### WHO IS RESPONSIBLE?

- **Primary responsibility for public disclosure remains with the company.** In addition to being responsible for selecting the appropriate qualified persons, a company must comply with securities laws when providing disclosure for a mineral project.
- The qualified person is responsible for preparing or supervising the preparation of the technical report and providing scientific and technical advice in accordance with applicable professional standards. The proper use, by or on behalf of the company, of the technical report and other scientific and technical information provided by the qualified person is the responsibility of the company.

### DID YOU KNOW?

#### Regulation 43-101 also applies to non-reporting issuers.

The AMF recently intervened with non-reporting issuers to ensure their compliance with the requirements in [Regulation 43-101](#), including subsequent to non-compliant disclosure of mineral resources and reserves and the absence of technical reports supporting such disclosure. [Regulation 43-101](#) applies to all issuers, not just reporting issuers.

# 5

## Certain requirements for distributions

### EXPECTED DISCLOSURE REGARDING THE USE OF THE PROCEEDS OF DISTRIBUTION



#### Finding

Some companies do not provide complete disclosure of the use of the proceeds of distribution, particularly if they have negative cash flow from operating activities. It is important for investors to have as much information as possible so they can make informed investment decisions.

**The following is an example of corrected disclosure required by us:**

#### Example of a prospectus item regarding the use of the proceeds of distribution

##### NON-COMPLIANT DISCLOSURE

The net proceeds of the distribution will be approximately \$10 million. The company will use the proceeds of the distribution as follows:

- \$4 million to pay for the purchase of the building;
- \$2 million to retire series A debentures; and
- \$2.5 million to reduce the credit facilities balance.

The remaining proceeds will be used for general corporate purposes.

##### CORRECTED DISCLOSURE

The Company had negative cash flow of \$2 million for the 12-month period ended June 30, 2018. The Company expects to use approximately \$500,000 of the net proceeds of the distribution to fund future negative cash flow.

The net proceeds of the distribution will be approximately \$10 million. The company will use the proceeds of the distribution as follows:

- \$4 million to pay for the purchase of the building;
- \$2 million to retire series A debentures; and
- \$2.5 million to reduce the credit facilities balance.

The remaining proceeds will be used for general corporate purposes.

#### How to comply with the guidance in [CSA Staff Notice 41-307](#)

If a company has negative cash flow from operating activities, this fact should be prominently disclosed in the use-of-proceeds section of the prospectus and the prospectus should indicate whether the company intends to use part of the proceeds of the distribution to fund any negative cash flow. To avoid prospectus receipt refusal, we would also remind companies that they should have sufficient resources to satisfy their short-term liquidity requirements.

For more information, please read [CSA Staff Notice 41-307](#).

5

## Certain requirements for distributions (continued)

### MARKETING MATERIALS



#### Finding

In their marketing materials, some companies disclose adjusted financial measures and often fail to disclose the most directly comparable measures presented in their financial statements or in the financial statements of the acquired company.

**The following are examples of corrected disclosure required by us:**

#### Example of marketing materials

##### NON-COMPLIANT DISCLOSURE

###### Financial aspects of the transaction

Example 1:

- “The acquired company generated income of \$900 million and adjusted EBITDA\* of \$125 million for the fiscal year ended June 30, 2017.”

Example 2:

- “The acquisition is expected to increase the company’s adjusted net income\* by approximately 5% in 2017.”

\* See the section on non-IFRS financial measures at the end of the marketing material.

##### CORRECTED DISCLOSURE

###### Financial aspects of the transaction

Example 1:

- “The acquired company generated income of \$900 million, net income of \$25 million and adjusted EBITDA\* of \$125 million for the fiscal year ended June 30, 2017.”

Example 2:

- “It is anticipated that the acquisition will have a negative impact of approximately 3% on the company’s net income in 2017, primarily owing to acquisition and integration costs expected to be incurred between now and the fiscal year-end. However, if these costs are excluded, the company’s adjusted net income\* should grow by approximately 5%.”

\* See the section on non-IFRS financial measures at the end of the marketing material.

#### How to comply with the guidance in [CSA Staff Notice 52-306 \(revised\)](#)

In order not to mislead investors, companies should always present the most directly comparable financial measure determined under IFRS<sup>14</sup> presented in their financial statements. Moreover, forward-looking information should not be based solely on an adjusted financial measure.

#### IMPORTANT REMINDER!

Marketing materials must comply with the provisions of Part 13 (Advertising and Marketing in Connection with Prospectus Offerings of Issuers Other than Investment Funds) of [Regulation 41-101](#) and must be filed on or before the day the documents are first provided.



5

Certain requirements for distributions (continued)

## FEE PAYABLE IN CONNECTION WITH NORMAL COURSE ISSUER BIDS ON A CANADIAN STOCK EXCHANGE AND ON A FOREIGN STOCK EXCHANGE



### Finding

Some companies that announce a normal course issuer bid (“issuer bid”) on both a U.S. and a Canadian stock exchange pay a fee only on an estimate of the securities that will be repurchased in Canada, whereas they should be paying a fee on all the securities repurchased.

**The following is an example of a corrected calculation required by us:**

### Example of a fee calculation for an issuer bid

For example, a company announces its intention to make an issuer bid for a total of 35 million common shares on the TSX and New York Stock Exchange.

The company estimates that 3.5 million shares will be repurchased on the TSX (10% of the total number of securities announced in the news release) and pays a fee based on that number, while filing an undertaking with the AMF to pay the balance if the company repurchases more than the estimated number of shares.

#### NON-COMPLIANT CALCULATION

3.5 million shares x 0.02% x 25% x \$10 = \$1,750

Amount paid: \$1,750

#### CORRECTED CALCULATION

35 million shares x 0.02% x 25% x \$10 = \$17,500

Amount paid: \$17,500

### How to comply with the requirements of the *Securities Regulation*

The AMF’s position is that the fee should be calculated on the maximum number of securities indicated in the news release announcing the issuer bid, without any distinction being made between securities repurchased from securityholders not resident in Canada and those repurchased from securityholders resident in Canada.

Furthermore, when filing the news release on SEDAR,<sup>15</sup> companies should take special care to select the proper filing category, i.e. “Securities Acquisitions” - “General – Exempt Issuer Bid Filings” - “News release (section 4.8 of [Regulation 62-104](#))”.

15 System for Electronic Document Analysis and Retrieval, SEDAR, <https://sedar.com/>.

# INFORMING

We encourage you to read this section carefully as it provides essential information about specific oversight activities and recent initiatives.

## 1

## AMF issue-oriented reviews

The following is an overview of the issue-oriented reviews completed during 2017-2018:

### Non-GAAP financial measures

We continued our review of non-GAAP financial measures disclosed in companies' annual reports and press releases and on their websites. Most of the targeted companies were required to amend their future filings or their website in order to comply with the guidance in [CSA Staff Notice 52-306 \(revised\)](#).

### New IFRS

We reviewed the disclosure included in the MD&As and financial statements of 10 venture issuers prior to the application of the new IFRS, IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers*. Most of the targeted issuers were required to improve their future filings so that the potential material impacts of the new IFRS were properly disclosed.

### Climate change

We completed the project to review company disclosures of the risks and financial impacts associated with climate change and the governance issues related to them. The findings are presented in [CSA Staff Notice 51-354](#).<sup>16</sup>

### Representation of women on the board and in executive officer positions

For a third consecutive year, we reviewed disclosure by TSX-listed companies regarding the representation of women as prescribed by [Regulation 58-101](#). The findings are presented in [CSA Multilateral Staff Notice 58-309](#).<sup>17</sup>

### Modern slavery

We completed a review of company disclosures regarding modern slavery. The findings are presented in the [AMF Staff Notice](#) published on September 4, 2018.<sup>18</sup>

### Real estate investment trusts

We completed a review of disclosures by real estate investment trusts. The findings regarding distributions and non-GAAP financial measures are presented in [CSA Staff Notice 52-329](#).

