

CSA Staff Notice 45-314

Updated List of Current CSA Exempt Market Initiatives

First published March 20, 2014 – Revised January 28, 2016

January 28, 2016

Introduction

Modernization of the exempt market regulatory regime is a major priority for the Canadian Securities Administrators (CSA). In keeping with this, CSA members have published or adopted a series of significant initiatives related to prospectus exemptions. This notice describes all of these initiatives in one place for the benefit of industry and investors.

Further information about each initiative, and the text of the new exemptions and proposed amendments, is or will be available on the websites of the following CSA websites:

www.lautorite.qc.ca
www.albertasecurities.com
www.bcsc.bc.ca
nssc.novascotia.ca
www.fcmb.ca
www.osc.gov.on.ca
www.fcaa.gov.sk.ca
www.mbsecurities.ca

Updated List of Initiatives

Initiatives	Jurisdiction(s)	Summary of Latest Developments	Date
Short-Term Debt			
Short-Term Debt (s. 2.35 of <i>Regulation 45-106 respecting Prospectus Exemptions</i>)	All	In effect: <ul style="list-style-type: none"> • Amendments to modify the minimum credit rating requirement when an issuer obtains more than one credit rating • Makes this exemption unavailable for securitized products 	May 5, 2015

Initiatives	Jurisdiction(s)	Summary of Latest Developments	Date
Short-Term Securitized Products (s. 2.35.1 of <i>Regulation 45-106 respecting Prospectus Exemptions</i>)	All	In effect: <ul style="list-style-type: none"> • New prospectus exemption for short-term securitized products (ABCP) with additional credit rating, liquidity and disclosure requirements 	May 5, 2015
Accredited Investor, Minimum Amount and Family, Friends and Business Associates			
Accredited Investor (s. 2.3 of <i>Regulation 45-106 respecting Prospectus Exemptions</i>)	All	In effect: <ul style="list-style-type: none"> • Amendments to require persons relying on the prospectus exemption to obtain a signed risk acknowledgement from certain individual accredited investors • Expanded guidance on steps issuers can take to verify accredited investor status • Introduced family trusts as a category of accredited investor 	May 5, 2015
	ON	In effect: <ul style="list-style-type: none"> • Amendments to the definition of accredited investor to allow fully managed accounts to purchase investment fund securities using the managed account category of the prospectus exemption 	May 5, 2015
\$150,000 Minimum Amount Investment (s. 2.10 of <i>Regulation 45-106 respecting Prospectus Exemptions</i>)	All	In effect: <ul style="list-style-type: none"> • Amendments to restrict the prospectus exemption to distributions to non-individual investors 	May 5, 2015

Initiatives	Jurisdiction(s)	Summary of Latest Developments	Date
Family, Friends and Business Associates (s. 2.5 and s. 2.6.1 of <i>Regulation 45-106 respecting Prospectus Exemptions</i>)	ON	In effect: <ul style="list-style-type: none"> • New prospectus exemption for non-investment fund issuers similar to the FFBA exemption in other CSA jurisdictions • Repeal of existing founder, control person and family prospectus exemption 	May 5, 2015
Existing Security Holder, Rights Offering and Investment Dealer			
Existing Security Holder (General and blanket orders in jurisdictions other than AB and ON s. 3 of ASC Rule 45-516 <i>Prospectus Exemptions for Retail Investors and Existing Security Holders</i> in AB s. 2.9 of OSC Rule 45-501 <i>Ontario Prospectus and Registration Exemptions</i> in ON)	BC, AB, SK, MB, QC, NL, NB, NS, PE, YK, NT, NU ON	In effect: <ul style="list-style-type: none"> • New prospectus exemption to allow issuers listed on certain Canadian stock exchanges to distribute securities to existing security holders in prescribed circumstances 	March 13, 2014 February 11, 2015
Rights Offering (s. 2.1 of <i>Regulation 45-106 respecting Prospectus Exemptions</i>)	All	In effect: <ul style="list-style-type: none"> • Streamlined prospectus exemption to allow reporting issuers to raise capital by issuing rights to existing security holders • Securities are subject to seasoning period 	December 8, 2015

Initiatives	Jurisdiction(s)	Summary of Latest Developments	Date
Investment Dealer Exemption (General and blanket orders in jurisdictions other than AB s. 4 of ASC Rule 45-516 <i>Prospectus Exemptions for Retail Investors and Existing Security Holders</i> in AB)	BC, AB, SK, MB, NB	In effect: <ul style="list-style-type: none"> • New prospectus exemption to allow issuers listed on a Canadian exchange to raise any amount of money from any investor who has received suitability advice from a registered investment dealer 	January 14, 2016
Offering Memorandum, Crowdfunding and Start-up Business			
Start-up Crowdfunding (<i>Start-up Crowdfunding</i> general and blanket orders)	BC, SK, MB, QC, NB, NS	In effect: <ul style="list-style-type: none"> • New prospectus and registration exemptions for start-up and early stage businesses 	May 14, 2015
Start-up Business (proposed MI 45-109 <i>Prospectus Exemption for Start-up Businesses</i>)	AB, NU	Published for comment: <ul style="list-style-type: none"> • Proposed prospectus exemption for small and early-stage businesses 	October 19, 2015
Offering Memorandum (s. 2.9 of <i>Regulation 45-106 respecting Prospectus Exemptions</i>)	ON	In effect: <ul style="list-style-type: none"> • New prospectus exemption for non-investment fund issuers similar to the offering memorandum exemption published by AB, SK, QC, NB and NS on October 29, 2015 	January 13, 2016

