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CSA/ACVM Canadian Securities Administrators Autorités canadiennes en valeurs mobilières

CSA NOTICE
AMENDMENTS TO
NATIONAL INSTRUMENT 81-102 *INVESTMENT FUNDS*
PERTAINING TO CRYPTO ASSETS

April 17, 2025

Introduction

The Canadian Securities Administrators (the **CSA** or **we**) are adopting

- amendments (the **Amendments**) to National Instrument 81-102 *Investment Funds* (**NI 81-102**), and
- changes (the **CP Changes**) to Companion Policy 81-102 *Investment Funds* (**81-102CP**)

(collectively, the **Amendments and CP Changes**).

The Amendments and CP Changes pertain to reporting issuer investment funds that seek to invest directly or indirectly in crypto assets (**Public Crypto Asset Funds**).

Provided all necessary ministerial approvals are obtained, the Amendments will come into force on **July 16, 2025.**

Substance and Purpose

The Amendments and CP Changes are intended to provide greater regulatory clarity with respect to certain key operational matters regarding Public Crypto Asset Funds, such as:

- criteria regarding the types of crypto assets that Public Crypto Asset Funds are permitted to purchase, use or hold,
- restrictions on investing in crypto assets by Public Crypto Asset Funds or other types of reporting issuer investment funds, and
- requirements concerning custody of crypto assets held on behalf of a Public Crypto Asset Fund.

The Amendments will codify practices of existing Public Crypto Asset Funds, developed mainly through the prospectus review process, as well as codify exemptive relief previously granted to existing Public Crypto Asset Funds. The Amendments and CP Changes will provide investment fund managers with greater regulatory clarity concerning investments in crypto assets. The intent is to facilitate new product development while also ensuring that appropriate risk mitigation measures are built directly into the investment fund regulatory framework.

Background

The Amendments and CP Changes are a key phase of the CSA's implementation of a regulatory framework for Public Crypto Asset Funds (the **Project**). The Project's objectives are to review existing requirements, provide guidance, and then implement a regulatory framework relating to Public Crypto Asset Funds that ensures adequate investor protection and mitigates potential risks while providing greater regulatory clarity for product development and management. The Project is a recognition by the CSA that the existing regulatory framework in NI 81-102 needs to be adapted to properly account for the unique aspects of crypto assets as an investment product for publicly distributed investment funds.

The Project is being carried out in three phases.

Phase 1 – CSA Staff Notice

Phase 1 of the Project entailed communicating information to stakeholders on areas we believe required greater regulatory guidance, including new developments relating to Public Crypto Asset Funds. Phase 1 was completed with the publication of CSA Staff Notice 81-336 *Guidance on Crypto Asset Investment Funds that are Reporting Issuers* (the **Staff Notice**) on July 6, 2023.[1]

The Staff Notice provided guidance to stakeholders and outlined CSA staff's views and expectations regarding the operations of Public Crypto Asset Funds within the current framework of NI 81-102, including:

- providing an overview of the Public Crypto Asset Funds market and clarifying the application of existing securities regulatory requirements to them,
- discussing key findings from previous reviews conducted by CSA staff, and
- communicating CSA staff expectations for stakeholders with respect to various matters related to Public Crypto Asset Funds, including key considerations for investing in crypto assets, expectations regarding custody of crypto assets on behalf of Public Crypto Asset Funds, issues concerning staking and other similar yield-generating activities, and reminding registrants of their know-your-product, know-your-client and suitability obligations.

Phase 2 – The Amendments

The Amendments and CP Changes represent the second phase of the Project. As discussed in greater detail below, the purpose of this phase of the Project is to build on the guidance in the Staff Notice by focusing on targeted amendments that reflect priority issues regarding investment funds investing in crypto assets. This phase seeks to codify policies and practices of existing Public Crypto Asset Funds, many of which were developed and adopted through the prospectus review process and were also cited in the Staff Notice. Also, where appropriate, the Amendments codify routinely granted exemptive relief for these products.

We first published proposed amendments (the **Proposed Amendments**) and CP Changes relating to this phase of the Project for a 90-day comment period, on January 18, 2024.[2]

Phase 3 – Consultation Paper and Possible Future Amendments

Phase 3 of the Project will involve a public consultation concerning a broader and more comprehensive regulatory framework for Public Crypto Asset Funds.

Summary of Amendments and CP Changes

The following is a description of the Amendments and CP Changes. The Summary of Changes to the Proposed Amendments in Annex A describes how the Amendments and CP Changes differ from what was initially published for comment.

Amendments to NI 81-102

(i) Part 1 – Definitions

"*alternative mutual fund*"

The definition of "alternative mutual fund" is being amended to also include a mutual fund that invests in crypto assets.

(ii) Part 2 – Investments

Section 2.3 – Restrictions Concerning Types of Investments

We are amending the investment restrictions in section 2.3 to permit only alternative mutual funds and non-redeemable investment funds to buy, sell, hold or use crypto assets directly. This restriction would also apply to investing indirectly in crypto assets through specified derivatives. Mutual funds, other than alternative mutual funds, will only be permitted to invest in crypto assets by (a) investing in underlying alternative mutual funds or non-redeemable funds that invest in crypto assets, subject to the fund of fund restrictions in subsection 2.5(2) of NI 81-102 or (b) investing in a specified derivative for which the underlying interest is a crypto asset, provided the specified derivatives meets the criteria described below.

Investment funds will only be permitted to invest in fungible crypto assets that are listed for trading on, or are the underlying interest for a specified derivative that trades on, an exchange that is recognized by a securities regulatory authority in Canada.

1 CSA Staff Notice 81-336 *Guidance on Crypto Asset Investment Funds that are Reporting Issuers*, available at https://www.osc.ca/en/securities-law/instruments-rules-policies/8/81-336/csa-staff-notice-81-336-guidance-crypto-asset-investment-funds-are-reporting-issuers.

2 See "CSA Notice and Request for Comment – Proposed Amendments to National Instrument 81-102 *Investment Funds* Pertaining to Crypto Assets" available at https://www.osc.ca/en/securities-law/instruments-rules-policies/8/81-102-81-102cp/csa-notice-and-request-comment-proposed-amendments-national-instrument-81-102-0.

(iii) Part 6 – Custodianship of Portfolio Assets

We are including provisions that will apply specifically to custodians and sub-custodians that hold crypto assets on behalf of an investment fund (a **Crypto Custodian**) as described below. These provisions largely codify existing practices of Crypto Custodians and are supplemented by additional guidance in 81-102CP:

- section 6.5.1 will require a Crypto Custodian to keep crypto assets in offline storage (usually referred to as "cold wallet" storage), except as needed to facilitate purchases and sales or other portfolio transactions in the fund.
- section 6.7 will be amended to include a requirement for a Crypto Custodian to obtain, on an annual basis, a report prepared by a public accountant assessing the Crypto Custodian's service commitments and system requirements relating to its custody of crypto assets and to deliver this report to the fund. If the Crypto Custodian is the fund's sub-custodian, the report will also have to be delivered to the fund's custodian.

(iv) Part 9 – Sale of Securities of an Investment Fund

Section 9.4 – Delivery of Funds and Settlement

Subsection 9.4(2) is being amended to permit mutual funds that hold crypto assets to accept those crypto assets as subscription proceeds, subject to the following conditions:

- the mutual fund is permitted to purchase the applicable crypto asset, the crypto asset is acceptable to the fund's portfolio advisor, and holding the asset is consistent with the fund's investment objectives, and
- the crypto assets accepted by the mutual fund as subscription proceeds for the mutual fund's securities must be of at least equal value to the issue price of the mutual fund's securities received in exchange.

Changes to 81-102CP

Section 2.01 – Guidance on what are considered to be "crypto assets"

We are adding guidance relating to what the CSA will generally consider to be crypto assets for the purposes of investment funds regulation, though we note this is not intended to be a legal definition of the term.

Section 3.3.01 – Investing in crypto assets

We are adding a new section 3.3.01 which will clarify that the listing on a "recognized exchange" requirement for funds investing crypto assets in section 2.3 of NI 81-102 is not intended to restrict funds to only purchasing crypto assets through such an exchange. A fund may purchase crypto assets from other sources as well, including crypto trading platforms, as long as the crypto asset meets the criteria set out in subsection 2.3(1.3) of NI 81-102.

Section 8.1 – Custody standard of care

We are adding a new subsection 8.1(2) which provides guidance as to how the standard of care for custodians and sub-custodians set out in section 6.6. of NI 81-102 might apply in the context of Crypto Custodians, including best practice suggestions.