<sup>16</sup> For more information, see under the subheading "Climate change."

<sup>17</sup> For more information, see under the subheading "Women on boards and in executive officer positions."

<sup>18</sup> For more information, see under the subheading "Modern slavery."

## 1 AMF issue-oriented reviews (continued)

The following is an overview of issue-oriented reviews in progress or planned for 2018-2019:

### Mineral resources of mineral projects

We will review the disclosure presented in the technical reports of mining companies in order to ensure compliance with the requirements in Item 14 (Mineral Resource Estimates) of Form 43-101F1 and check the qualifications of the qualified person responsible for the disclosure of mineral resources.

### IFRS 9 *Financial instruments* and IFRS 15 *Revenue from Contracts with Customers* - Application

We will review the disclosure in company financial statements in order to ensure compliance with the new standards IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers*.

### Marijuana

We will review the disclosure by companies carrying on marijuana-related activities in order to ensure that disclosure in their documents, including their financial statements and MD&As, complies with IFRS requirements and the regulatory provisions in force.

### Representation of women on the board and in executive officer positions

We will once again review the disclosure provided in circulars by TSX-listed companies in accordance with the disclosure requirements in [Regulation 58-101](#) regarding the representation of women.

## 2

## *An Act respecting transparency measures in the mining, oil and gas industries: Initial report*

[An Act respecting transparency measures in the mining, oil and gas industries](#) (“ATM”) was assented to on October 21, 2015. Under the ATM, certain enterprises operating in the mining, oil and gas industries are required to provide an annual statement declaring certain payments equal to or greater than \$100,000 made to payees specified in the ATM (primarily government entities). The purpose of the ATM is to discourage and detect corruption and foster the social acceptability of projects.

In connection with the ATM, the [Regulation respecting the application of the Act respecting transparency measures in the mining, oil and gas industries](#) (“Implementing Regulation”) came into force on August 3, 2017. [Guidelines](#) and a [General framework for the application of monetary administrative penalties](#) were also published.

The *Ministère de l'Énergie et des Ressources naturelles* (Québec Energy and Natural Resources) is responsible for implementing the ATM, but the AMF has been given responsibility for its administration.

### Be careful!

The ATM sets out significant penalties for non-compliance with the Act. The AMF can impose an administrative penalty of **\$1,000 for each day** that an entity subject to the ATM is late in sending a statement.

### Important reminders

- We encourage you to determine whether your company is subject to the ATM.
- The annual statement must be provided to the AMF on SEDAR within **150 days of your financial year-end**.
- A statement filed in compliance with the requirements of a competent authority whose regulations are designated as acceptable substitutes in the Implementing Regulation may be substituted for the statement required under the ATM. This includes the reports filed under the federal *Extractive Sector Transparency Measures Act* – **Be careful! You must still provide this substitute statement to the AMF on SEDAR.**

2

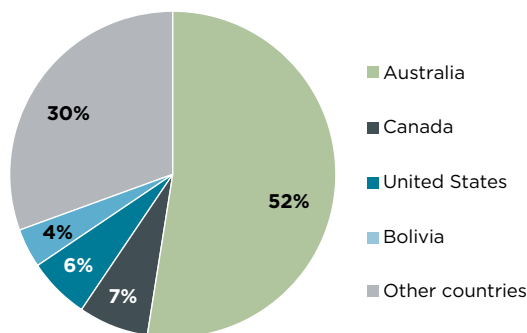
*An Act respecting transparency measures in the mining, oil and gas industries: Initial report (continued)*

## Statements received by the AMF during the fiscal year

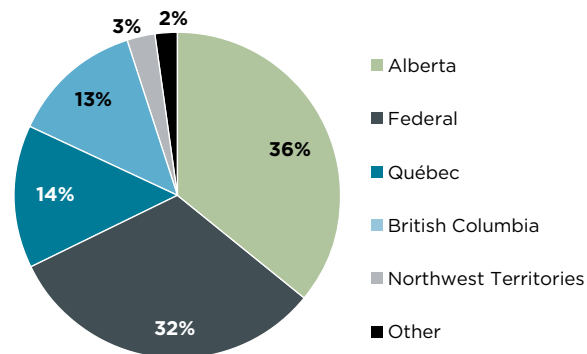
As at March 31, 2018, the AMF had received 42 statements under the ATM. The list of entities subject to the ATM that filed statements can be found on the AMF website. The following are some highlights from the 42 statements:

### BREAKDOWN OF PAYMENTS REPORTED BY COUNTRY:

**Total value of payments reported in all countries: \$17.1 billion**

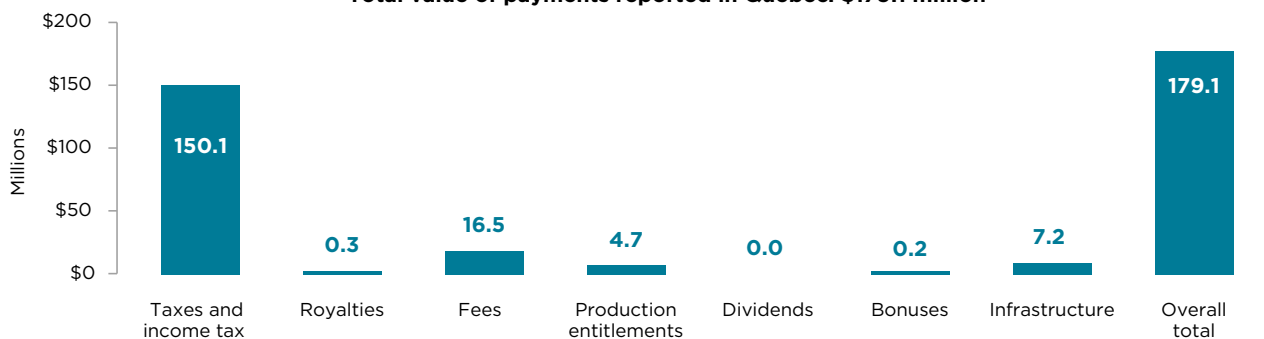


**Total value of payments reported in Canada: \$1.3 billion**



### TOTAL VALUE OF PAYMENTS REPORTED IN QUÉBEC BY PAYMENT CATEGORY:

**Total value of payments reported in Québec: \$179.1 million**







## Growing interest in socially responsible investing

Socially responsible investing is an area of increasing concern for the financial sector. Socially responsible investing is investing that incorporates environmental, social and governance (“ESG”) criteria into investment selection and management.

- **Environmental criteria** include the impact of a company’s operations on the environment, including greenhouse gas emissions, water and waste management, site restoration, biodiversity and habitat protection, as well as environment-related risks and opportunities.
- **Social criteria** include human rights, the impact on communities, labour relations and working conditions, and child labour and forced labour, as well as the resulting risks and opportunities.

- **Governance-related criteria** include the convergence of officer and shareholder interests, board independence and composition (including diversity and representation of women), shareholder rights, and transparency.

We are seeing an increasing appetite among investors for investments that take ESG criteria into account. We are therefore taking an interest in the thoughts and actions emanating from regulators regarding socially responsible investing based on ESG criteria. We are also focusing on information available to investors and on companies’ disclosure practices in this area, as evidenced by the following three projects.