Initiatives	Jurisdiction(s)	Summary of Latest Developments	Date
	AB, SK, QC, NB, NS	Advance notice of adoption: <ul style="list-style-type: none"> • Amendments to introduce new investor protection measures, including rolling investment limits, incorporation by reference of marketing materials and certain limited disclosure requirements for non-reporting issuers following a distribution 	October 29, 2015 (intended to be in force April 30, 2016)
Crowdfunding (<i>Regulation 45-108 respecting Crowdfunding</i>)	SK	Advance notice of adoption: <ul style="list-style-type: none"> • New prospectus exemption for non-investment fund issuers • Registration framework for online funding portals as a dealer 	January 25, 2016 (implementation date subject to Ministerial approval)
	MB, ON, QC, NB, NS	In effect: <ul style="list-style-type: none"> • New prospectus exemption for non-investment fund issuers • Registration framework for online funding portals as a dealer 	January 25, 2016
Report of Exempt Distribution			
Report of Exempt Distribution (Proposed Form 45-106F1)	All	Published for comment: <ul style="list-style-type: none"> • Proposal to introduce harmonized report of exempt distribution in Form 45-106F1 	August 13, 2015

Questions

Please refer your questions to any of the following:

Québec

Alexandra Lee
Senior Regulatory Advisor
Corporate Finance
Autorité des marchés financiers
514 395-0337, ext. 4465
Alexandra.Lee@lautorite.qc.ca

Gabriel Araish
Senior Securities Analyst
Corporate Finance
Autorité des marchés financiers
514 395-0337, ext. 4414
Gabriel.Araish@lautorite.qc.ca

British Columbia

Peter Brady
Director, Corporate Finance
British Columbia Securities Commission
604 899-6570
Toll free across Canada: 800 373-6393
pbrady@bcsc.bc.ca

Elliott Mak

Senior Legal Counsel, Corporate Finance
British Columbia Securities Commission
604 899-6501
Toll free across Canada: 800 373-6393
emak@bcsc.bc.ca

Alberta

Jonathan Taylor
Manager, CD Compliance & Market Analysis,
Corporate Finance
Alberta Securities Commission
403 297-4770
jonathan.taylor@asc.ca

Denise Weeres
Manager, Legal, Corporate Finance
Alberta Securities Commission
403 297-2930
denise.weeres@asc.ca

Saskatchewan

Sonne Udemgba
Deputy Director, Legal, Securities Division
Financial and Consumer Affairs Authority of
Saskatchewan
306 787-5879
sonne.udemgba@gov.sk.ca

Tony Herdzik
Deputy Director, Corporate Finance, Securities
Division
Financial and Consumer Affairs Authority of
Saskatchewan
306 787-5849
tony.herdzik@gov.sk.ca

Manitoba

Chris Besko
Director, General Counsel
The Manitoba Securities Commission
204 945-2561
chris.besko@gov.mb.ca

Ontario

Jo-Anne Matear
Manager, Corporate Finance
Ontario Securities Commission
416 593-2323
jmatear@osc.gov.on.ca

Marah Smith
Legal Counsel, Corporate Finance
Ontario Securities Commission
416 204-8969
msmith@osc.gov.on.ca

Denise Morris
Senior Legal Counsel, Compliance and
Registrant Regulation
Ontario Securities Commission
416 595-8785
dmorris@osc.gov.on.ca

New Brunswick
Susan W. Powell
Deputy Director, Securities
Financial and Consumer Services Commission
(New Brunswick)
506 643-7697
susan.powell@fcnb.ca

Nova Scotia
Kevin Redden
Director, Corporate Finance
Nova Scotia Securities Commission
902 424-5343
kevin.redden@novascotia.ca

Prince Edward Island
Steve Dowling
General Counsel
Consumer, Labour and Financial Services
Division
Department of Environment, Labour and Justice
Government of Prince Edward Island
902 368-4551
sddowling@gov.pe.ca

Newfoundland and Labrador
John O'Brien
Superintendent of Securities
Service NL
Government of Newfoundland & Labrador
709 729-4909
JohnOBrien@gov.nl.ca

Nunavut
Jeff Mason
Director of Legal Registries
Department of Justice
Government of Nunavut
867 975-6591
jmason@gov.nu.ca

Northwest Territories
Thomas Hall
Superintendent of Securities
Department of Justice
Government of the Northwest Territories
867 873-7490
tom_hall@gov.nt.ca

Yukon
Rhonda Horte
Deputy Superintendent
Office of the Yukon Superintendent of Securities
Yukon Government
867 667-5466
Rhonda.Horte@gov.yk.ca