Section 8.3

We are adding a new subsection 8.3(2) which will clarify that the reporting requirement for Crypto Custodians in section 6.7. of NI 81-102 can be met by obtaining a System and Organization Controls 2 Type II Report, prepared by a public accountant, in accordance with the framework developed by the American Institute of Chartered Public Accountants.

Summary of Written Comments Received by the CSA

During the comment period we received submissions from 16 commenters. We have considered the comments received and thank all the commenters for their input. The names of the commenters and a summary of their comments together with our responses are provided in Annex B of this Notice.

Summary of Changes to the Proposed Amendments

After considering the comments received, we have made some revisions to the materials that were originally published for comment under the Proposed Amendments and CP Changes. These revisions are reflected in the Amendments and CP Changes that we are publishing in Annex A of this Notice. We do not consider these changes to be material and accordingly, we are not publishing the Amendments for a further comment period. A summary of the key changes to the Proposed Amendments is provided in Annex A of this Notice.

Local Matters

An annex is being published in any local jurisdiction that is making related changes to local securities laws, including local notices or other policy instruments in that jurisdiction. It also includes any additional information that is relevant to that jurisdiction only.

Questions

Please refer your questions to any of the following CSA staff:

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Contents of Annexes

The text of the Amendments and CP Changes, the Summary of Changes to the Proposed Amendments, and the Summary of Comments and the CSA's Responses is contained in the following annexes to this Notice and is available on the websites of members of the CSA:

Annex A – Summary of Changes to the Proposed Amendments

Annex B – Summary of Public Comments Received and CSA Responses

Annex C – Amendments to National Instrument 81-102 *Investment Funds*

Annex D – Changes to Companion Policy 81-102CP *Investment Funds*

Annex E – Ontario Rule-Making Authority for the Amendments

ANNEX A

SUMMARY OF CHANGES TO THE PROPOSED AMENDMENTS

The following summarizes the changes we made to the Proposed Amendments in response to the comments we received. We do not consider these changes to be material.

Part 2 – Investments

1. Section 2.3 was changed to permit mutual funds that are not alternative mutual funds to also invest in specified derivatives for which the underlying interest is a crypto asset, up to 10% of the fund's net asset value at the time of purchase, provided the specified derivative fits the criteria outlined in subsection (1.4) (i.e. that it is listed for trading on an exchange that is recognized by a securities regulatory authority in Canada).

2. We removed paragraph 13 of subsection 2.12(1) which stated that for securities lending transactions by a fund, neither the loaned securities nor the collateral delivered to the funds can include crypto assets.

3. We removed paragraph 12 of subsection 2.13(1) which stated that no securities transferred by an investment fund as part of a repurchase agreement transaction can be crypto assets.

4. We removed paragraph 10 of subsection 2.14(1) which stated that none of the securities transferred in a reverse repurchase agreement can be crypto assets.

5. We removed the reference to "crypto assets" in subsection 2.18(2) with respect to what constitutes a "money market fund".

Part 6 – Custodianship of Portfolio Assets

6. We removed subsection 6.6(3.1), which would have required a custodian or sub-custodian holding crypto assets on behalf of a fund to maintain insurance in regard to its custody of crypto assets. The CP Changes will still include guidance that investment fund managers take matters such as the amount and nature of insurance maintained by a custodian or sub-custodian as a relevant factor to consider as part of its due diligence in selecting a custodian or approving the selection of a sub-custodian to hold crypto assets for the investment fund, consistent with the investment fund manager's fiduciary obligations.

7. We changed the provisions in section 6.7 that require a custodian or sub-custodian holding portfolio assets of a fund to obtain a report providing reasonable assurance opinion concerning the design and operational effectiveness of service commitments and system requirements for that custodian or sub-custodian as follows:

    (a) the annual report must relate to a 12-month period, but that period does not have to be the custodian or sub-custodian's financial year. However, the same 12-month period must be used for subsequent reports obtained,

    (b) the report must be obtained no later than 90 days from the end of the period it relates to, instead of 60 days,

    (c) a custodian or sub-custodian cannot hold crypto assets on behalf of a fund unless it has obtained the applicable report relating to a period ending no more than 15 months prior to holding crypto assets on behalf of the fund.

Part 9 – Sale of Securities of an Investment Fund

8. We changed the wording in proposed paragraph 9.4(2)(c) that permits funds holding crypto assets to accept in-kind purchases to better align with the wording in paragraph 9.4(2)(b), and with the wording used in the exemptive relief orders the provision is codifying.

ANNEX B

SUMMARY OF PUBLIC COMMENTS AND CSA RESPONSES

INTRODUCTION

We received comment letters from 16 different commenters on all aspects of the Amendments and CP Changes, as well as the additional consultation questions for which we sought specific comment (the **Consultation Questions**). A summary of the comments received, and the CSA's responses are provided below. The names of the commenters are provided at the end.

GENERAL COMMENTS		
ISSUE	**COMMENTS**	**RESPONSES**
General Support for Proposals	A commenter indicated their general support of the Amendments and CP Changes. However, this commenter expressed concern that there may be more pressing matters concerning NI 81-102, that should be prioritized over digital assets. They also expressed concern that the Amendments do not sufficiently contemplate future trends and emerging activities and that the Amendments may be overly prescriptive. Another commenter welcomes the CSA's efforts to foster greater clarity regarding the regulation and oversight of crypto assets and broader digital markets. They welcome well-designed and appropriate regulation of crypto assets and broader digital asset markets that avoids creating negative unintended consequences, in terms of economic growth and further innovation.	**We thank the commenter for the support. The concern is noted.** **We thank the commenter for the support.**
Ongoing Engagement with Stakeholders	A commenter stated that collaboration between market participants and regulatory authorities is crucial in addressing emerging challenges, promoting innovation, and maintaining investor confidence.	**We agree.**
SPECIFIC COMMENTS ON PROPOSED AMENDMENTS		
Part I – Definitions		
"Alternative Mutual Fund"	Three commenters support the proposal to include mutual funds that invest in crypto assets within the definition of "alternative mutual fund" and that this supports the notion of alternative mutual funds being permitted to have increased exposure to certain alternative investment classes or strategies, relative to other funds. One commenter sought clarification on whether the Amendments would automatically reclassify existing crypto asset exchange-traded funds as "alternative mutual funds".	**We thank the commenters for the support.** **The existing Public Crypto Asset Funds that invest in crypto assets are currently all classified as alternative mutual funds so this will not have any impact on how existing funds are classified.**
Definition of "Crypto Asset"	Two commenters support our proposal to introduce guidance on defining "crypto asset" and that the proposed guidance aligns with the general understanding of the term amongst market participants.	**We thank the commenters for the support.**

	Some commenters also noted the current absence of an internationally recognized taxonomy or classification system for crypto assets. The commenters believe that establishing such a taxonomy will become essential for regulatory certainty and consistency for market participants and would also mitigate regulatory fragmentation, foster innovation and support clarity for investors and providers. This taxonomy should be designed to remain flexible and adaptable and evolve alongside technological advancements. They encourage the CSA to engage with market participants as well as international regulatory bodies in support of development of such a taxonomy.	**We acknowledge the current absence of internationally recognized taxonomy for crypto assets which is why we believe the proposed guidance on what we believe constitutes a crypto asset for the purpose of NI 81-102 serves to provide the necessary clarity to market participants without creating inconsistencies between our proposed regulatory framework and those abroad.**
	Another commenter indicated that the definition of "crypto asset" as proposed is broad and does not appear to link the asset to a taxonomy that can be relied upon by market participants to determine the application of securities laws. Inclusion in 81-102CP of indicia as to what elements would facilitate the review and analysis of the application of securities laws to these assets would further enhance the application of the proposed framework and ensure consistency with other jurisdictions in which these assets may circulate.	**NI 81-102 is a regulatory framework applicable to publicly distributed investment funds and includes provisions that govern how a fund may invest in certain types of assets, but beyond that, it is not intended to broadly determine the applicability of securities laws to any particular asset type, including crypto assets.**
	Some commenters highlight that the guidance in the CP Changes is much broader than the definition used by the CSA in the context of crypto asset trading platforms as it includes crypto assets that are securities or derivatives. The concern being that using the term in a manner that is different from what the market is accustomed to could create unnecessary confusion. The commenters suggested that the CP Changes should clarify that any crypto assets that are securities are subject to the same requirements as all other securities/derivatives.	**The guidance in the CP Changes is there only to provide greater context as to the type of assets that we consider to be crypto assets for the purposes of the provisions referencing that term in NI 81-102. We disagree that it creates any confusion with the term as it is used with respect to the crypto trading platforms because the context is different.**
	Some commenters also suggested that the use of a different term, such as "digital assets" may address the concern about market confusion.	**We thank the commenters for the suggestion. However, we are of the view that the term "digital assets" is too broad when referring to crypto assets that are held by Public Crypto Asset Funds.**
	One commenter indicated that to ensure a regulatory framework consistent with the industry, they support the CSA's collaboration with all Canadian regulators to ensure a harmonized definition. The commenter raises the point that some crypto assets, such as non-fungible tokens (**NFTs**), do not secure transactions but are nevertheless considered part of the crypto asset domain. To this end, the commenter believes that the last part of the proposed definition of crypto assets should be reworded more simply as: "for the purpose of recording transactions." This change would harmonize the proposed guidance with the definition proposed by the Ontario Securities Commission.	**As stated above, the guidance in the CP Changes is there only to provide greater context as to the type of assets that we consider to be crypto assets for the purposes of the provisions referencing that term in NI 81-102. However, we agree with the commenter that the proposed guidance on what we believe constitutes a crypto asset includes non-fungible tokens and we have made the change accordingly in the CP Changes.**