## Climate change

The CSA completed a project to review company disclosures of risks and financial impacts associated with climate change and of the governance issues related to them. The project focused on climate change-related risks and opportunities that impact a company and its business, as opposed to the impact a company has or may have on climate change. The findings of this project are outlined in [CSA Staff Notice 51-354](#), published on April 5, 2018.

As part of this project, we also carried out a targeted review of public disclosure practices of selected large Canadian companies with respect to climate change-related information. In addition, we conducted a survey to solicit feedback from a wider range of TSX-listed companies, as well as focused consultations with companies, investors and other stakeholders.

Our work led to the identification of several key themes. In particular, we:

- developed a better understanding of Canadian companies’ current disclosure practices in relation to climate change-related information;
- gained insight into perspectives on the materiality of climate change-related risks and opportunities and the associated financial impacts;
- consulted with investors in order to understand their disclosure needs, whether those needs were being met by companies, and their suggestions for improvement;
- consulted with companies with respect to their interactions with investors, as well as the challenges involved in identifying climate change-related risks and opportunities, quantifying impacts, and preparing meaningful disclosure of material information; and
- analyzed disclosure requirements and voluntary disclosure frameworks internationally in relation to climate change-related risks, opportunities and impacts, as well as possible future trends in their development.

3

## Growing interest in socially responsible investing (continued)

### Next steps

Future CSA work plans are anticipated to include the following:

- developing guidance and initiatives to educate companies on the business risks and opportunities and potential financial impacts of climate change;
- considering new disclosure requirements regarding corporate governance in relation to risks, including climate change-related risks, and risk oversight and management;
- monitoring the quality of companies' disclosure and the evolution of best disclosure practices in this area, to assess whether further work needs to be done to ensure that Canadian companies' disclosure continues to improve, and whether investors require additional types of climate change-related disclosure to make informed investment and voting decisions; and
- monitoring developments in reporting frameworks and determining whether certain disclosure requirements in relation to greenhouse gas emissions are warranted in the future.

### Women on boards and in executive officer positions

On October 5, 2017, the AMF and other participating jurisdictions published [CSA Multilateral Staff Notice 58-309](#) in order to report their findings of a review of non-venture issuer disclosure regarding the representation of women as prescribed by [Regulation 58-101](#). This was the third consecutive annual review of this type conducted by us.

Our review after three years found that:

- the requirements have generally resulted in enhanced disclosure by companies regarding the representation of women.
- the response rate for each disclosure requirement was 93% or higher; and
- the requirements have had a positive impact on the representation of women on boards.

For information purposes, the table below presents, for specific indicators, the data compiled by the AMF for TSX-listed Québec companies since the coming into force of the disclosure requirements regarding the representation of women.

	2015 (64 companies <sup>19</sup> )	2016 (66 companies <sup>20</sup> )	2017 (64 companies <sup>21</sup> )	2018 (59 companies <sup>22</sup> )
Board seats occupied by women for all the companies reviewed	18%	18%	20%	<b>21%</b>
Companies with at least one woman on their board	80%	80%	81%	<b>88%</b>
Companies with at least three women on their board	20%	24%	27%	<b>29%</b>
Companies that adopted a policy relating to the representation of women on their board	32%	38%	41%	<b>53%</b>
Companies that adopted targets for the representation of women on their board	16%	17%	20%	<b>29%</b>
Companies that considered the representation of women in their board appointments	75%	76%	83%	<b>85%</b>

19 With a fiscal year-end between December 31, 2014 and March 31, 2015 and that filed a management information circular before July 31, 2015.

20 With a fiscal year-end between December 31, 2015 and March 31, 2016 and that filed a management information circular before July 31, 2016.

21 With a fiscal year-end between December 31, 2016 and March 31, 2017 and that filed a management information circular before July 31, 2017.

22 With a fiscal year-end between December 31, 2017 and March 31, 2018 and that filed a management information circular before July 31, 2018.

### 3

## Growing interest in socially responsible investing (continued)

### Consultation

The AMF continues to pay special attention to the representation of women. For example, the AMF published a notice and request for comment on January 15, 2018 and

held a round table on March 28, 2018 in order to obtain stakeholder comments on the effectiveness of disclosure requirements regarding the representation of women.

### Next steps

The AMF and the other participating jurisdictions have shared their findings and the comments received during their respective consultations and will determine whether additional measures are required. These measures could include:

- Amendments to [Regulation 58-101](#);
- The addition of guidelines to [Policy Statement 58-201](#).

Moreover, the findings of a fourth review of disclosures of non-venture issuers (that had year-ends between December 31, 2017 and March 31, 2018) in accordance with disclosure requirements regarding the representation of women will be published by the AMF and the other participating jurisdictions in the fall of 2018.

### Modern slavery

Modern slavery, a human rights violation, is a concern in Canada and internationally. Forced labour, human trafficking and child labour are all manifestations of modern slavery.

Under securities laws, companies are required to disclose certain information regarding modern slavery in their continuous disclosure documents **if such information is material**.

At the beginning of 2018, we conducted an issue-oriented review in order to obtain an overall picture of the information regarding modern slavery currently disclosed by a sampling of large companies. We selected twenty (20)

TSX-listed companies with a market capitalization of \$1 billion or more. These companies represent a range of industries and have international operations or greater potential exposure to issues related to modern slavery. For each company, we reviewed the following documents: AIFs, information circulars, MD&As, codes of conduct and ethics, and voluntary social responsibility reports.

Our findings are presented in the [AMF Staff Notice](#) published on September 4, 2018. The notice provides guidance to companies on existing disclosure requirements relating to modern slavery and sets out the AMF's expectations in this area.

### Be careful!

Canadian companies can be exposed to modern slavery directly or indirectly. For example, a mining company active in some parts of the world may be exposed to the issue directly, whereas a company active in the retail industry may be exposed to it via its supply chain. The International Labour Organization has identified the following as the sectors most likely to be exposed to this issue: construction, manufacturing, domestic work, entertainment and agriculture.

# 4

## Booming industry sectors

We are seeing an increasing investor appetite for certain industry sectors, including the marijuana and cryptocurrency industries. As regulator, we are interested in, and have published several notices providing key guidance on, these developments. The following are some points to remember:

### The burgeoning of companies with U.S marijuana-related activities

Given the volatility in the equity markets, the CSA published a revised version of [CSA Staff Notice 51-352](#) on February 8, 2018.

The marijuana industry has accelerated in recent years as a number of jurisdictions, including Canada and certain U.S. states, continue to explore liberalization measures around marijuana laws. While most jurisdictions have a uniform national framework for marijuana regulation, in the U.S., there is a conflict between state and federal law. Marijuana-related activities, such as the cultivation, possession or distribution of marijuana, are illegal under U.S. federal law, whereas they are legal under the laws of certain U.S. states.

In light of this legislative situation and the rescission in January 2018, by U.S. Attorney General Jeff Sessions, of the memorandum issued by James M. Cole (the *Cole Memorandum*), CSA staff published CSA Staff Notice 51-352 (revised) to provide further guidance on its specific disclosure expectations for companies with, or in the process of developing, U.S. marijuana-related activities.

We expect companies with operations in the United States to evaluate and monitor their public disclosures on an ongoing basis. We also expect such companies to modify

the disclosure they provide and to publicly communicate any new disclosure forthwith, including in the event of government policy changes or the introduction of new or amended guidance, laws or regulations regarding marijuana regulation.

We are closely monitoring disclosure regarding the following items, based on the scale of the company's marijuana-related activities:

- risks associated with marijuana-related activities;
- the fact that marijuana is illegal in the United States; and
- the legislative and regulatory framework applicable to marijuana-related activities in the jurisdiction in which the company is located, as well as how the company complies with that framework.

