

5.1.2 Changes to Companion Policy 51-102CP Continuous Disclosure Obligations Related to Business Acquisition Report Requirements

**CHANGES TO
COMPANION POLICY 51-102CP CONTINUOUS DISCLOSURE OBLIGATIONS**

1. Companion Policy 51-102CP Continuous Disclosure Obligations is changed by this Document.

2. Subsection 8.1(4) is changed by adding the following at the end of the subsection:

Reporting issuers are reminded that an acquisition may constitute the acquisition of a business for securities legislation purposes, even if the acquired set of activities or assets does not meet the definition of a “business” for accounting purposes..

3. Subsection 8.2(1) is replaced with the following:

8.2 Significance Tests

(1) **Application of Significance Tests** – Subsection 8.3(2) of the Instrument sets out the required significance tests for determining whether an acquisition of a business by a reporting issuer is a “significant acquisition”. The application of the significance tests depends on the status of the reporting issuer such that:

- (a) if the reporting issuer is not a venture issuer, an acquisition is significant if it satisfies two or more of the significance tests at a 30% threshold; or
- (b) if the reporting issuer is a venture issuer, an acquisition is significant if it satisfies either of the asset or investment test at a 100% threshold.

The test must be applied as at the acquisition date using the most recent audited annual financial statements of the reporting issuer and the business..

4. Paragraph 8.6(4)(b) is replaced with the following:

(b) When complete financial records of the business acquired do not exist, carve-out financial statements should be prepared..

5. These changes become effective on November 18, 2020.