	Two commenters supported providing guidance on what constitutes a crypto asset but suggested that the CSA consider adding guidelines outlining current views on the classification of tokens that are crypto assets, such as value-referenced crypto assets, utility tokens, security tokens, commodity tokens, and currency tokens.	**We thank the commenters for their comments but note that the suggestions provided refer to matters that are beyond the scope of this Project.**
Part 2 – Investments		
Section 2.3 - Restrictions Concerning Types of Investments	Some commenters agreed with the proposal to restrict direct investment in crypto assets to alternative mutual funds and non-redeemable investment funds.	**We thank the commenters for the support.**
	Some commenters are seeking clarity on the proposal to limit investment in crypto assets to those traded on or referenced by derivatives trading on a recognized exchange in Canada, specifically whether the actual spot crypto asset must be listed on a recognized exchange and expressed concern that these provisions may stifle market and product development and potentially drive investors toward less-regulated markets and products with inadequate investor protections.	**The Amendments indicate the crypto asset must trade on a recognized exchange or be the underlying interest of a specified derivative that trades on a recognized exchange; this is not necessarily restricted to Canadian exchanges as there are several large international exchanges that are recognized by a securities regulatory authority in Canada. We are of the view that this requirement is essential in determining the suitability of a crypto asset as a portfolio holding for a Public Crypto Asset Fund. The market integrity and price discovery provided by recognized exchanges can help ensure that a fund is investing in assets for which there is sufficient regulated trading.**
	Multiple commenters indicated that these restrictions would be unnecessarily restrictive and would limit the crypto assets that can be held by a Public Crypto Asset Fund to what would currently be only a few crypto assets, i.e., Bitcoin (**BTC**) and Ether (**ETH**). Other crypto assets are available to Canadian investors on CTPs which are currently registered or operating under a pre-registration undertaking in Canada or which are regulated in a comparable foreign jurisdiction. The commenters suggests that the CSA should consider allowing the use of a regulated investment vehicle such as a mutual fund or exchange-traded fund to hold these crypto assets so that investors can benefit from an established and supervised structure as well as increased guidance and advisory services compared to holding crypto assets directly.	**We acknowledge that very few crypto assets would currently meet the requirements under the Amendments. However, we believe these restrictions provide clarity and transparency as to whether a crypto asset would be considered an appropriate investment for a Public Crypto Asset Fund by ensuring those funds are only investing in crypto assets for which there exists a robust regulatory trading framework. We note that CTPs are registered as dealers and in some jurisdictions, as alternative trading systems. They are not regulated and recognized exchanges in Canada, and therefore do not address our concerns with market integrity. We also note that CTPs are not permitted to list crypto assets that are securities or derivatives which could ultimately be more restrictive to funds than the criteria we have proposed. We are of the view that restricting Public Crypto Asset Funds to holding crypto assets that are traded on CTPs would be an inappropriate criterion in establishing the suitability of a crypto asset as a portfolio holding for such funds.**
	One commenter suggested that the restriction be expanded to permit funds to invest in any of the top 10 crypto assets by market capitalization.	**Change not made. In our view, market capitalization is not an appropriate criterion by which a crypto asset can be deemed suitable as a portfolio holding for Public Crypto Asset Funds nor would such a restriction be workable**

		as crypto assets' market capitalization constantly fluctuates.
	Another commenter recommended that funds be restricted to investing in crypto assets that have worldwide institutional grade liquidity and are in the top 5 in terms of market capitalization.	**Change not made. See previous response.**
	Other commenters disagreed with the proposal to entirely prohibit Public Crypto Asset Funds from investing in non-fungible crypto assets. They believe that despite some challenges, the potential of NFTs remains significant and contend that under certain circumstances, it could be appropriate to permit funds to invest in NFTs, though they recognize the need for specific regulatory parameters. They recommend NFTs be permitted concurrently with investor protection measures for funds seeking to hold these crypto assets.	**Change not made. We do not agree that it would be appropriate for Public Crypto Asset Funds to invest in non-fungible crypto assets as they present valuation, liquidity and reliability challenges that are better addressed through a prohibition rather than specific regulatory parameters. However, we will continue to observe the non-fungible crypto asset market to ascertain if this market matures to a point where the aforementioned challenges are addressed or can be addressed through regulatory parameters.**
	One commenter believes the proposed restrictions are unnecessary and inconsistent with other recent amendments to NI 81-102. Specifically, the commenter recommends amending the restrictions in paragraph 2.3(1)(j) to permit mutual funds that are not alternative mutual funds to also invest in specified derivatives of which the underlying interests are crypto assets. The commenter believes this change will be consistent with similar restrictions on those mutual funds investing in physical commodities or other alternative assets.	**We agree. We have amended section 2.3(1)(j) accordingly.**
	One commenter stated that the recognized exchange requirement will hinder Canada's ability to remain a global leader in the continued development and issuance of Public Crypto Asset Funds, as it will suppress new product development in that space.	**We acknowledge but disagree with the comment regarding the recognized exchange requirement as any crypto asset could potentially come into compliance with the restrictions. We believe that as institutional support for a particular crypto asset develops, so too will new crypto asset fund products develop.**
	The same commenter indicates that under section 2.4 of NI 81-102, investment funds are subject to restrictions on the proportion of "illiquid assets" that can be held in their portfolios and refers to an Ontario Securities Commission decision which determined that BTC is not an illiquid asset under NI 81-102. The commenter further states that for the same reason, many crypto assets that do not meet the recognized exchange requirement are liquid assets.	**The recognized exchange requirement does not seek to address only liquidity issues but rather to determine if a specific crypto asset is suitable as a portfolio holding of a Public Crypto Asset Fund due to the presence of a reliable and appropriately regulated market.**
	The same commenter proposes that Public Crypto Asset Funds can accurately and consistently value their crypto assets, even if the particular crypto asset does not meet the recognized exchange requirement, notably through the use of publicly available indices. By using these indices, Public Crypto Asset Funds would be able to mitigate price discovery concerns while not necessarily meeting the recognized exchange requirement. The commenter also highlights that when the CSA	**As publicly available indices often reflect crypto assets prices on CTPs, using this source of pricing information would not address our market integrity concerns. We receipted the first ETH-focused Public Crypto Asset Fund when the proposed framework was not being developed.**