We would remind companies that their disclosure documents, such as prospectuses, AIFs and MD&As, must always fairly present all material facts and risks so that investors can make informed investment decisions. We may intervene with companies operating in the United States if they do not provide the appropriate disclosure described in CSA Staff Notice 51-352 (revised).

#### DID YOU KNOW?

In various circumstances, the law allows the AMF to share information with police forces, law enforcement agencies and tax authorities as these entities are tasked with the enforcement of laws in Québec such as the tax laws and the Criminal Code. Moreover, information such as the places of residence of investors who purchase securities through exempt distributions is public and may be included in such sharing of information, including when the residence is located in a tax haven.

### What about the Québec market?

For 2017-2018, Québec companies active in the marijuana industry financed their operations by way of both private placements and prospectus distributions. During this period, they raised over \$261 million. They raised more than \$5 million by way of private placements with Québec investors and approximately \$40 million from non-residents of Québec.

## 4

### Booming industry sectors (continued)

## The first cryptocurrency or token offerings

- On August 24, 2017, the CSA published [CSA Staff Notice 46-307](#), which provides guidance on how it applies securities laws to ICOs, cryptocurrency investment funds and cryptocurrency trading platforms. In the Notice, the CSA stated that, in many instances reviewed by them, the cryptocurrencies or tokens issued in an ICO constituted securities because they satisfied the four-prong test for an investment contract. In Québec, an investment contract is defined in the *Securities Act*. The Notice also states that each offering is unique and must be assessed on its own characteristics. The CSA will consider substance over form.
- Cryptocurrency or token offerings can provide new opportunities for companies to raise capital. However, they can also raise investor protection concerns. Those of greatest concern to the AMF include:
  - Audit:** How will issuers comply with financial disclosure requirements and accounting standards in the absence of standards designed specifically for blockchain technology and cryptocurrencies? How will cryptocurrencies and tokens be valued? Will one or multiple cryptocurrency exchange(s) be used, and how will such exchange(s) be selected? How will an issuer be able to prove cryptocurrency or token ownership?
  - Custody:** How can custody requirements be satisfied in a decentralized model? Does the custodian have expertise that is relevant to holding cryptocurrencies? For example, should the custodian have experience with hot and cold storage, security measures to keep cryptocurrencies protected from theft, and the ability to segregate the cryptocurrencies from other holdings as needed?
- On June 11, 2018, the CSA published [CSA Staff Notice 46-308](#) to respond to inquiries relating to offerings of tokens referred to as “utility tokens”. The Notice sets out specific situations in which a token offering can constitute a securities distribution.
- CSA and AMF investigations staff are actively monitoring the ICO market to detect any risk of fraud, market manipulation or illegal distributions. As a result of the AMF’s intervention, Québec’s Financial Markets Administrative Tribunal has issued freeze and cease trade orders against certain issuers<sup>23</sup> for activities related to investments in cryptocurrencies or tokens that violate securities law requirements. At the AMF’s request, the Superior Court ordered the appointment of a receiver over certain property belonging to the mastermind behind an ICO and granted the receiver the powers needed to take possession of the bitcoins held by that individual.

### WHAT IS AN ICO?

An initial cryptocurrency or token offering, more commonly known as an ICO, is a means of raising capital over the Internet. It is generally used to finance a technology start-up. Instead of shares that will be listed on a stock exchange, investors are offered digital assets, or tokens, whose potential value and use will be closely tied to the success of the project being financed. To find out more about ICOs and their inherent risks, please visit the [AMF’s website](#).

## Be careful!

In May 2018, more than 40 U.S. and Canadian member jurisdictions of the North American Securities Administrators Association (NASAA), including the AMF, participated in one of the largest coordinated series of enforcement actions to crack down on fraudulent ICOs/ITOs and cryptocurrency-related investment products and the individuals behind them.

23 PlexCoin, CreUnite, Usi-Tech, Antivolatility Coin and ZZZ Coin.



# 5

## More reminders

### General prospectus requirements: Financial statements must be IFRS-compliant!

Currently, certain publicly accountable enterprises are not permitted to use a financial reporting framework other than IFRS when preparing their general purpose financial statements.

**AS REQUIRED BY THE ACCOUNTING STANDARDS BOARD IN CANADA, IF AN ENTITY FALLS WITHIN THE DEFINITION OF A PUBLICLY ACCOUNTABLE ENTERPRISE, IT IS REQUIRED TO PREPARE ITS GENERAL PURPOSE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS (I.E., PART I OF THE CPA CANADA HANDBOOK – ACCOUNTING).**

**AS A RESULT, A PUBLICLY ACCOUNTABLE ENTERPRISE (WHETHER THE ISSUER IS SMALL, MEDIUM-SIZED OR LARGE) CANNOT CHOOSE BETWEEN IFRS AND THE ACCOUNTING STANDARDS FOR PRIVATE ENTERPRISES (I.E. PART II OF THE CPA CANADA HANDBOOK – ACCOUNTING).**

Our regulations already offer venture issuers substantial continuous disclosure relief, examples of which are presented in the table below. The decision to avail themselves of that relief is theirs and theirs alone.

**Planning an IPO?** Here are some points you need to remember regarding requirements affecting the annual financial statements to be included in a long form prospectus.

Type of issuer	Required annual financial statements	Audit requirements and basis of accounting
Non-venture issuer	<ul style="list-style-type: none"> <li>Statement of comprehensive income, statement of changes in equity and statement of cash flows for the <b>three</b> most recently completed financial years.</li> <li>Statement of financial position as at the end of the <b>two</b> most recently completed financial years.</li> </ul>	<ul style="list-style-type: none"> <li>Annual financial statements must be IFRS-compliant and audited.</li> </ul>
Venture issuer	<ul style="list-style-type: none"> <li>Statement of comprehensive income, statement of changes in equity and statement of cash flows for the <b>two</b> most recently completed financial years.</li> <li>Statement of financial position as at the end of the <b>two</b> most recently completed financial years.</li> </ul>	<ul style="list-style-type: none"> <li>Annual financial statements must be IFRS-compliant and audited.</li> <li>Note the exception to the requirement to present the <b>third</b> financial year.</li> </ul>
Venture issuer that qualifies as a “junior issuer” <sup>24</sup>	<ul style="list-style-type: none"> <li>Statement of comprehensive income, statement of changes in equity and statement of cash flows for the <b>two</b> most recently completed financial years.</li> <li>Statement of financial position as at the end of the <b>two</b> most recently completed financial years.</li> </ul>	<ul style="list-style-type: none"> <li>Annual financial statements must be IFRS-compliant, and the <b>most recent completed financial year must be audited</b>.</li> <li>Note that there are <b>two significant exceptions</b>: the exception from the requirement to present the third financial year and the exception from the audit requirement for the <b>second financial year</b>.</li> </ul>

<sup>24</sup> Refer to the definition in [Regulation 41-101](#), which provides thresholds of less than \$10 million for certain financial statement line items.

5

## More reminders (continued)

### **Are you planning a significant acquisition pursuant to which securities of the acquired business will be exchanged for securities of your company, or are you planning a restructuring transaction?**

The information to be provided about the acquired business may constitute Prospectus-level disclosure,<sup>25</sup> as summarized in the table above. Furthermore, we would remind companies that they must provide complete disclosure regarding related persons who participate in the transaction.

We encourage companies to pay close attention to the disclosure requirements and to be proactive in consulting with us so as to avoid pitfalls when closing a transaction.

The AMF will intervene with companies that do not comply with these requirements, including the inclusion of the required financial statements. The intervention may be in the form of a request to include the missing information and re-file the document in question. If the situation is not rectified in a timely manner, the AMF may take other measures, up to and including postponing the meeting of shareholders called to approve the transaction.

