

CSA Staff Notice 45-314
Updated List of Current CSA Exempt Market Initiatives

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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.fcnb.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 NI 45-106 <i>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 NI 45-106)	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 NI 45-106)	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 NI 45-106)	All	In effect: <ul style="list-style-type: none"> • Amendments to restrict the prospectus exemption to distributions to non-individual investors 	May 5, 2015
Family, Friends and Business Associates (s. 2.5 and s. 2.6.1 of NI 45-106)	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

Initiatives	Jurisdiction(s)	Summary of Latest Developments	Date
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)	BC, AB, SK, MB, QC, NL, NB, NS, PE, YK, NT, NU	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
s. 2.9 of OSC Rule 45-501 <i>Ontario Prospectus and Registration Exemptions</i> in ON)	ON	In effect: <ul style="list-style-type: none"> New prospectus exemption to allow non-investment fund issuers listed on certain Canadian stock exchanges to distribute securities to existing security holders in prescribed circumstances 	February 11, 2015
Rights Offering (s. 2.1 of NI 45-106)	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
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

Initiatives	Jurisdiction(s)	Summary of Latest Developments	Date
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 NI 45-106)	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
	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 (MI 45-108 <i>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

Initiatives	Jurisdiction(s)	Summary of Latest Developments	Date
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:

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