

# Chapter 1

## Notices / News Releases

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### 1.1 Notices

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



### 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](http://www.lautorite.qc.ca)  
[www.albertasecurities.com](http://www.albertasecurities.com)  
[www.bcsc.bc.ca](http://www.bcsc.bc.ca)  
[nssc.novascotia.ca](http://nssc.novascotia.ca)  
[www.fcmb.ca](http://www.fcmb.ca)  
[www.osc.gov.on.ca](http://www.osc.gov.on.ca)  
[www.fcaa.gov.sk.ca](http://www.fcaa.gov.sk.ca)  
[www.mbsecurities.ca](http://www.mbsecurities.ca)

**Updated List of Initiatives**

<b>Initiatives</b>	<b>Jurisdiction(s)</b>	<b>Summary of Latest Developments</b>	<b>Date</b>
<b>Short-Term Debt</b>			
Short-Term Debt (s. 2.35 of NI 45-106 <i>Prospectus Exemptions</i> )	All	In effect: <ul style="list-style-type: none"> <li>• Amendments to modify the minimum credit rating requirement when an issuer obtains more than one credit rating</li> <li>• Makes this exemption unavailable for securitized products</li> </ul>	May 5, 2015
Short-Term Securitized Products (s. 2.35.1 of NI 45-106)	All	In effect: <ul style="list-style-type: none"> <li>• New prospectus exemption for short-term securitized products (ABCP) with additional credit rating, liquidity and disclosure requirements</li> </ul>	May 5, 2015
<b>Accredited Investor, Minimum Amount and Family, Friends and Business Associates</b>			
Accredited Investor (s. 2.3 of NI 45-106)	All	In effect: <ul style="list-style-type: none"> <li>• Amendments to require persons relying on the prospectus exemption to obtain a signed risk acknowledgement from certain individual accredited investors</li> <li>• Expanded guidance on steps issuers can take to verify accredited investor status</li> <li>• Introduced family trusts as a category of accredited investor</li> </ul>	May 5, 2015
	ON	In effect: <ul style="list-style-type: none"> <li>• 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</li> </ul>	May 5, 2015
\$150,000 Minimum Amount Investment (s. 2.10 of NI 45-106)	All	In effect: <ul style="list-style-type: none"> <li>• Amendments to restrict the prospectus exemption to distributions to non-individual investors</li> </ul>	May 5, 2015

<b>Initiatives</b>	<b>Jurisdiction(s)</b>	<b>Summary of Latest Developments</b>	<b>Date</b>
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"> <li>• New prospectus exemption for non-investment fund issuers similar to the FFBA exemption in other CSA jurisdictions</li> <li>• Repeal of existing founder, control person and family prospectus exemption</li> </ul>	May 5, 2015
<b>Existing Security Holder, Rights Offering and Investment Dealer</b>			
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	In effect: <ul style="list-style-type: none"> <li>• New prospectus exemption to allow issuers listed on certain Canadian stock exchanges to distribute securities to existing security holders in prescribed circumstances</li> </ul>	March 13, 2014
	ON	In effect: <ul style="list-style-type: none"> <li>• 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</li> </ul>	February 11, 2015
Rights Offering (s. 2.1 of NI 45-106)	All	In effect: <ul style="list-style-type: none"> <li>• Streamlined prospectus exemption to allow reporting issuers to raise capital by issuing rights to existing security holders</li> <li>• Securities are subject to seasoning period</li> </ul>	December 8, 2015

<b>Initiatives</b>	<b>Jurisdiction(s)</b>	<b>Summary of Latest Developments</b>	<b>Date</b>
<p>Investment Dealer Exemption (General and blanket orders in jurisdictions other than AB)</p> <p>s. 4 of ASC Rule 45-516 <i>Prospectus Exemptions for Retail Investors and Existing Security Holders</i> in AB)</p>	BC, AB, SK, MB, NB	<p>In effect:</p> <ul style="list-style-type: none"> <li>• 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</li> </ul>	January 14, 2016
<b>Offering Memorandum, Crowdfunding and Start-up Business</b>			
<p>Start-up Crowdfunding (<i>Start-up Crowdfunding</i> general and blanket orders)</p>	BC, SK, MB, QC, NB, NS	<p>In effect:</p> <ul style="list-style-type: none"> <li>• New prospectus and registration exemptions for start-up and early stage businesses</li> </ul>	May 14, 2015
<p>Start-up Business (proposed MI 45-109 <i>Prospectus Exemption for Start-up Businesses</i>)</p>	AB, NU	<p>Published for comment:</p> <ul style="list-style-type: none"> <li>• Proposed prospectus exemption for small and early-stage businesses</li> </ul>	October 19, 2015
<p>Offering Memorandum (s. 2.9 of NI 45-106)</p>	ON	<p>In effect:</p> <ul style="list-style-type: none"> <li>• 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</li> </ul>	January 13, 2016
	AB, SK, QC, NB, NS	<p>Advance notice of adoption:</p> <ul style="list-style-type: none"> <li>• 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</li> </ul>	October 29, 2015 (intended to be in force April 30, 2016)

Initiatives	Jurisdiction(s)	Summary of Latest Developments	Date
Crowdfunding (MI 45-108 <i>Crowdfunding</i> )	SK	Advance notice of adoption: <ul style="list-style-type: none"> <li>• New prospectus exemption for non-investment fund issuers</li> <li>• Registration framework for online funding portals as a dealer</li> </ul>	January 25, 2016 (implementation date subject to Ministerial approval)
	MB, ON, QC, NB, NS	In effect: <ul style="list-style-type: none"> <li>• New prospectus exemption for non-investment fund issuers</li> <li>• Registration framework for online funding portals as a dealer</li> </ul>	January 25, 2016
<b>Report of Exempt Distribution</b>			
Report of Exempt Distribution (Proposed Form 45-106F1)	All	Published for comment: <ul style="list-style-type: none"> <li>• Proposal to introduce harmonized report of exempt distribution in Form 45-106F1</li> </ul>	August 13, 2015

## Questions

Please refer your questions to any of the following:

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