	approved the first ETH-focused Public Crypto Asset Fund in 2020, ETH did not meet the recognized exchange requirement.	
	The same commenter indicates the suggestion in CSA Staff Notice 81-336 that the presence of a regulated futures market for a given crypto asset generally correlates with institutional support for that particular crypto asset does not accurately reflect the current market conditions in Canada as futures are often thinly traded and are not themselves a significant indicator of the underlying trading volumes or liquidity in the reference asset.	**We acknowledge the comment. However, we believe that a regulated futures market for a given crypto asset, while it could be thinly traded, often consists of the sole provider of a reliable and active market comprising actual and regularly occurring market transactions and price discovery, all of which are essential towards the fair valuation of a crypto asset fund's net asset value.**
	The same commenter also proposed ensuring that investment fund managers have policies and procedures designed to confirm the reliability of the pricing of the crypto assets in which their crypto asset funds that are reporting issuers invest.	**We agree with the proposal and believe investment fund managers should have such policies and procedures in place as a good practice, but we intend to examine the question of establishing a requirement to that effect in Phase 3 of the Project.**
	Two commenters suggest that the Amendments also incorporate a definition of non-fungible crypto assets that describe these assets with sufficient clarity as this impacts the accounting treatment and disclosures in financial statements. The commenters also caution that the long-term uses of NFTs are not yet known and encourage the CSA to continue to monitor developments in this area and remain flexible in the event of innovation and related market developments.	**Change not made. We do not think a separate definition of non-fungible crypto asset is necessary in the context of these amendments. We are satisfied that the terms "fungible" and "non-fungible" are sufficiently understood in common usage.**
	One commenter believes that restricting the asset class to alternative investment funds and non-redeemable funds is an issue as they are needlessly onerous in comparison to other jurisdictions.	**We disagree as restricting the asset class to alternative investment funds and non-redeemable funds is consistent with other restricted asset classes such as permitted precious metals and physical commodities.**
	Another commenter suggested that while the offering of an ETF is challenging without a regulated futures market for digital assets as it poses challenges for authorized participants to hedge their position, the commenter suggests closed-end fund vehicles still serve as more efficient products for investors than closed-end trusts due to their annual redemption mechanism, without the need for a futures market. While these closed-end funds can trade at premiums and discounts, the investment manager has mechanisms to limit the dislocation to the underlying value of the fund. The commenter suggests that by potentially limiting innovation and blocking additional products from coming to market, it puts investors at a disadvantage. Closed-end funds strike a balance by offering investors an annual redemption feature at NAV, providing a more regulated and liquid vehicle to access a crypto asset.	**We thank the commenter for their comment, but we continue to believe that whether they are held by ETFs or closed-end funds, crypto assets, without the institutional support provided by a regulated futures market, are unsuitable as a portfolio holding for a Public Crypto Asset Funds.**
	The same commenter seeks clarity on the restriction that Public Crypto Asset Funds must hold crypto assets that trade on, or are reference assets for, specified derivatives that trade on a	**There are derivatives for which ETH is an underlying reference asset that trade on a recognized exchange, so existing ETH funds will be unaffected by this criterion.**

	recognized exchange in Canada. The commenter notes that this rule would render all existing ETH ETFs non-compliant as only BTC futures are listed for trading on such recognized exchange.	
Sections 2.12, 2.13, 2.14 – Securities Loans, Repurchase Agreements, Reverse Repurchase Agreements	A commenter disagrees with the proposal to ban entirely the use of crypto assets in securities lending, repurchase or reverse repurchase transactions, as loaned securities, transferred securities or collateral. The commenter believes that while there may be challenges today, it is conceivable that safeguards could be implemented over time, rendering such activities as viable solutions.	**Change made. We are no longer proposing to explicitly exclude crypto assets from these types of transactions. We note, however, that NI 81-102 only permits funds to lend portfolio assets that are securities and only under the conditions set out in that instrument. To the extent a fund is holding crypto assets that are not securities, the existing prohibitions on lending portfolio assets that are not securities will continue to apply.**
	Two commenters noted that the prohibitions would even prohibit the use of crypto assets in these transactions even if it were possible to do so within the existing NI 81-102 framework. They sought clarification at least on whether this stance will be subject to review as capabilities mature and market structures progress.	**See previous response.**
	A different commenter noted that investor appetite for lending services related to crypto may cause investors to pursue opportunities through less regulated channels.	**See our response above.**
	Another commenter suggested this restriction may lead to assets flowing to other vehicles such as crypto exchange-traded products in the US and Europe as other foreign jurisdictions provide products that add more value to end investors.	**See our response above.**
	One commenter stated that while challenges exist, it would encourage the CSA to further explore and consider whether the use of crypto assets in securities lending, repurchase or reverse repurchase transactions may be possible as the capabilities and crypto asset market progresses and whether there is any role that these types of transactions can play for investment strategies of crypto asset funds that are reporting issuers.	**See our response above.**
	One commenter recommended that crypto assets be permitted to be used by an investment fund as collateral but not loaned in securities lending transactions as an outright ban would restrict innovation, minimize investor purchasing power and reduce investor protection by encouraging investors to seek opportunities outside the Canadian regulatory landscape. They also recommended that the CSA continue to assess these transactions on a case-by-case basis to account for nuances and differing circumstances and whether the proposed ban would apply to indirect crypto asset holdings.	**See our response above.**
Section 2.18 – Money Market Funds	One commenter agrees with the proposal to prohibit money market funds from investing in crypto assets.	**We thank the commenter for the support. However, upon further examination, we believe the current conditions under which a fund qualifies as a money market fund would already**

		prohibit them from holding crypto assets. Given that the proposed prohibition would be redundant, we have removed it from the Amendments.
Part 6 – Custodianship Of Portfolio Assets		
Section 6.5.1 – Holding of Portfolio Assets that are crypto assets	Some commenters support mandating crypto custodians to maintain crypto assets in offline storage or cold wallets except as needed to facilitate portfolio transactions. Two commenters question allowing omnibus wallets to be used for either online or offline storage and believe this does not align with established best practices.	**We thank the commenters for the support.** **We have removed the reference to omnibus wallets in the CP Changes.**
Section 6.6 – Standard of Care	A commenter agrees with the need for flexibility regarding requirements for crypto custodians to maintain insurance. However, the commenter disagrees with not requiring a minimum amount and the CSA's approach to establishing a "reasonably prudent" standard for obtaining insurance. Other commenters also cautioned against being overly prescriptive in the CP Changes concerning the standard of care for crypto custodians. They suggested instead that the CP Changes take a more principles-based approach and advocate for allowing crypto custodians to make operational decisions regarding custodial solutions based on their circumstances. They recommend the inclusion of broader language designed to communicate an expected outcome.	**We have clarified this in the CP Changes.** **No change made. We do not believe the guidance proposed in the CP Changes regarding the standard of care to be overly prescriptive. It is our view that it reflects standard industry practices.**
Section 6.7 – Review and Compliance Reports	A commenter agreed with the proposal to mandate crypto custodians obtaining an annual report from a public accountant evaluating internal management and controls but disagreed with specifying a particular type of report, such as a Service Organization (SOC) report. The commenter noted that SOC-2 reporting largely overlaps with the scope of a SOC-1 Type II examination but covers some additional controls that may be of interest for purposes other than financial reporting. The commenter noted that bank-owned custodians and trust companies, for example have existing control coverage via SOC-1, have ISO27001 certifications and penetration testing attestations among other reports. The commenter recommends the CSA take a principles-based approach to this kind of reporting. Another commenter approves the use of the SOC-2 Type II report as a necessary element in the protection of customers' assets. The commenter indicates that it does not necessarily provide investors with sufficient assurances regarding the security of crypto assets. The commenter proposes that the CSA should ensure that the required	**We thank the commenter for the support. The guidance in the CP Changes does not prescribe or mandate a specific report – it is intended to clarify that we would consider obtaining a SOC-2 Type II report to be compliant with the provision.** **The intent with the provision and the guidance in the CP Changes is to reflect current practices. We intend to address the topics of certification reports and potentially expanding the scope of the reporting requirement set out in the Amendments and CP Changes in Phase 3 of the Project.** **See our response above.**