### **Issuers quoted in the U.S. over-the-counter markets: Don't forget [Regulation 51-105](#)!**

If your company is not listed on a stock exchange, but has issued securities quoted in a U.S. OTC market, it could be a reporting issuer in Québec pursuant to [Regulation 51-105](#). This will be the case if its business is directed or administered from Québec.

A company that is a reporting issuer in Québec pursuant to [Regulation 51-105](#) must comply with the continuous disclosure requirements in [Regulation 51-102](#), including the requirement to prepare its financial statements in accordance with IFRS. However, OTC reporting issuers that are SEC filers may file the documents they file with the SEC.

There were a few cases during the most recently completed fiscal year, including in reviews of applications to lift cease trade orders, where we required non-SEC-filing OTC reporting issuers to prepare their financial statements in accordance with IFRS, notwithstanding their having

complied with the disclosure requirements of the OTC Markets by preparing their financial statements in accordance with U.S. GAAP.

For more detailed information, please refer to [Regulation 51-105](#), [Policy Statement to Regulation 51-105](#) and [Regulation 52-107](#).

### **Distributions to persons established outside Québec: File your notice with the AMF at the right time!**

In connection with the filing of a notice required under section 12 of the [Securities Act](#) for the filing of a U.S. registration statement for a distribution in the United States (via a Form F-3 or S-3), we have observed that some issuers file the notice after filing the shelf prospectus outside Québec and before filing the first supplement related to it.

**Reminder:** Be sure to file the notice with the AMF before filing the shelf prospectus outside Québec, as required under section 12 of the *Securities Act*.

### **Statutory deadlines for file processing**

We would remind issuers that securities laws set out statutory deadlines for the processing by AMF staff of files such as prospectuses and applications for exemptive relief. We recently noticed an increase in the number of instances of issuers requesting shorter processing times.

The AMF acts diligently when processing all its files. We understand that special circumstances may exist. In some special cases for which justification is provided, the AMF may consider shortening processing times. Otherwise, the statutory time limits apply.

<sup>25</sup> Refer to the provisions of Item 14.2 of Form 51-102F5 of [Regulation 51-102](#).

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## More reminders (continued)

We would also remind issuers that, in the case of dual exemptive relief under the CSA passport system, a period of five days is generally required for an Ontario Securities Commission (“OSC”) decision. Moreover, we would remind issuers that, in order to obtain a receipt for a prospectus on the date on which it is filed on SEDAR, the filing must be compliant and completed before 3 p.m. (Eastern standard time). After that time, the AMF cannot guarantee that the prospectus receipt will be issued on the same day. Don’t forget that the AMF still allows issuers to confidentially pre-file a draft prospectus related to a multi-jurisdictional offering.

## **SEDI and SEDAR profiles: Your best calling card as an issuer!**

We would remind you that issuers required to create a SEDI or SEDAR profile must promptly do so. Once created, the profile should be kept up to date at all times. It is your best calling card as an issuer and will prevent undue delays!

# 6

## Recapitalization of federally chartered banks (bail-in) and ramifications for Québec

During the 2007-2008 global financial crisis, the financial system was shaken. Many banks outside Canada found themselves in financial distress and were saved by an injection of public funds, commonly referred to as a bail-out.

Regulators implemented multiple measures internationally and in Canada and Québec to prevent a recurrence of this situation. Regulators also adopted new enhanced regulatory capital requirements and designated large financial institutions as domestic or global systemically important financial institutions.

Canada and Québec joined international efforts and designated major Canadian banks and the Desjardins Group as systemically important. These financial institutions have chosen to implement a bail-in system as one of the means to deal with the unlikely event of financial failure, should there be another crisis.

We are involved in the bail-in work relating to the federally chartered banks and the Desjardins Group:

- At the federal level, we are involved in defining a securities regulatory framework for the implementation of a possible bail-in. We have participated in work on the bank bail-in with the Canada Deposit Insurance Corporation, the Office of the Superintendent of Financial Institutions, the Department of Finance (Canada), the OSC and the TSX in order to ensure that a possible future bail-in complies with securities laws. The federal government enacted bail-in regulations on March 26, 2018. They will come into force on September 23, 2018, as of which time the banks will be able to issue debt securities that will be subject to the terms of a bail-in.
- In Québec, we are participating, in our dual role as a prudential regulator and a securities regulator, in work on the regulatory framework for the Desjardins Group bail-in. In particular, we are participating in the establishment of a framework defining the conditions for the issuance of securities that could be issued if Group Desjardins were to become the subject of a bail-in.
- Group Desjardins' bail-in regime is similar to the federal regime. On June 13, 2018, Bill 141, *An Act mainly to improve the regulation of the financial sector, the protection of deposits of money and the operation of financial institutions*, was enacted and assented to by the National Assembly. A major portion of the new oversight and resolution powers came into effect on July 13, 2018. Certain regulatory powers will be set out in draft regulations over the coming months.

# 7

## Regulatory initiatives

The following is an overview of the regulatory initiatives and staff notices that came into force or were published during the last year, or are pending or proposed, relating to company financing and continuous disclosure requirements. The table is divided in two parts: projects on which the AMF is the lead or co-lead and other projects in which the AMF is a participant.

PROJECTS ON WHICH THE AMF IS THE LEAD OR CO-LEAD		
Draft regulations and notices	Summary of initiatives	Important date
<a href="#">Regulation to amend Regulation 45-102 respecting Resale of Securities and amendment of Policy statement to Regulation 45-102 respecting Resale of Securities</a>	<p>The CSA repealed the exemption set out in section 2.14 of Regulation 45-102 (First Trades in Securities of a Non-Reporting Issuer Distributed Under a Prospectus Exemption) and introduced a new prospectus exemption for the resale of securities of a foreign company that is not a reporting issuer in any jurisdiction of Canada. For the purpose of the new exemption:</p> <ul style="list-style-type: none"> <li>the resale must be on an exchange, or a market, outside of Canada or to a person outside of Canada; and</li> <li>the issuer of the security must be a foreign company.</li> </ul> <p>The new exemption sets aside the former ownership threshold, which was 10%, as a condition for determining a minimal connection to Canada.</p>	These amendments came into force on June 12, 2018.
<a href="#">CSA Staff Notice 46-308 – Securities Law Implications for Offerings of Tokens</a>	The CSA published a staff notice responding, with examples, to inquiries on the applicability of securities laws to offerings of coins or tokens, including ones that are commonly referred to as “utility tokens”.	Published on June 11, 2018.

