

**B.2.5 Ontario Securities Commission – Coordinated Blanket Order 45-933**

**ONTARIO SECURITIES COMMISSION**  
**COORDINATED BLANKET ORDER 45-933**

**Citation: Exemption from the Investment Limit under the Offering Memorandum Prospectus Exemption to Exclude Reinvestment Amounts**

**Date: April 17, 2025**

**Definitions**

1. Terms defined in the *Securities Act* (Ontario) (the **Act**), National Instrument 14-101 *Definitions*, National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* and National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**) have the same meaning if used in this Order.

**Background**

2. On October 29, 2015, the securities regulatory authorities in Alberta, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan (collectively, the **participating jurisdictions**) published final amendments to NI 45-106 in respect of the offering memorandum prospectus exemption in section 2.9 of NI 45-106 (the **OM exemption**). The participating jurisdictions also made related changes to Companion Policy 45-106CP *Prospectus Exemptions* (**45-106CP**) and certain other related instruments.
3. The participating jurisdictions coordinated their efforts in finalizing the NI 45-106 amendments, related policy changes and other consequential rule amendments (collectively, the **final amendments**). The final amendments came into force in Ontario on January 13, 2016 and in Alberta, New Brunswick, Nova Scotia, Québec and Saskatchewan on April 30, 2016.
4. The final amendments modified the then-existing OM exemption in Alberta, New Brunswick, Nova Scotia, Québec and Saskatchewan and introduced for the first time an OM exemption in Ontario. The final amendments did not modify the OM exemption that then existed in any CSA jurisdiction other than the participating jurisdictions.
5. The final amendments adopted by the participating jurisdictions included, among other measures, an investment limit for investors who met the definition of “eligible investor” but did not meet the definition of “accredited investor”.
6. As explained in subsection 3.8(1.1) of the CP to NI 45-106, the fact that investment limits have been established for eligible and non-eligible investors who are individuals does not mean that these amounts are suitable investments in all cases. Registrants remain subject to their suitability obligations. The \$30 000 investment limit may only be exceeded by an eligible investor who receives advice from a portfolio manager, investment dealer or exempt market dealer that exceeding the investment limit of \$30,000 and the investment itself is suitable for the eligible investor. In this case, the investment limit for all securities acquired by the purchaser under the offering memorandum exemption in the preceding 12 months is \$100 000.
7. The participating jurisdictions have received feedback from stakeholders recommending that the investment limit be raised in the interest of facilitating capital-raising opportunities for issuers and to allow investors to participate in more exempt-market opportunities.
8. On January 22, 2021, the Capital Markets Modernization Taskforce (the **Taskforce**) established by the Government of Ontario published its final report (the **Taskforce Final Report**). The Taskforce Final Report included a recommendation<sup>1</sup> that the investment limit in the OM exemption be amended so that a re-investment of proceeds of disposition of an investment under the OM exemption would not be counted towards the 12-month \$100 000 investment limit provided that the investor receives advice from a registered dealer or registered adviser that the re-investment of proceeds and any new investment under the OM exemption continues to be suitable for the investor. The Taskforce also emphasized that this recommendation would not limit in any way a registrant’s obligations under the Client Focused Reforms.
9. Having regard to the stakeholder feedback and the recommendation of the Taskforce, the Commission is satisfied that it is appropriate to provide time-limited relief from the investment limit requirements of the OM exemption, subject to certain conditions, without compromising investor protection.

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<sup>1</sup> See Recommendation No. 29 in the Taskforce Final Report, available at <https://www.ontario.ca/document/capital-markets-modernization-taskforce-final-report-january-2021>

**Order**

10. The Commission, considering that to do so would not be prejudicial to the public interest, orders under subsection 143.11(2) of the Act that a person or company relying on the prospectus exemption in subsection 2.9(2.1) of NI 45-106 is exempt from the requirement in paragraph 2.9(2.1)(b) to limit the acquisition cost of all securities acquired in the preceding 12 months in the manner set forth in that paragraph, provided that
- (a) the acquisition cost of all securities acquired by a purchaser who is an individual under subsection 2.9(2.1) in the preceding 12 months does not exceed the following amounts:
    - (i) in the case of a purchaser that is not an eligible investor, \$10 000;
    - (ii) in the case of a purchaser that is an eligible investor, \$30 000;
    - (iii) in the case of a purchaser that is an eligible investor and that received advice from a portfolio manager, investment dealer or exempt market dealer that the investment is suitable, the total of:
      - (A) \$100 000, and
      - (B) all proceeds of disposition during the preceding 12 months of securities of the same issuer to a maximum of \$100 000;
  - (b) in addition to complying with the requirement under Part 6 of NI 45-106 to file a report of exempt distribution in connection with the transaction, the person or company provides written notice to the Commission within ten (10) days of the distribution by sending an e-mail to [cfexemptmarketfilings@osc.gov.on.ca](mailto:cfexemptmarketfilings@osc.gov.on.ca) specifying all of the following:
    - (i) the name of the issuer or other person or company seeking to rely on the exemption in this Order;
    - (ii) the date on which the distribution was made to one or more eligible investors who was not an accredited investor at the time of the distribution;
    - (iii) the aggregate amount of the reinvestment amount and any new investment amount made to each eligible investor who was not an accredited investor at the time of the distribution;
    - (iv) the name of the portfolio manager, investment dealer or exempt market dealer that provided advice that both the reinvestment amount and any new investment made under the exemption in this Order is suitable.

<i>Instructions: Please do not include any personal identifying information about the investors (e.g., name and address) in this e-mail. Please include in the e-mail subject line "Notice of reliance on Blanket Order 45-933" or similar wording.</i>
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**Effective Date and Term**

11. This Order comes into effect on April 17, 2025, and will cease to be effective on October 16, 2026, unless extended by the Commission.

**For the Commission**

"D. Grant Vingoe"  
Chief Executive Officer  
Ontario Securities Commission