
B. Ontario Securities Commission

B.1 Notices

B.1.1 Notice of Commission Approval of OSC Rule 45-508 Extension to Ontario Instrument 45-507 Self-Certified Investor Prospectus Exemption

**NOTICE OF COMMISSION APPROVAL OF
OSC RULE 45-508
EXTENSION TO ONTARIO INSTRUMENT 45-507
SELF-CERTIFIED INVESTOR PROSPECTUS EXEMPTION**

February 6, 2024

Introduction

On January 30, 2024, the Ontario Securities Commission (the **OSC**) made as a rule under the *Securities Act* (Ontario) (the **Act**) local OSC Rule 45-508 *Extension to Ontario Instrument 45-507 Self-Certified Investor Prospectus Exemption* in Ontario (the **Rule**).

The Rule extends the class relief issued on October 25, 2022 by Ontario Instrument 45-507 *Self-Certified Investor Prospectus Exemption* (Interim Class Order) (the **OSC Class Order**) by 18 months.

The OSC Class Order provides relief to non-investment fund issuers with a head office in Ontario from the requirement to file a prospectus in respect of the distribution of securities to a Self-Certified Investor (as defined in the OSC Class Order), or a Self-Certified Investor's permitted designate, provided that certain conditions are met.

The OSC Class Order will cease to be effective on April 25, 2024 and the Rule will cause the relief provided in the OSC Class 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

In its final report (the **Taskforce Final Report**) dated January 22, 2021, the Capital Markets Modernization Taskforce (the **Taskforce**) acknowledged the importance of capital formation for businesses and recommended that the OSC expand the accredited investor definition to those individuals who have completed and passed relevant proficiency requirements indicating a high degree of understanding of investments and markets.¹

On April 27, 2021, the Ontario government amended the OSC's legislative mandate to include fostering competitive capital markets and capital formation. This expanded mandate provides additional areas of focus for the OSC's operational and policy development activities, as well as its approach to regulatory decisions.

Having considered the Taskforce's recommendation and its amended mandate, the OSC issued the OSC Class Order on October 25, 2022.

The OSC Class Order will cease to be effective on April 25, 2024. The purpose of the Rule is to cause the class relief issued under the OSC Class Order to be extended for an additional 18-month period.

Issuers are required to report the use of the OSC Class Order by filing reports of exempt distribution. The data in these reports can be used by the OSC to determine whether to pursue future rule amendments and, if pursued, the scope of these amendments. Any such rule amendments would be adopted through the normal rule-making procedures.

Authority for the Local Amendments

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

¹ See Recommendation No. 23 in the Taskforce Final Report, available at <https://www.ontario.ca/document/capital-markets-modernization-taskforce-final-report-january-2021>.

Delivery of Rule to Minister

The OSC delivered the Rule to the Minister of Finance on February 7, 2024. The Minister may approve or reject the Rule or return it for further consideration. If the Minister approves the Rule or does not take any further action, the Rule will come into force on April 25, 2024.

Questions

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ANNEX A

OSC RULE 45-508
**EXTENSION TO ONTARIO INSTRUMENT 45-507
SELF-CERTIFIED INVESTOR PROSPECTUS EXEMPTION**

Purpose

1. This Rule provides, in Ontario, a temporary extension to the exemption provided in Ontario Instrument 45-507 *Self-Certified Investor Prospectus Exemption* (Interim Class Order), pursuant to paragraph 143.11(3)(b) of the *Securities Act* (Ontario).

Extension of temporary exemption

2. **Paragraph 14(a) of Ontario Instrument 45-507 *Self-Certified Investor Prospectus Exemption* (Interim Class Order) is amended by replacing “April 25, 2024, unless extended by the Commission” with “October 25, 2025”.**

Effective date

3. This Rule comes into force on April 25, 2024.