PART 1 - Introduction

On December 6, 2021, the Canadian Securities Administrators (CSA) published temporary exemptions from certain base shelf prospectus requirements for qualifying well-known seasoned issuers (WKSIs). The CSA has implemented the relief through local blanket orders that are substantively harmonized across the country. This notice contains CSA staff’s views about the exemptions in the following local blanket orders (collectively, the Blanket Orders):

- In Alberta, Alberta Securities Commission Blanket Order 44-501 Exemption from Certain Prospectus Requirements for Well-known Seasoned Issuers
- In British Columbia, BC Instrument 45-503 Exemption from Certain Prospectus Requirements for Canadian Well-known Seasoned Issuers
- In Ontario, Ontario Instrument 44-501 Exemption from Certain Prospectus Requirements for Well-known Seasoned Issuers (Interim Class Order)
- In Québec, DÉCISION N° 2021-PDG-0066 Décision générale relative à une dispense de certaines obligations du régime de prospectus préalable au bénéfice d’émetteurs établis bien connus
- In Manitoba, Blanket Order 44-501 Exemption from Certain Prospectus Requirements for Well-known Seasoned Issuers
- In New Brunswick, Blanket Order 44-503 EXEMPTION FROM CERTAIN PROSPECTUS REQUIREMENTS FOR CANADIAN WELL-KNOWN SEASONED ISSUERS
- In Newfoundland and Labrador, Blanket Order # 121 EXEMPTION FROM CERTAIN PROSPECTUS REQUIREMENTS FOR WELL-KNOWN SEASONED ISSUERS
- In Nova Scotia, Blanket Order 44-505 Exemption from Certain Prospectus Requirements for Well-known Seasoned Issuers
- In Saskatchewan, General Order 44-501 Exemption from Certain Prospectus Requirements for Well-Known Seasoned Issuers
• In Prince Edward Island, Blanket Order 44-501 - *Exemption from Certain Prospectus Requirements for Well-known Seasoned Issuers*

• In the Northwest Territories, Superintendent Order 2021/07 *Exemption from Certain Prospectus Requirements for Well-known Seasoned Issuers*

• In Yukon, Superintendent Order 2021-07 *Exemption from Certain Prospectus Requirements for Well-known Seasoned Issuers*

• In Nunavut, Superintendent Order 2021-07 *Exemption from Certain Prospectus Requirements for Well-known Seasoned Issuers*

**PART 2 - Description of Blanket Orders**

The Blanket Orders are intended to reduce regulatory burden for issuers that are well-known reporting issuers, have a strong market following, complete public disclosure record and sufficient public float. They permit issuers that satisfy the conditions of the Blanket Orders to file a final base shelf prospectus as the first step in a shelf offering.

The Blanket Orders exempt an issuer that meets the WKSI qualifications and certain conditions from the requirements:

(a) to file and obtain a receipt for a preliminary base shelf prospectus included in each jurisdiction’s local legislation;

(b) in section 5.4 of National Instrument 44-102 *Shelf Distributions (NI 44-102)* to limit distributions under the base shelf prospectus to the dollar value the issuer reasonably expects to distribute within 25 months after the date of the receipt for the base shelf prospectus;

(c) in item 5 of section 5.5 of NI 44-102 to state the aggregate dollar amount of securities that may be raised under the base shelf prospectus;

(d) in item 1.4 of Form 44-101F1 *Short Form Prospectus (Form 44-101F1)* to include the number of securities qualified for distribution under the base shelf prospectus;

(e) in item 5 of Form 44-101F1 to include a plan of distribution in the base shelf prospectus, other than to indicate that the plan of distribution will be described in the supplement for any distribution of securities;

(f) in item 7 of Form 44-101F1 to describe the securities being distributed, other than as necessary to identify the types of securities qualified for distribution under the base shelf prospectus; and

(g) in item 8 of Form 44-101F1 to describe any selling securityholders in the base shelf prospectus.
PART 3 - Background

NI 44-102 permits qualified issuers to omit “shelf information” from a base shelf prospectus, if not known on the date the base shelf prospectus is filed. Such information is required to be included in a prospectus supplement, which is not subject to review. Shelf information consists of information such as the variable terms of the securities that may be distributed under the base shelf prospectus, the dollar amount, size and other specific terms of each tranche of securities that may be distributed, the variable terms of the plan of distribution, and any other information that is not known and cannot be ascertained at the time of filing of the base shelf prospectus.

The CSA received feedback to its Consultation Paper 51-404 Considerations for Reducing Regulatory Burden for Non-Investment Fund Reporting Issuers that certain prospectus requirements in the base shelf context create unnecessary regulatory burden for large, established reporting issuers that have strong market following and up-to-date disclosure records. The feedback recommended enhancing the current prospectus system by amending the base shelf prospectus regime to implement a Canadian WKSI regime. In our experience, base shelf prospectuses filed by these types of issuers are less likely to result in a significant number of substantive deficiency comments.

As a result, in early 2018 the CSA undertook a research project that included research of the United States WKSI regime and targeted consultations with market participants. The CSA is considering whether future rule amendments to implement a Canadian WKSI regime would be appropriate.

