

Notice of General Order – Ontario Instrument 45-505 *Relief in respect of the Distribution of Securities through a Funding Portal Operated by Silver Maple Ventures Inc.*

The Ontario Securities Commission (the “**Commission**”) is providing issuers with relief from the requirement to file a prospectus in respect of crowdfunding distributions of securities through a funding portal operated by Silver Maple Ventures Inc. (the “**Filer**”).

Description of Order

The order provides that issuers in Ontario are exempt from the requirement to file a prospectus in respect of a crowdfunding distribution of securities facilitated through the funding portal known as “FrontFundr”, which is operated by the Filer, an exempt market dealer in Ontario, provided that certain conditions are satisfied, including that:

- (i) The distribution is of the issuer’s eligible securities;
- (ii) The issuer is not a reporting issuer or an investment fund;
- (iii) The issuer prepares an offering document that is made available to purchasers on the FrontFundr website;
- (iv) The aggregate amount raised by the issuer in the crowdfunding distribution does not exceed \$250,000 and the issuer completes no more than two distributions in a calendar year; and
- (v) Each purchaser invests no more than \$1,500 (or no more than \$5,000 if the purchaser has obtained positive suitability advice from a registered dealer).

Detail on these conditions, as well as the other conditions necessary to be satisfied for reliance on the prospectus relief, are included in the order.

Reasons for the Order

On November 27, 2019, the Commission granted substantively similar relief to the Filer, except that it was only applicable to a specified list of issuers who had an established relationship with the Filer. This relief is being granted on a class basis under subsection 143.11(2) of the *Securities Act* (Ontario) because it will apply to any issuer that distributes securities through the Filer’s funding portal that satisfies the conditions in the order.

The order is intended to facilitate access to new sources of capital for those start-ups and small and medium sized enterprises that seek to conduct crowdfunding distributions of securities through the FrontFundr portal, without compromising investor protection. This is particularly relevant in the current COVID-19 business environment, when it may be especially challenging for these categories of businesses to access capital.

The order substantially mirrors prospectus exemptions provided to non-reporting issuers by certain other Canadian jurisdictions, including British Columbia, which adopted registration and prospectus exemptions by means of blanket orders intended to facilitate capital-raising through securities crowdfunding.

Because the Filer is registered as an exempt market dealer under National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* in Ontario, this order does not mirror registration exemptions found in the crowdfunding blanket orders adopted by certain other Canadian jurisdictions.

Since the relief applies only to an issuer if the conditions contained in the order are met, the Commission is satisfied that it would not be prejudicial to the public interest to grant this relief.

Day on which the Order Ceases to Have Effect

The order comes into effect on May 28, 2020 (the **Effective Date**), and remains in effect until the earlier of the date on which the Commission adopts proposed National Instrument 45-110 *Start-up Crowdfunding Registration and Prospectus Exemptions* (which is currently publicly available for comment) or the date that is 18 months from the Effective Date.