
B. Ontario Securities Commission

B.1 Notices

B.1.1 Notice of Commission Approval of OSC Rule 44-502 Extension to Ontario Instrument 44-501 Certain Prospectus Requirements for Well-Known Seasoned Issuers

NOTICE OF COMMISSION APPROVAL OF OSC RULE 44-502 EXTENSION TO ONTARIO INSTRUMENT 44-501 CERTAIN PROSPECTUS REQUIREMENTS FOR WELL-KNOWN SEASONED ISSUERS

April 27, 2023

Introduction

On March 28, 2023, the Ontario Securities Commission (the **OSC** or **we**) made as a rule under the *Securities Act* (Ontario) local OSC Rule 44-502 *Extension to Ontario Instrument 44-501 Certain Prospectus Requirements for Well-known Seasoned Issuers* in Ontario (the **Rule**).

The Rule extends the blanket relief issued on December 6, 2021 by Ontario Instrument 44-501 *Certain Prospectus Requirements for Well-known Seasoned Issuers* (Interim Class Order) (the **OSC Blanket Order**) by 18 months. The OSC Blanket Order took effect on January 4, 2022.

The OSC Blanket Order was issued as part of a larger initiative by the Canadian Securities Administrators (**CSA**) to provide temporary exemptions from certain base shelf prospectus requirements for qualifying well-known seasoned issuers (**WKSIs**) through local blanket orders that are substantively harmonized across the country.

The OSC Blanket Order allows an issuer that meets the WSKI qualifications and certain conditions to file a final base shelf prospectus with the OSC and obtain a receipt for that prospectus on an accelerated basis without first filing a preliminary base shelf prospectus. The OSC Blanket Order was implemented as a pilot program, to 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.

The OSC Blanket Order will cease to be effective on July 4, 2023. Subject to Ministerial approval of the Rule on or before June 20, 2023, the Rule will cause the relief provided in the OSC Blanket Order to be in force for an additional 18-month period.

The text of the Rule is contained in Annex A of this notice and is also available on the OSC website at www.osc.ca.

Substance and Purpose

The CSA received feedback to its Consultation Paper 51-404 *Considerations for Reducing Regulatory Burden for Non-Investment Fund Reporting Issuers*¹ 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 WSKI regime.

Similar submissions were also made by the Capital Markets Modernization Taskforce (the **Taskforce**) established by the Government of Ontario in February 2020. On January 22, 2021, the Taskforce published its final report (the **Taskforce Final Report**). The Taskforce Final Report included a recommendation that the Commission develop a WSKI model in Ontario to streamline the prospectus process for issuers that meet certain eligibility criteria.²

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

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 See Recommendation No.17 in the Taskforce Final Report, available at <https://www.ontario.ca/document/capital-markets-modernization-taskforce-final-report-january-2021>

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Having considered market feedback and the Taskforce recommendation, the OSC issued the OSC Blanket Order on December 6, 2021.

The OSC Blanket Order will cease to be effective on July 4, 2023. The purpose of the Rule is to cause the blanket relief issued under the OSC Blanket Order to be extended for an additional 18-month period.

The OSC is reviewing options for a more permanent solution. Any amendments to implement accommodations for WKSIs will be adopted by the CSA through the normal rule-making procedures on a coordinated basis.

Authority for the Local Amendments

Paragraph 143.11(3)(b) of the *Securities Act* (Ontario) provides the authority for the making of a rule which extends a blanket order for a further period of up to 18 months, in accordance with sections 143.3 to 143.6.

Delivery of Rule to Minister

The OSC delivered the Rule to the Minister of Finance on or about April 26, 2023. The Minister may approve or reject the Rule or return it for further consideration within 60 days. Subject to Ministerial approval on or before June 20, 2023, the Rule will come into force on July 4, 2023. If the Minister approves the Rule after June 20, 2023, it will come into force 15 days following approval. If the Minister takes no action, it will come into force on July 10, 2023.

Questions

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ANNEX A

OSC RULE 44-502
**EXTENSION TO ONTARIO INSTRUMENT 44-501
CERTAIN PROSPECTUS REQUIREMENTS FOR WELL-KNOWN SEASONED ISSUERS**

Purpose

1. This Rule provides, in Ontario, a temporary extension to the exemptions provided in Ontario Instrument 44-501 *Certain Prospectus Requirements for Well-known Seasoned Issuers* (Interim Class Order), pursuant to paragraph 143.11(3)(b) of the *Securities Act* (Ontario).

Extension of temporary exemptions

2. **Section 13 of Ontario Instrument 44-501 *Certain Prospectus Requirements for Well-known Seasoned Issuers* (Interim Class Order) is amended by replacing** “July 4, 2023, unless extended by the Commission” **with** “January 4, 2025”.

Effective date

3. This Rule comes into force on July 4, 2023.