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## Regulatory initiatives (continued)

PROJECTS ON WHICH THE AMF IS THE LEAD OR CO-LEAD		
Draft regulations and notices	Summary of initiatives	Important date
<a href="#">CSA Staff Notice 51-353 – Update on CSA Consultation Paper 51-404 Considerations for Reducing Regulatory Burden for Non-Investment Fund Reporting Issuers</a>	<p>The CSA published a staff notice providing an update on the consultation for reducing the regulatory burden for non-investment fund reporting issuers. Based on its consideration of the feedback it received, the CSA will initiate certain policy projects, including those described below. There is no guarantee that any changes to our regulatory regime will be implemented in CSA member jurisdictions.</p> <p><b>Removing or modifying the criteria to file a business acquisition report (“BAR”):</b></p> <p>The CSA might modify the BAR requirements to take into consideration relief granted to date, the time and cost involved in preparing BARs, and the value of the disclosure provided.</p> <p><b>Revisiting the primary business requirements in connection with an IPO:</b></p> <p>The CSA is looking at various ways to clarify its interpretation of Item 32 (Financial Statement Disclosure for Issuers) of Form 41-101F1 with a view to specifying the requirements pertaining to the historic financial statements required to be included in an IPO prospectus that support the company’s primary business.</p> <p><b>Alternative to the prospectus model:</b></p> <p>The CSA is exploring alternative distribution models to the prospectus in order to facilitate and speed up issuer access to the public markets.</p> <p><b>Reducing or streamlining certain continuous disclosure requirements:</b></p> <p>The CSA might modify certain continuous disclosure requirements in order to take the following into consideration:</p> <ul style="list-style-type: none"> <li>eliminating duplicative disclosure among the financial statements, MD&amp;A, and other documents required under <a href="#">Regulation 51-102</a> forms;</li> <li>consolidating two or more of the financial statements, MD&amp;A and AIF into one reporting document; and</li> <li>reducing the volume of information in annual and interim filings in order to prevent excessive disclosure from obscuring key information or otherwise improve the quality and accessibility of disclosure.</li> </ul> <p><b>Enhancing electronic delivery of documents for investors:</b></p> <p>The CSA will consider measures that would further facilitate electronic delivery of documents and would, in particular, switch the current default to electronic delivery.</p>	<p>Published on March 27, 2018.</p>

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## Regulatory initiatives (continued)

PROJECTS ON WHICH THE AMF IS THE LEAD OR CO-LEAD		
Draft regulations and notices	Summary of initiatives	Important date
<a href="#"><u>Proposed National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure</u></a>	<p>The CSA published a proposed regulation to regulate companies' disclosure of non-GAAP and certain other financial measures.</p> <p>The purpose is to enable the CSA to intervene with companies to help ensure that the information disclosed does not mislead investors. When it comes into force, the regulation will replace CSA Staff Notice 52-306 (revised) Non-GAAP Financial Measures.</p>	<p>Published on September 6, 2018.</p> <p>The comment period will end on December 5, 2018.</p>
<a href="#"><u>CSA Staff Notice 52-330 Update on CSA Consultation Paper 52-404 - Approach to Director and Audit Committee Member Independence</u></a>	<p>The CSA published a staff notice providing an update on the consultation on the appropriateness of the approach for determining director and audit committee member independence.</p> <p>Considering the realities of the Canadian market and the comments received during the consultation, the CSA has concluded that the current approach should be maintained.</p>	Published on July 26, 2018.
<a href="#"><u>IFRS – Reminder concerning new IFRS with respect to revenue, financial instruments and leases</u></a>	<p>The AMF published a reminder concerning new IFRS with respect to revenue, financial instruments and leases. The reminder seeks to make companies aware of the need to provide disclosure on the possible impact of these new IFRS, due to their broad scope.</p>	Published on September 21, 2017.
<a href="#"><u>Draft Regulation respecting real estate prospectus and registration exemptions</u></a>	<p>The Regulation prescribes and simplifies the framework governing certain real estate distributions by proposing a prospectus exemption in respect of the sale of real estate investment contracts specified in them.</p> <p>The Regulation also proposes a prospectus and registration exemption in respect of the distribution of a security giving a right of exclusive use in an immovable.</p>	The comment period ended on December 24, 2016.
<a href="#"><u>Notice relating to modern slavery disclosure requirements</u></a>	<p>The AMF published a notice providing companies with guidance and setting out AMF staff's expectations regarding current disclosure requirements relating to modern slavery. For more information, see under the subheading "Modern slavery."</p>	Published on September 4, 2018.

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## Regulatory initiatives (continued)

OTHER PROJECTS IN WHICH THE AMF IS A PARTICIPANT		
Draft regulations and notices	Summary of initiatives	Important date
<a href="#">CSA Notice and Request for Comment Relating to Designated Rating Organizations</a>	The CSA is proposing amendments to Regulation 25-101 respecting Designated Rating Organizations to reflect new requirements. These requirements are already in force in Europe. The amendments would, in particular, allow the European Union to continue to recognize the Canadian regulatory regime as “equivalent” to its own.	The comment period ended on October 4, 2017.
<a href="#">CSA Notice of Publication of Amendments Relating to Designated Rating Organizations</a> <sup>26</sup>	The CSA amended several regulations in order to: <ul style="list-style-type: none"> <li>allow the designation of Kroll Bond Rating Agency Inc. as a designated rating organization for purposes of the eligibility of its ratings for limited regulatory purposes; and</li> <li>allow corporate reorganizations of designated credit rating organizations without the need to amend the regulations each time.</li> </ul>	These amendments came into force on June 12, 2018.
<a href="#">CSA Notice and Request for Comment – Amendments relating to Syndicated Mortgages</a>	The CSA is proposing amendments to Regulation 45-106 and Regulation 31-103 in order to better regulate the distribution of syndicated mortgages and harmonize exemptions across all jurisdictions.	The consultation period ended on June 6, 2018.
<a href="#">CSA Notice and Request for Comment – Regulation to amend Regulation 45-106 respecting Prospectus Exemptions</a>	The participating jurisdictions amended the report of exempt distribution found in Form 45-106F1 (Report of Exempt Distribution) of Regulation 45-106 in order to provide greater clarity and flexibility regarding the certification requirement.	Published on July 19, 2018.
<a href="#">CSA Staff Notice 51-352 (revised) – Issuers with U.S. Marijuana-Related Activities</a>	The CSA published a revised staff notice providing further guidance on its disclosure expectations for companies with U.S. marijuana-related activities. The notice was a revision of the version dated October 16, 2017.  For more information, see under the subheading “The burgeoning of companies with U.S. marijuana-related activities.”	Published on February 8, 2018.
<a href="#">CSA Staff Notice 51-354 – Report on Climate change-related Disclosure Project</a>	The CSA published a staff notice summarizing the findings of the project to review companies’ disclosure of risks and financial impacts associated with climate change and related governance and presenting plans for future work. For more information, see under the subheading “Climate change.”	Published on April 5, 2018.

26 The following are the amended regulations and instruments: Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations; Regulation 33-109 respecting Registration Information; Regulation 41-101 respecting General Prospectus Requirements; Regulation 44-101 respecting Short Form Prospectus Distributions; Regulation 44-102 respecting Shelf Distributions; Regulation 45-106 respecting Prospectus Exemptions; Regulation 51-102 respecting Continuous Disclosure Obligations; Regulation 81-102 respecting Investment Funds; Regulation 81-106 respecting Investment Fund Continuous Disclosure; Policy Statement to Regulation 21-101 respecting Marketplace Operation; and Policy Statement to Regulation 81-102 respecting Investment Funds.