	certifications reports cover at least an assessment of the robustness of IT security features, key management and operations practices, such as a review of all key management procedures and recovery mechanisms, practices for assessing the effectiveness of monitoring and verification measures. These certifications reports should also include verification of insurance policies to ensure that they provide adequate coverage for the risks associated with the safekeeping of crypto assets and staff training and awareness assessing in particular the effectiveness of training programs on the best security and risk management practices for staff. The commenter also believes that the audit should not only be limited to the custodian but also to the entire operating model for the fund's administrator and other parties involved in the exchange and transfer of crypto assets to ensure the security of the entire process. Another commenter indicates that the proposed recommendations relating to the custodianship of crypto assets and its focus on the SOC-2 Type II report requirement may be overly prescriptive. Given the unique and limited technological underpinnings associated with the custodianship of these assets, suggested alternatives could include a requirement for a SOC-2 Type I report focussed on security and that alternatives such as an ISO 27001 certification or independent systems review by an external audit firm may also be sufficient for the purposes of obtaining assurances regarding the platform. The commenter also proposes that the language in the definitions of "acceptable third-party custodian" set forth in CSA Staff Notice 21-332 Crypto Asset Trading Platforms: Pre-Registration Undertakings Changes to Enhance Canadian Investor Protection could be sufficient for this purpose. The commenter also suggested this proposal appears to only contemplate fintech companies as custodians in this space and suggested that should the Amendments require a financial institution to obtain a SOC-2 Type II report, the prohibitive cost of doing so may prevent banks and traditional custodians from entering into the business of crypto assets' custody, which the commenter feels would be detrimental from a consumer protection perspective.	**See our response above.** **See our response above.**
Part 9 – Sale Of Securities Of An Investment Fund	A few commenters agree with codifying exemptive relief to allow crypto asset funds that are reporting issuers to accept crypto assets as subscription proceeds.	**We thank the commenters for their support.**
Other Comments		
Staking	Several commenters believe that Public Crypto Asset Funds should be permitted to engage in staking through one or more CTPs that offer staking services given that CTPs are permitted to offer staking services subject to terms and	**The concern is noted. We may consider matters such as specific regulatory requirements pertaining to staking as part of Phase 3 of this Project.**

	conditions agreed upon with the CSA and that existing registered firms are permitted to engage in staking. Two commenters asked if the CSA considered having any requirements regarding crypto asset staking and recommended that the CSA consider including provisions that clarify these requirements. These would include liquidity thresholds, the types of funds that may engage in staking, thresholds regarding the maximum amount of portfolio assets that may be staked, requirement related to validators and clarifications regarding bridge financing and other borrowing arranges are permissible to alleviate liquidity concerns with respect to unstaking assets.	**See our response above.**
Value-Referenced Crypto Assets (VRCA)	One commenter notes that the CSA's working group on VRCAs permits CTPs to offer one or more VRCAs, and believes that the CSA should allow Public Crypto Asset Funds to purchase, sell, use or hold any such VRCAs notwithstanding the fact that they may not meet the investment criteria set out in the Amendments.	**The concern is noted. We are not proposing to create different criteria for funds holding VRCAs relative to other crypto assets. This is a topic that we may consider exploring as part of Phase 3 of this Project.**
Tokenization of money market funds	One commenter recommended that the CSA consider introducing provisions that address and allow for digital tokenization of money market funds, which in their view would offer benefits including greater liquidity shorter trade settlement windows and readily adherence to current regulatory requirements, in particular KYC requirements and AML provisions.	**We thank the commenter for this comment but note that it refers to matters that are beyond the scope of this Project.**
Custody	One commenter states that the CSA should consider whether the definition of "qualified custodian" should be amended to incorporate a larger grouping of platforms, such as those who would otherwise be "acceptable third-party custodians" to regulated CTPs and CIRO registrants, and whether or not the corresponding definition under CIRO Rules as to what constitutes an "acceptable securities location" should be reviewed in tandem. The commenter submits there is a risk of concentration of assets on a very limited number of large (and primarily non-domestic) digital custodian platforms because of the reliance on qualified custodians status which precludes the ability of a number of sophisticated platforms from delivering their services to Public Crypto Asset Funds in the absence of exemptive relief.	**We thank the commenter for this comment. This is a topic that we may consider exploring as part of Phase 3 of this Project.**
	Two commenters agreed with the appropriateness of the guidance regarding best practices of crypto custodians on the use of strong passwords, multi-factor authentication and encryption of client information to limit the risk of hacking. However, the commenters state that the reliance on the use of multi-signature technology to mitigate points of failure can be applied at either the blockchain protocol layer or at the business logic layer. Although inclusion of such a distinction in the guidance may not be warranted, the guidance	**We thank the commenters for their support. The proposed guidance seeks to reflect an inexhaustive list of best practices. We may consider exploring the distinction highlighted by the commenters as part of Phase 3 of this Project.**

	should also generally ensure it is not overly prescriptive. For example, multi-signature technology is sometimes deployed via an Ethereum-based smart contract which should not be deemed sufficient for safekeeping purposes. One of the commenters recommended that the custodial solutions in the guidance be a non-exhaustive list and for guidance purposes only, and that this would be consistent with the CSA's technology-neutral approach in other instruments.	**We agree and confirm that the custodial solutions presented in the CP are non-exhaustive.**
Amendment to NI 81-106	One commenter asked if the CSA has also considered amending or intends to amend NI 81-106 for these instruments, in addition to NI 81-102.	**We do not intend to amend NI 81-106.**
Recognized Exchange	One commenter asked how the CSA defines a "recognized exchange" in the context of NI 81-102 and the crypto asset industry.	**The term "recognized exchange" is defined in securities legislation. The securities regulatory authorities in Canada publish a list of exchanges that are recognized in their respective jurisdictions.**
Avoid overlapping jurisdictional issues	One commenter suggested that in order to avoid overlapping jurisdictional issues, the securities regulatory framework must evolve in tandem with other regulatory frameworks in Canada such as retail payments and prudential regulations and consider global developments.	**We agree and thank the commenter for this comment.**
Development of a comprehensive crypto asset regulatory framework	Two commenters suggested that Canadian stakeholders would benefit from understanding the CSA's intention for the entire framework for regulating crypto assets in Canadian securities law and how those rules would intersect with external regulatory frameworks such as payments and prudential regulation, PCMLTFA and that it is essential for the CSA to dedicate sufficient resources, including training, to develop other rules to accommodate crypto assets. The commenters further proposed that the CSA's assertions that crypto assets are securities and/or derivatives must be supported by a clear legal analysis and go through the proper rule-making process, which involves public consultation to create a holistic regulatory framework and roadmap that covers the entire capital market. The commenters expressed concern about the piecemeal approach to rulemaking by the CSA, relying on Staff Notices, which are non-binding guidance, and enforcement actions through existing Canadian judicial and regulatory regimes, rather than establishing a comprehensive, individual framework for crypto assets.	**We thank the commenters for their comments but note that they refer to matters that are beyond the scope of this Project.**
Lifting trading limits on CTPs	One commenter suggests that more work is needed for the CSA and CIRO to develop a regulatory framework that might lead to developments such as the lifting the trading limits currently placed on regulated Canadian crypto trading platforms.	**We thank the commenter for this comment but note that it refers to matters that are beyond the scope of this Project.**

COMMENTS IN RESPONSE TO CONSULTATION QUESTIONS	
1. We are seeking feedback as to whether the guidance in the CP Changes provides sufficient clarity in understanding the type of assets that will be considered crypto assets for the purpose of NI 81-102.	
Comments	**Responses**
One commenter stated that currently, the Amendments do not contain a definition of crypto assets but rather, 81-102CP contains a description of what the CSA will generally consider to be crypto assets and that a proper definition of crypto assets is a necessary starting point to achieve consistency across the entire capital markets regulatory framework.	**Given the current absence of international recognized taxonomy for crypto assets, we believe the proposed guidance on defining crypto assets for the purpose of NI 81-102 serves to provide the necessary clarity to market participants without creating inconsistencies within our proposed regulatory framework with those abroad.**
The same commenter states that the CSA is out of line with global capital markets, which have already begun to adopt global definitions (e.g., International Organization of Securities Commissions (IOSCO), Financial Stability Board, Office of the Superintendent of Financial Instruments) and indicate that there is no explanation why the CSA is not adopting these global definitions. To support this point, the commenter asserts that complex uniform market rules have been adopted in other jurisdictions, pointing to Market In Crypto Assets regulation of the European Union, which he said offers more clarity to industry participants than the current framework offered by Canadian regulators.	**We thank the commenter for this comment but note that it refers to matters that are beyond the scope of this Project. The proposed definition only applies to the investment fund context.**
One commenter indicated that the absence of a definition of crypto assets in NI 81-102 presents challenges, particularly in areas where securities legislation intersects with other legislation pertaining to retail payments and that additional clarity is essential to accommodate the tokenization of real-world assets. They recommend that a definition of crypto assets be included in the rule so that all stakeholders can determine how the definition will impact these intersections. The commenter further encourages the CSA to indicate which situations the CSA uses a modified definition of crypto assets from that used by international standard setters such as IOSCO.	**See previous response. We believe proposed guidance on defining crypto assets for the purpose of NI 81-102 provides the necessary clarity.**
One commenter asked to clarify whether it is the intent of the Amendments that only alternative mutual funds be allowed to hold tokenized assets such as stocks and bonds as these would fall in the proposed description of crypto assets.	**That is correct. The matter of tokenized assets as portfolio assets for investment funds will be specifically addressed in future projects.**
2. The Proposed Amendments contemplate restricting publicly distributed investment funds to only holding fungible crypto assets. We are seeking feedback on whether this is a reasonable restriction in light of the risks that are generally associated with holding non-fungible crypto assets in an investment context. If not, please be specific as to why you think the scope of permitted crypto assets should be expanded to include non-fungible crypto assets and what investor protection measures are appropriate for crypto asset funds that are reporting issuers to hold these types of assets.	
Comments	**Responses**
A commenter was supportive of investment funds being restricted to only investing in fungible crypto assets. The commenter felt that the benefits of holding non-fungible crypto assets were limited while the risk of investor harm was high.	**We thank the commenter for the support.**
One commenter recommends that if the CSA intends to place a restriction on publicly distributed investment funds, that the CSA provide a proper definition of a fungible crypto asset, specifying that fiat-backed stablecoins are a type of fungible	**Change not made. We do not think a separate definition of non-fungible crypto asset is necessary in the context of these amendments. We are satisfied that the terms "fungible" and "non-fungible" are sufficiently understood**