PART 4 – Pilot Program

The Blanket Orders will allow the CSA to implement accelerated processes for the filing of a base shelf prospectus by a WKSI on a trial basis to determine how best to adopt these procedures through future rule amendments. The Blanket Orders will also provide an opportunity to evaluate the appropriateness of the eligibility criteria and identify any potential public interest concerns or operational considerations that should be addressed in future rule amendments.

Any amendments to implement accommodations for WKSIs will be adopted by the CSA through the normal rule-making procedures on a coordinated basis.

The Blanket Orders will allow an issuer that meets the WKSI qualifications and certain conditions to file a final base shelf prospectus with its principal regulator and obtain a receipt for that prospectus on an accelerated basis without first filing a preliminary base shelf prospectus. In the ordinary course, for a final base shelf prospectus filed with the principal regulator before noon, local time, and in compliance with the requirements of NI 44-102 and the Blanket Orders, we expect that the accelerated procedures will permit the receipt to be issued on the same business day. If a final base shelf prospectus is filed with the principal regulator after noon, local time, and in compliance with the requirements of NI 44-102 and the

---

1 See CSA Staff Notice 51-353 Update on CSA Consultation Paper 51-404 Considerations for Reducing Regulatory Burden for Non-Investment Fund Reporting Issuers.

2 In the United States, the WKSI regime is codified in the General Rules and Regulations, Securities Act of 1933, and has been in regular use for several years.

3 As described in the Blanket Orders, an issuer is required to file, in place of the preliminary short form base shelf prospectus, a letter with requisite information.
Blanket Orders, we expect that the accelerated procedures will permit the receipt to be issued before noon on the next business day.

## PART 5 – Questions

If you have any questions regarding the Blanket Order or the WKSI pilot program, please contact any of the following:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>David Surat</td>
<td>Senior Legal Counsel, Corporate Finance</td>
<td><a href="mailto:dsurat@osc.gov.on.ca">dsurat@osc.gov.on.ca</a></td>
</tr>
<tr>
<td>Tim Robson</td>
<td>Manager, Legal, Corporate Finance</td>
<td><a href="mailto:timothy.robson@asc.ca">timothy.robson@asc.ca</a></td>
</tr>
<tr>
<td>Michael L. Moretto</td>
<td>Deputy Director, Corporate Finance</td>
<td><a href="mailto:mmoretto@bcsc.bc.ca">mmoretto@bcsc.bc.ca</a></td>
</tr>
<tr>
<td>Patrick Théorêt</td>
<td>Director, Corporate Finance</td>
<td><a href="mailto:patrick.theoret@lautorite.qc.ca">patrick.theoret@lautorite.qc.ca</a></td>
</tr>
<tr>
<td>Abel Lazarus</td>
<td>Director, Corporate Finance</td>
<td><a href="mailto:abel.lazarus@novascotia.ca">abel.lazarus@novascotia.ca</a></td>
</tr>
<tr>
<td>Heather Kuchuran</td>
<td>Director, Corporate Finance</td>
<td><a href="mailto:heather.kuchuran@gov.sk.ca">heather.kuchuran@gov.sk.ca</a></td>
</tr>
<tr>
<td>Frank McBrearty</td>
<td>Senior Legal Counsel</td>
<td><a href="mailto:frank.mcbrearty@fcnb.ca">frank.mcbrearty@fcnb.ca</a></td>
</tr>
<tr>
<td>Jessie Gill</td>
<td>Senior Legal Counsel, Corporate Finance</td>
<td><a href="mailto:jessiegill@osc.gov.on.ca">jessiegill@osc.gov.on.ca</a></td>
</tr>
<tr>
<td>Danielle Mayhew</td>
<td>Senior Legal Counsel, Corporate Finance</td>
<td><a href="mailto:danielle.mayhew@asc.ca">danielle.mayhew@asc.ca</a></td>
</tr>
<tr>
<td>Larissa Streu</td>
<td>Senior Legal Counsel, Corporate Finance</td>
<td><a href="mailto:lstreu@bcsc.bc.ca">lstreu@bcsc.bc.ca</a></td>
</tr>
<tr>
<td>Alexandra Lee</td>
<td>Senior Regulatory Adviser, Corporate Finance</td>
<td><a href="mailto:alexandra.lee@lautorite.qc.ca">alexandra.lee@lautorite.qc.ca</a></td>
</tr>
<tr>
<td>Peter Lamey</td>
<td>Legal Analyst, Corporate Finance</td>
<td><a href="mailto:peter.lamey@novascotia.ca">peter.lamey@novascotia.ca</a></td>
</tr>
<tr>
<td>Patrick Weeks</td>
<td>Senior Analyst</td>
<td><a href="mailto:patrick.weeks@gov.mb.ca">patrick.weeks@gov.mb.ca</a></td>
</tr>
<tr>
<td>Joe Adair</td>
<td>Senior Securities Analyst</td>
<td><a href="mailto:joe.adair@fcnb.ca">joe.adair@fcnb.ca</a></td>
</tr>
</tbody>
</table>