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Regulatory initiatives (continued)

OTHER PROJECTS IN WHICH THE AMF IS A PARTICIPANT		
Draft regulations and notices	Summary of initiatives	Important date
<a href="#"><u>CSA Staff Notice 51-355 – Continuous Disclosure Review Program Activities for the fiscal years ended March 31, 2018 and March 31, 2017</u></a>	The CSA published a staff notice summarizing the results of the CDR Program for the fiscal years ended March 31, 2017 and 2018. The notice includes common deficiencies that were observed as well as reminders regarding the requirements applicable to companies.	Published on July 19, 2018.
<a href="#"><u>CSA Staff Notice 52-329 – Distribution Disclosures and Non-GAAP Financial Measures in the Real Estate Industry</u></a>	The CSA published a staff notice setting out the results of a review of important areas of disclosure for real estate investment trusts and real estate operating companies: distributions and non-GAAP financial measures.	Published on April 12, 2018.
<a href="#"><u>CSA Multilateral Staff Notice 58-309 – Staff Review of Women on Boards and in Executive Officer Positions – Compliance with Regulation 58-101 respecting Disclosure of Corporate Governance Practices</u></a>	<p>The participating jurisdictions reviewed the corporate governance disclosure of 660 non-venture issuers with year-ends between December 31, 2016 and March 31, 2017 under the disclosure requirements regarding the representation of women set out in Regulation 58-101.</p> <p>For more information, see under the subheading “Women on boards and in executive officer positions.”</p>	Published on October 5, 2017.
<a href="#"><u>Notice and Request for Comment – Women on Boards and in Executive Officer Positions of Non-Venture Issuers</u></a>	<p>The AMF published a notice and request for comment seeking feedback within the context of the evaluation of the effectiveness of the disclosure requirements in Regulation 58-101 regarding the representation of women on boards and in executive officer positions.</p> <p>For more information, see under the subheading “Women on boards and in executive officer positions.”</p>	The comment period ended on March 2, 2018.
<a href="#"><u>CSA Staff Notice 61-303 and Request for Comment – Soliciting Dealer Arrangements</u></a>	The CSA published a notice and request for comment outlining the regulatory issues related to soliciting dealer arrangements and seeking comments and feedback on their use, which generally involves a company agreeing to compensate a dealer to solicit securityholders in connection with corporate transactions.	Published on April 12, 2018.

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Regulatory initiatives (continued)

OTHER PROJECTS IN WHICH THE AMF IS A PARTICIPANT		
Draft regulations and notices	Summary of initiatives	Important date
<a href="#"><u>CSA Staff Notice 45-323 (revised) – Update on Use of the Rights Offering Exemption in Regulation 45-106 respecting Prospectus Exemptions</u></a>	The CSA published a revised notice on the use of the rights offering exemption. This update reflects two years of reviews of the use of this exemption since the amendments came into force in December 2015.	Published on July 26, 2018.

# 8

## The AMF on the international stage

### Involvement in the work of IOSCO



#### **Issuer Accounting, Audit and Disclosure (Committee 1)**

Committee 1 of the International Organization of Securities Commissions ("IOSCO"), on which the AMF sits, is dedicated to improving the development of accounting and auditing standards and

enhancing the quality and transparency of the information that investors receive from listed firms, including financial institutions. It also considers matters related to the application of these standards in practice.

#### **ICO Consultation Network**

Corporate Finance participates in the ICO Consultation Network, a committee established in March 2018 and composed of IOSCO members that provides a forum for sharing experiences, approaches and concerns regarding cryptocurrency offerings.

#### **Fintech Network**

Corporate Finance also participates in the Fintech Network, which is designed to facilitate the exchange of fintech-related information, knowledge and experiences among members. The network consists of a committee comprised of IOSCO members that is currently developing the scope of matters to be considered by the committee.

Over the past year, Corporate Finance participated in the work that led to the following papers:

#### ***Consultation Paper on Strengthening the Governance and Oversight of the International Audit-related Standard-setting Boards in the Public Interest***

On November 9, 2017, the Monitoring Group (consisting of IOSCO, the Basel Committee on Banking Supervision, the European Commission, the Financial Stability Board, the International Association of Insurance Supervisors and the World Bank Group) published the *Consultation Paper on Strengthening the Governance and Oversight of the International Audit-related Standard-setting Boards in the Public Interest*, which presents various options and proposals for improving governance, accountability and oversight of the audit and assurance standard-setting process and seeks feedback from stakeholders.

The consultation paper sets out three principal areas of concern that emerged from discussions with stakeholders:

- the adverse effect on stakeholder confidence in the existing standards as a result of a perception of undue influence by the profession;
- the risk, partly because of such undue influence, that standards are not developed fully in the public interest; and
- the relevance and timeliness of standards.

The Monitoring Group is proposing options for reform, including changes to the number, composition, strategic focus and nominations process of standard-setting boards, as well as their current oversight arrangements.

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## The AMF on the international stage (continued)

### **Consultation Report on Good Practices for Audit Committees in Supporting Audit Quality**

On April 24, 2018, IOSCO published its *Consultation Report on Good Practices for Audit Committees in Supporting Audit Quality*, which invites stakeholder feedback on IOSCO proposals in this area. The report proposes features that an audit committee should have in order to be more effective in promoting and supporting audit quality. These features include the qualifications and experience of audit committee members, their level of knowledge in the field of financial reporting and audit, whether they have questioning minds and appropriately challenge management and auditors, and whether they have adequate capacity and resources.

The report also proposes good practices that audit committees can follow when:

- recommending the appointment of an auditor;
- assessing auditors;
- setting audit fees;
- facilitating the audit process;
- communicating with the auditor;
- assessing auditor independence; and
- assessing audit quality.

## Other areas of involvement on the international scene

### **Global Financial Innovation Network**

Since February 2018, Corporate Finance has participated in discussions with other international regulators in order to create the Global Financial Innovation Network (GFIN), an international exchange network on financial innovation. In addition to the AMF, over ten international regulators are involved in the network, including the OSC, the United Kingdom's Financial Conduct Authority and the Australian Securities & Investments Commission. Corporate Finance was involved in the work to define how the GFIN will operate.

## Our comments to the International Accounting Standards Board (IASB)

In October 2017, the AMF, jointly with certain other participating jurisdictions, provided [comments](#) on the *Disclosure Initiative – Principles of Disclosure Discussion Paper* published by the IASB with a view to enhancing disclosure in financial statements. Comments included the following:

### • **Performance measures in the financial statements**

We agree that entities should have some latitude in presenting performance measures in their financial statements. However, there should be a general disclosure standard prohibiting an entity from presenting or disclosing performance measures that are not relevant to an understanding of the financial statements.

### • **Non-IFRS compliant disclosures in financial statements**

We disagree that an entity should be able to disclose information in the financial statements that is inconsistent or in conflict with IFRS.

### • **Information outside the financial statements**

While we favour reducing duplication, we disagree with the principle that an entity can provide information that is necessary to comply with IFRS outside the financial statements.

### • **Unusual or infrequently occurring items**

We agree with the presentation in the financial statements of items classified as unusual or infrequently occurring. However, we believe that the determination of such items could be subjective and therefore contrary to the principle of financial statement neutrality.

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## The AMF on the international stage (continued)

### Our comments to IOSCO

In February 2018, the CSA Chief Accountants Standing Committee [commented](#) on the Monitoring Group's *Consultation Paper on Strengthening the Governance and Oversight of the International Audit-related Standard-setting Boards in the Public Interest*.<sup>27</sup> The Committee supports the objective of strengthening aspects of the governance and oversight of the standard-setting process. It identified key areas that would help to achieve this objective and that differ from those proposed by the Monitoring Group.

<sup>27</sup> For a description of the consultation paper, see above under the subheading "Consultation Paper on Strengthening the Governance and Oversight of the International Audit-related Standard-setting Boards in the Public Interest".

# INNOVATING

Read this section to learn about recent innovative projects that are currently underway: artificial intelligence initiatives, a progress report on the fintech regulatory sandbox, and monitoring via social media.

## 1

### Artificial intelligence initiatives for disclosure monitoring

The AMF's Fintech Lab is a think-tank, equipped with exploratory tools, whose purpose is to provide the AMF with the knowledge it needs to fully carry out its regulatory role in an increasingly digital environment.