crypto asset and should be a permitted type of holding for tokenized investment fund products. The same commenter believes the CSA should be open to specifying the principles/criteria, such as liquidity and valuation risks which can be addressed through fund structure using appropriate pricing indices based on auditable parameters or by applying fund concentration limits to fund holdings. This would allow market participants to assess whether certain non-fungible crypto assets would also be permissible for the purposes of NI 81-102.	**in common usage. We may address VRCAs during Phase 3 of the Project.** **Change not made. We do not agree that it would be appropriate for Public Crypto Asset Funds to invest in non-fungible crypto assets as these assets present valuation, liquidity and reliability challenges that are better addressed through a prohibition rather than specific regulatory parameters. However, we will continue to observe the non-fungible crypto assets market to ascertain if this market matures to a point where the aforementioned challenges are addressed or can be addressed by regulation.**
3. The Proposed Amendments also contemplate restricting publicly distributed investment funds to holding crypto assets that trade on, or are reference assets for specified derivatives that trade on, a "recognized exchange". This reflects market integrity concerns with certain crypto asset markets and is intended to limit funds to holding those crypto assets for which spot prices can be derived through regulated sources that reflect institutional support and promote price discovery, which is not dissimilar to how more traditional fund portfolio assets trade. We are seeking feedback as to whether this is a reasonable qualifying criterion. If not, please provide feedback on what criteria may be more appropriate for determining when a crypto asset should be deemed an appropriate investment for an investment fund directed at retail investors.	
Comments	**Response**
One commenter supports this qualifying criterion and believes it provides necessary protection to retail investors. The commenter felt that permitting investment in non-exchange traded crypto assets presents too high of a risk for broad availability to retail investors. One commenter suggests the criterion is overly restrictive and recommends that crypto assets that are listed on regulated crypto trading platforms be permissible under NI 81-102.	**We thank the commenter for the support.** **As stated above, we are of the view that this requirement is essential in determining the suitability of a crypto asset as a portfolio holding for Public Crypto Asset Funds. The market integrity and price discovery provided by recognized exchanges can help ensure that a fund is investing in assets for which there is sufficiently regulated trading.**
4. The Proposed Amendments include a requirement that custodians or sub-custodians that hold crypto assets on behalf of an investment fund obtain an annual assurance report prepared by a public accountant that assesses the design and effectiveness of various internal controls and policies concerning their obligations to custody crypto assets. The CP Changes clarify that obtaining a SOC-2 Type 2 will be considered to comply with the requirement, without prescribing that specific report. We are seeking feedback regarding other assurance reports that may be comparable to a SOC-2 Type 2 that we should also consider sufficient for complying with this requirement. We are also seeking feedback regarding the appropriate scope of any reporting to be provided under this requirement.	
Comments	**Responses**
A commenter noted that a SOC-2 examination largely overlaps with the scope of a SOC-1 Type II examination but covers off some additional controls that may be of interest for purposes other than financial reporting. The commenter noted that bank-owned custodians and trust companies, for example, have existing control coverage via the SOC-1, have ISO27001 certifications, penetration testing attestations among other reports. The commenter recommends the CSA take a principles-based approach to this kind of reporting. Another commenter believes that requiring a SOC-2 Type II Report to be completed "within 60 days after the end of the custodian's most recently completed financial year" creates an unnecessary burden as entities often schedule their SOC-2	**We changed the guidance in the CP to include a more principle-based approach. This is a topic that we may consider further exploring as part of Phase 3 of this Project.** **We changed the amending instrument to allow for greater flexibility in obtaining the report.**

Type II Reports to be completed just prior to year-end for audit and due diligence purposes. They recommend that the wording be changed to "within 60 days of the end of the custodian's most recently completed financial year" to allow for better alignment with existing SOC schedules.	
Some commenters stated that a SOC-2 Type II Report should be considered an essential requirement of digital asset custodians as this has become a standard safeguard within the digital asset industry. They believe that specifying a SOC-2 Type II report as an example of control effectiveness is not only necessary but should evolve further. The commenters suggest digital asset custodians should be expected to obtain additional, proportional specified assurances that test the effectiveness of essential functions within the business. One such additional protection would be requiring proof of reserves audits for custodians, which would assure stakeholders, such as investment funds, that the assets a custodian holds are confirmed to be accurate by a third-party auditor. Another reassurance for both regulators and investment funds alike would be to specify that the custodian should undergo penetration testing on their systems to certify the security of both crypto assets and any stored information. Finally, custodians should have to provide evidence of having undergone AML effectiveness reviews. In Canada, these are required by FINTRAC to be undertaken every two years. Domestic custodians should be held to this standard, and international custody providers should be held to an equivalent standard.	**We thank the commenters for their suggestions. We believe the requirements in the Amendments and the guidance provided in the CP reflects current industry practices. Penetration testing and AML reviews are topics that we may consider further exploring in Phase 3 of this Project.**
One commenter indicates that the digital asset industry continues to grow making the demand for custody increase in parallel. Now, digital asset custodians are expected to provide several ancillary services as blockchain technology develops and the industry continues to create new use cases and financial tools. They recommend that when an investment fund utilizes an ancillary service from a custodian that involves client funds, it should be required to ensure that the custodian has the necessary controls in place specifically for those services.	**No change made. We believe existing requirements applicable to investment fund managers such as their obligation to conduct due diligence, and beyond those already established in the broader regulatory framework do not require further enhancement.**
One commenter states that increasing the number of custody options will be beneficial to the progress of the industry, as it will create competition and improve standards, quality and choice for Canadian investors. It will also mitigate the growing reliance on international custodians, which is currently not the case due to the concentration of Canadian investment fund assets with a single international sub-custodian. The CSA should consider approaches to stimulate the development of local options, to reduce dependence on foreign offerings.	**No change made. We believe the risk highlighted by the commenter isn't unique to crypto asset custodians. Review of the custodian framework applicable to investment funds that are reporting issuers is out of scope for this phase of the Project and may be considered in Phase 3.**
Another commenter wants the CSA to ensure that reporting requirements for crypto custodians enable investment funds and their investors to meaningfully assess the integrity of crypto custodians, rather than be pro form exercises.	**We agree and we believe the Amendments will achieve this.**
One commenter noted that there appears to be an insistence on a SOC-2 Type II Report covering all five pillars of security, availability, privacy, confidentiality and processing integrity. This requirement is somewhat unreasonably high as a SOC-2 Type I Report on the security pillar, an ISO 27001 certification	**We thank the commenter for the suggestion. We removed any reference to a particular type of report in the Amendments. The SOC-2 Type II Report referred in the companion policy is an example of a report that we would consider meeting the requirement. We changed the**