The Fintech Lab works to:

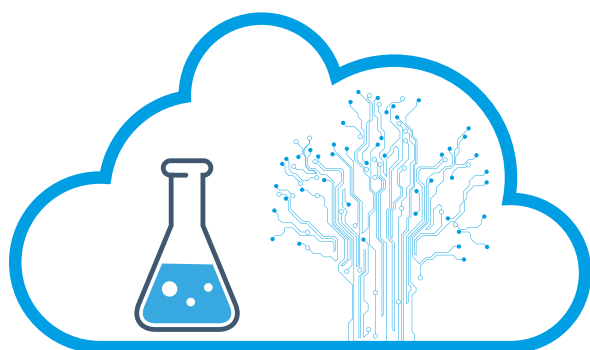
- deepen and continuously update the AMF's knowledge of new technologies;
- explore how the AMF can better use new technologies to improve its business processes;
- provide advice and insight with respect to the review of the regulatory framework and to regulatory sandbox initiatives implemented by the CSA; and
- anticipate the AMF's needs regarding the latest expertise and computer systems.

The Fintech Lab has enabled Corporate Finance to explore artificial intelligence initiatives for continuous disclosure monitoring.

The Fintech Lab has been engaged in:

- the automated extraction of data contained in continuous disclosure documents filed by companies as PDF files, such as the financial information relating to mineral projects that is contained in notes to financial statements. This data populates a database enabling the timely identification by the AMF of companies requiring an issue-oriented review. This historic data is also used to track trends in a particular industry; and
- the screening of relevant alerts we receive while monitoring companies' continuous disclosure documents, for example, to detect the use of promotional information in the mining sector.

The Fintech Lab has also supported the ICO-related analysis work carried out by the regulatory sandbox.



#### FORMATION 2.0

Corporate Finance also participated as a mandator in Formfintech's Formation 2.0. The goal of this fintech marathon is to find solutions to current financial challenges by bringing together multidisciplinary teams supported by people with expertise in various aspects of the financial ecosystem. The resulting innovative solutions, including artificial intelligence, will help the AMF achieve its objective of becoming a more efficient regulator through targeted interventions.

## 2

## Fintechs – The work of the regulatory sandbox

In February 2017, the CSA launched a regulatory sandbox, presided over by the AMF, to support fintechs that wish to develop and offer innovative applications, products and services in Canada. Selected firms can register or obtain exemptive relief from securities regulatory requirements more quickly and easily and can test their models throughout the Canadian market on a time-limited basis.

We wish to encourage innovation and foster efficient financial markets, while adequately protecting investors. With cryptocurrencies and tokens becoming increasingly popular with consumers, balancing the new investment opportunities they represent and the need to protect investors from high-risk or fraudulent activities is extremely important. The AMF will therefore continue to monitor ICOs and other related activities.

Over the past year, the CSA and the AMF received many applications from market participants seeking to raise capital using blockchain technology, facilitate cryptocurrency trades, or establish cryptocurrency investment funds.

During the last fiscal year, the sandbox reviewed approximately twenty fintech files from all over Canada, including four presented by the AMF. During that same period, the AMF reviewed approximately 103 fintech applications. The AMF's experts help fintechs and other firms to better understand the applicable regulatory environment.

Since the beginning of 2018, the sandbox has also considered issues involving cryptocurrency trading platforms in order to gain greater insight into their activities.

In addition, the sandbox's work contributed to numerous warnings being issued in respect of ICOs both by the CSA and by certain jurisdictions at the local level. For example, on December 18, 2017, the CSA published a press release reminding investors of the inherent risks associated with products linked to cryptocurrencies, including futures contracts. On January 15, 2018, the AMF published a warning for investors about the risks associated with ICOs and reminded issuers and sponsors of their obligations under securities laws. As recently as March 31, 2018, the AMF published a notice entitled Let's clarify cryptocurrencies. Lastly, in May 2018, the CSA launched a social media campaign to educate investors about the risks associated with cryptocurrencies and cryptocurrency trading.



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## Monitoring via social media

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We may include companies' use of social media, such as Facebook, LinkedIn and Twitter, in the monitoring activities carried out to ensure compliance with regulatory requirements. Please see [CSA Staff Notice 51-348](#).



# APPENDIX A

## LIST OF CERTAIN REGULATIONS (INCLUDING FORMS), POLICY STATEMENTS AND NOTICES PRESCRIBED FOR COMPANIES

This appendix contains the names of and hyperlinks to the regulations (including forms), policy statements and notices referred to in this Summary.

All regulations and other texts are published under the heading Securities and Derivatives – [Laws and Regulations](#) on the AMF's website.

REGULATION, POLICY STATEMENT OR NOTICE NUMBER	REGULATION NAME
<a href="#">Regulation 25-101</a>	respecting Designated Rating Organizations
<a href="#">Regulation 31-103</a>	respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations
<a href="#">Regulation 41-101</a>	respecting General Prospectus Requirements
<a href="#">Form 41-101F1</a>	Information required in a prospectus
<a href="#">CSA Staff Notice 41-307</a>	Corporate finance prospectus guidance - Concerns regarding an issuer's financial condition and the sufficiency of proceeds from a prospectus offering
<a href="#">Regulation 43-101</a>	respecting Standards of Disclosure for Mineral Projects
<a href="#">Form 43-101F1</a>	Technical report
<a href="#">Policy Statement to Regulation 43-101</a>	respecting Standards of Disclosure for Mineral Projects
<a href="#">Regulation 45-106</a>	respecting Prospectus Exemptions
<a href="#">CSA Staff Notice 46-307</a>	Cryptocurrency Offerings
<a href="#">CSA Staff Notice 46-308</a>	Securities Law Implications for Offerings of Tokens
<a href="#">Regulation 51-102</a>	respecting Continuous Disclosure Obligations
<a href="#">Form 51-102F1</a>	Management's discussion and analysis
<a href="#">Form 51-102F5</a>	Information circular
<a href="#">Regulation 51-105</a>	respecting Issuers Quoted in the U.S. Over-the-Counter Markets
<a href="#">Policy Statement to Regulation 51-105</a>	respecting Issuers Quoted in the U.S. Over-the-Counter Markets
<a href="#">CSA Staff Notice 51-348</a>	Staff's Review of Social Media Used by Reporting Issuers
<a href="#">CSA Staff Notice 51-352 (revised)</a>	Issuers with U.S. Marijuana-Related Activities
<a href="#">CSA Staff Notice 51-354</a>	Report on Climate change-related Disclosure Project
<a href="#">CSA Staff Notice 51-355</a>	Continuous Disclosure Review Program Activities for the fiscal years ended March 31, 2018 and March 31, 2017

<a href="#"><u>Regulation 52-107</u></a>	respecting Acceptable Accounting Principles and Auditing Standards
<a href="#"><u>Regulation 52-109</u></a>	respecting Certification of Disclosure in Issuers' Annual and Interim Filings
<a href="#"><u>Proposed National Instrument 52-112</u></a>	Non-GAAP and Other Financial Measures Disclosure
<a href="#"><u>CSA Staff Notice 52-306 (revised)</u></a>	Non-GAAP Financial Measures
<a href="#"><u>CSA Staff Notice 52-329</u></a>	Distribution Disclosures and Non-GAAP Financial Measures in the Real Estate Industry
<a href="#"><u>Regulation 55-104</u></a>	respecting Insider Reporting Requirements and Exemptions
<a href="#"><u>Regulation 58-101</u></a>	respecting Disclosure of Corporate Governance Practices
<a href="#"><u>Policy Statement 58-201</u></a>	to Corporate Governance Guidelines
<a href="#"><u>CSA Multilateral Staff Notice 58-309</u></a>	Staff Review of Women on Boards and in Executive Officer Positions – Compliance with Regulation 58-101 respecting Disclosure of Corporate Governance Practices
<a href="#"><u>Regulation 62-104</u></a>	respecting Take-Over Bids and Issuer Bids
<a href="#"><u>AMF Staff Notice</u></a>	relating to modern slavery disclosure requirements



## Contact information

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

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