or an independent systems review performed by an auditing firm should be sufficient.	**amending instrument to remove some of the report's requirements in light of the suggestion.**
One commenter says that the "*reasonably prudent person*" standard for insurance that custodians are required to maintain is an obligation that is too strict for industry participants. "Commercially reasonable efforts to obtain" or "vigilant owner of similar goods in similar circumstances" might be more appropriate standards to consider.	**We have removed the insurance requirement and have reformulated it in the form of guidance in the CP.**
One commenter recommends that the CSA establish expectations regarding the scope and/or a baseline set of high-level control objectives or system requirements that may be relevant in a controls assurance engagement for a crypto custodian. In establishing the scope of the assurance engagement, consider what assurance report options may exist. For example, consider whether a SOC-1 Report, covering the expected scope and control objectives, may be appropriate (or necessary) in addressing regulatory expectations for control assurance as an alternative or in addition to a SOC2 Report.	**See response above. We thank the commenter for the suggestion. We removed any reference to a particular type of report in the Amendments. The SOC-2 Type II Report referred in the companion policy is an example of a report that we would consider meeting the requirement.**
Two commenters recommend that the CSA reference which Canadian assurance standard should be used by the independent professional accountant when performing the SOC engagement, to enhance clarity of the requirements and consistency in practice.	**No change made. The guidance in the CP seeks to reflect current best industry practices.**
One commenter recommends that the CSA clarify the intent regarding whether the assurance report must be prepared by an independent professional accountant, such as a CPA assurance practitioner, and use consistent terminology in both the Proposed Amendments (public accountant) and CP Changes (external auditor).	**The CP has been changed to specify that the report must be prepared by a public accountant.**
The same commenter suggests that the CSA further specify the period covered by the annual assurance report for scenarios where the SOC engagement reporting period does not align with the financial year-end; for example, including specificity on the minimum period covered by the SOC report and on the maximum number of months that the SOC reporting period can differ from the financial year.	**We changed the Amendments to provide greater flexibility regarding the reporting period of the assurance report.**
Another commenter suggests the custodial requirements be updated to address the technology risks related to asset tokenization and that other internationally recognized technical reports beyond the SOC-2 Type II Report such as the ISO standard for blockchain and Distributed Ledger Technology ISO/TR 23244:2020 would address the safeguarding of assets that use distributed ledger/blockchain technology.	**No change. We may consider further exploring the topic of custodial requirements related to asset tokenization as part of Phase 3 of this Project.**
The same commenter seeks clarity as to whether the use of "other comparable reports" implies pre-approval or the requirement of consent for these reports and suggests to clarify that such consent is not required when the reports are prepared under International Auditing and Assurance Standards or other internationally recognized standards.	**Such pre-approval or consent by the CSA is not required for the report if the requirements under the Amendments are respected.**

5. We are seeking comments on other issues or considerations relating to investment funds that invest in crypto assets that the CSA should also be considering. This feedback will help inform the broader consultations for the third phase of the Project.

Comments	Responses
One commenter expressed concern about the potential concentration of crypto assets with a traditional fund of fund structure. Specifically, the concern is that the fund of fund provisions in subsection 2.5(2) of NI 81-102 may not address the potential for traditional mutual funds to invest across multiple asset management funds, each of which could have significant exposure to crypto assets.	**The provisions of NI 81-102 are drafted to limit a traditional mutual fund's indirect exposure to 10% of NAV, whether through specified derivatives or fund of fund investing. We also note that traditional mutual funds will not be permitted to directly hold crypto assets in their portfolios.**
One commenter indicated that as digital assets remain on a decentralized blockchain, where the private key to those assets resides is the most relevant consideration when faced with the custodian's default due to the legalities of retrieving the assets. If the private key resides with a domestic, regulated custodian, investment funds can rest assured that the wind-up of the custodian will follow a predictable course of action as established under Canadian laws. Given the regulations and legal proceedings from another jurisdiction would take precedence with an international custodian, there is an inherent and unavoidable level of extraterritorial risk.	**No change made. We believe the risk highlighted by the commenter isn't unique to crypto asset custodians holding crypto assets versus other types of assets, and note that funds holding crypto assets under NI 81-102 are still required to have a Canadian custodian with primary responsibility for custody of the fund's assets including supervisions of any sub-custodians holding fund assets. Review of the custodian framework applicable to investment funds that are reporting issuers is out of scope for this phase of the Project and may be considered in Phase 3.**
The same commenter expressed concern about the concentration risk regarding custodians and sub-custodians. CSA data indicates there are five custodians and three sub-custodians that custody on behalf of crypto asset investment funds, all sub-custodians are U.S.-based. Therefore, this creates a systemic concentration risk for Canadian investors, whose assets would be subject to U.S. courts and regulations in the case of any defaults as the sub-custodians hold the private keys – and therefore access to the assets. Compounding the international jurisdictional risk is that the regulatory environment in the U.S. at present is far less aligned with industry participants when compared to Canadian regulation. They suggest that this dependence on U.S.-based providers should be reduced.	**No change made. We believe the risk highlighted by the commenter isn't unique to crypto asset custodians. Review of the custodian framework applicable to investment funds that are reporting issuers is out of scope for this phase of the Project and may be considered in Phase 3.**
The same commenter states that not all regulated trust companies are built equally, and relying on regulations from foreign jurisdictions can create a false sense of security. Furthermore, these risks should be disclosed to the investors. This disclosure would be in line with IOSCO recommendations for digital assets.	**See previous comment.**
The same commenter indicated that for reasons of national security, the Patriot Act and the Foreign Intelligence Service Act (FISA) allow for the U.S. government to collect data and information held by its corporations. By using U.S.-based custody solutions, investment funds expose Canadian retail investors to the U.S. data collection laws and their associated risks. Therefore, they recommend that NI 81-102 should include measures to address and reduce the systemic risk to international custodians and support the continuing evolution of the domestic custody landscape.	**See above response.**
The same commenter proposes that NI 81-102 should include requirements for a certain minimum percentage of digital assets to be held with regulated domestic custodians.	**See above response.**

The same commenter indicates that unlike traditional assets, an entity has custody of a digital asset simply by holding the private key on behalf of the asset holder, ensuring that it cannot be accessed by any other party, making the digital asset sub-custodian solely responsible for safekeeping the private keys for cold and hot wallet infrastructure, and actioning instructions upon approval of the primary custodian. This means the primary custodian is responsible for not only monitoring and client interaction as in traditional finance, but also for approving client instructions on chain, managing the governance and the set-up of accounts, and performing the due diligence on any new assets or services. Given the major role that the custodian holds in the digital asset sub-custody arrangement, the commenter believes the digital asset custodian of an investment fund should be required to demonstrate their capability to custody unique and nuanced asset classes such as cryptocurrencies which require specialized knowledge and involvement, rather than depend on the knowledge and capability of a sub-custodian. This will ensure the existence of purpose built controls, with input by Canadian regulators; specialized policies, procedures, training, and monitoring; expert knowledge and understanding to identify red flags and respond to concerns; and activity specific audits by digital asset experts. In this case, the aforementioned foreign regulatory risk is eliminated, along with the risks that come with digital asset inexperience and inadequate handling of digital assets.	**We have made changes to the CP to reflect current industry best practices for custodians and sub-custodians.**
One commenter suggested that provisions that require the use of multiple qualified custodians be incorporated so as to allow for diversification of the custody of crypto assets and increased protection. In the commenter's view, the use of only one crypto sub-custodian increases risk, including liquidity risk.	**No change made. We believe the risk highlighted by the commenter isn't unique to crypto asset custodians. Review of the custodian framework applicable to investment funds that are reporting issuers is out of scope for this phase of the Project and may be considered in Phase 3.**
The same commenter suggested that requirements or related criteria for investment fund managers of Public Crypto Asset Funds, such as knowledge, proficiency, governance, and security, be enhanced in recognition of the particularities of crypto assets. The CSA should consider including minimum security standards that managers must institute such as those concerning platform access, transaction activities, security of application programming interfaces and technical knowledge and proficiency standards.	**No change made. We believe existing requirements applicable to investment fund managers, beyond those already established in the broader regulatory framework do not require further enhancement.**
Another commenter suggests that the definition of "qualified custodian" be reviewed so as to consider other requirements for investment funds holding digital assets such as the disclosure of the percentage of digital assets held by domestic and/or foreign custodians and sub-custodians, the percentage of digital assets held in hot/cold wallets and the reason why foreign custodian or sub-custodian use is appropriate. Minimum operating standards should be required to provide digital asset custody services.	**No change made. We believe these issues aren't unique to crypto asset custodians. Review of the custodian framework applicable to investment funds that are reporting issuers is out of scope for this phase of the Project and may be considered in Phase 3.**
This same commenter suggests that 81-102CP be updated to require crypto asset funds to address the unique legal risks associated with digital assets held outside of Canada, as Canadian regulators should be enabled to directly manage systemic and concentration risks.	**No change made. We believe crypto asset fund managers are already required to address and disclose such risks. Review of the custodian framework applicable to investment funds that are reporting issuers is out of scope for this phase of the Project and may be considered in Phase 3.**

COMMENTERS

No.	Commenter
1.	Canadian Blockchain Consortium's Policy and Advocacy Committee
2.	Canadian Web3 Council
3.	OSC's Investor Advisory Panel (Ilana Singer)
4.	CIBC Mellon (Richard Anton, Tedford Mason, Ronald Landry, Brent Merriman)
5.	Investment Industry Association of Canada (per Laura Paglia)
6.	Wildeboer Dellelce LLP
7.	Fasken Martineau DuMoulin LLP (John Kruk, Jonathan Halwagi, Daniel Fuke, Marcelo Ciecha)
8.	Mouvement Desjardins (Giuseppina Marra)
9.	Alternative Investment Management Association (Jiri Kroll)
10.	3iQ Corp. (Pascal St. Jean)
11.	Purpose Investments Inc. (Vlad Tasevski)
12.	Borden Ladner Gervais LLP (Carol Derk, Julie Mansi, Jason Brooks, Jon Doll)
13.	Tetra Trust Company (Stephen Oliver)
14.	Quanta Law P.C. (Bekhzod Nazarov)
15.	Chartered Professional Accountants of Canada (Rosemary McGuire)
16.	Francis Soto

ANNEX C

AMENDMENTS TO
NATIONAL INSTRUMENT 81-102 *INVESTMENT FUNDS*

1. ***National Instrument 81-102 Investment Funds is amended by this Instrument.***

2. ***Section 1.1 is amended in the definition of "*alternative mutual fund*" by adding "***, crypto assets***" before "***or specified derivatives***".***

3. ***Section 2.3 is amended***

(a) in paragraph (1)(e) by adding "or a crypto asset***" before "***if, immediately***" and by adding "***and crypto assets***" after "***physical commodities***",***

(b) in paragraph (1)(g) by deleting "or***" after "***sections 2.7 to 2.11***",***

(c) in paragraph (1)(i) by replacing ".***" with "***;***",***

(d) in subsection (1) by adding the following paragraph:

(j) purchase, sell, use or hold a crypto asset or a specified derivative of which the underlying interest is a crypto asset except to the extent permitted by paragraph (e) or subsections (1.3) or (1.4)***.,***

(e) by adding the following subsections:

(1.3) Paragraph (1)(j) does not apply to an alternative mutual fund with respect to the purchase, sale, use or holding of a crypto asset if,

(a) except in British Columbia, the crypto asset is fungible and either of the following apply:

(i) the crypto asset trades on an exchange recognized by a securities regulatory authority in a jurisdiction of Canada;

(ii) the crypto asset is the underlying interest of a specified derivative that trades on an exchange recognized by a securities regulatory authority in a jurisdiction of Canada, or

(b) in British Columbia, the crypto asset is fungible and either of the following apply:

(i) the crypto asset trades on an exchange recognized in British Columbia or designated for the purposes of this paragraph;

(ii) the crypto asset is the underlying interest of a specified derivative that trades on an exchange recognized in British Columbia or designated for the purposes of this paragraph.

(1.4) Paragraph (1)(j) does not apply to a mutual fund with respect to the fund entering into a specified derivative that trades on an exchange if,

(a) except in British Columbia, the exchange is recognized by a securities regulatory authority in a jurisdiction of Canada, or

(b) in British Columbia, the exchange is recognized in British Columbia or designated for the purposes of this subsection***., and***

(f) in subsection (2) by replacing ".***" with "***;***" at the end of paragraph (c) and by adding the following paragraphs:***

(d) purchase, sell, use or hold a crypto asset unless it is a crypto asset referred to in subsection (1.3);

(e) enter into a specified derivative the underlying interest of which is a crypto asset, unless the specified derivative is a specified derivative referred to in subsection (1.4)***..***

4. ***Part 6 is amended by adding the following section:***

6.5.1 Holding of Portfolio Assets that are Crypto Assets

Despite subsections (3) and (4) of section 6.5, a custodian or a sub-custodian that holds portfolio assets that are crypto assets must hold the private cryptographic keys to those assets in offline storage unless the assets are required to facilitate a portfolio transaction of the investment fund.***.***

5. ***Section 6.7 is amended***

(a) by adding the following subsections:

(1.1) A custodian or sub-custodian of an investment fund that holds portfolio assets that are crypto assets must, on a periodic basis not less frequently than annually, and no more than 90 days after the end of the period it references, obtain a report prepared by a public accountant that expresses a reasonable assurance opinion concerning the design and operational effectiveness of the service commitments and system requirements of the custodian or sub-custodian relating to its custody of crypto assets during a 12-month period.

(1.2) If a report referred to in subsection (1.1) is required to be obtained by the custodian of an investment fund, then the custodian must deliver a copy of the report to the investment fund promptly after receipt.

(1.3) If a report referred to in subsection (1.1) is required to be obtained by a sub-custodian of an investment fund, then the sub-custodian must deliver a copy of the report to the investment fund's custodian and to the investment fund promptly after receipt.

(1.4) A custodian or sub-custodian of an investment fund must not hold portfolio assets of the investment fund that are crypto assets unless

(a) the custodian or sub-custodian has obtained a report referred to in subsection (1.1) that relates to a 12-month period ended no more than 15 months before the date on which the custodian or sub-custodian first holds portfolio assets of the investment fund that are crypto assets, and

(b) the custodian or sub-custodian has delivered a copy of the report, before the date it first holds crypto assets that are portfolio assets of the investment fund,

(i) if the report is obtained by the custodian under paragraph (a), to the investment fund, or

(ii) if the report is obtained by the sub-custodian under paragraph (a), to the investment fund and the custodian.

(1.5) For the purposes of subsection (1.4), if a custodian or sub-custodian ceases to hold portfolio assets of an investment fund that are crypto assets, paragraphs (1.4)(a) and (b) apply to each subsequent period during which the custodian or sub-custodian holds crypto assets that are portfolio assets of the investment fund as if the custodian or sub-custodian were holding portfolio assets of the investment fund that are crypto assets for the first time.***, and***

(b) in subsection (2) by deleting "and***" at the end of paragraph (b), by replacing "."*** *with* ***";" at the end of paragraph (c) and by adding the following paragraph:***

(d) whether the custodian or each sub-custodian that holds portfolio assets of the investment fund that are crypto assets, has delivered a copy of the report referred to in subsection (1.1).***.***

6. ***Subsection 9.4(2) is amended by replacing "." at the end of subparagraph (b)(iii) with ";" and adding the following paragraph:***

(c) by making good delivery of crypto assets that are not securities if

(i) the mutual fund would at the time of payment be permitted to purchase those crypto assets,

(ii) the crypto assets are acceptable to the portfolio adviser of the mutual fund and consistent with the mutual fund's investment objectives, and

(iii) the value of the crypto assets is at least equal to the issue price of the securities of the mutual fund for which they are payment, valued as if those crypto assets were portfolio assets of the mutual fund..

Effective date

7. (1) This Instrument comes into force on July 16, 2025.

(2) In Saskatchewan, despite subsection (1), if this Instrument is filed with the Registrar of Regulations after July 16, 2025, this Instrument comes into force on the day on which it is filed with the Registrar of Regulations.

ANNEX D

CHANGES TO
COMPANION POLICY 81-102 *INVESTMENT FUNDS*

1. ***Companion Policy 81-102 Investment Funds is changed by this Document.***

2. ***Section 2.01 is changed by adding the following subsection:***

(4) The term "crypto asset" is not defined in the Instrument, but for the purposes of the Instrument, the Canadian securities regulatory authorities will generally consider a crypto asset to include any digital representation of value that uses cryptography and distributed ledger technology, or a combination of similar technology, to record transactions.**.**

3. ***Part 3 is changed by adding the following section:***

3.3.01 Investing in Crypto Assets

Subsection 2.3(1.3) of the Instrument provides an exception to the general prohibition on mutual funds investing in crypto assets in paragraph 2.3(1.2)(j) to permit alternative mutual funds to invest in crypto assets provided the crypto asset is either (a) listed for trading or (b) is the underlying interest in a specified derivative that is listed for trading, on an exchange that has been recognized by a securities regulatory authority in Canada. Subsection 2.3(2) provides a similar exception for non-redeemable investment funds. For greater clarity, this is not intended to restrict investment funds to only purchasing crypto assets through a recognized exchange. It is meant to be the criteria to determine whether a fund can invest in a particular type of crypto asset. Funds will continue to be permitted to acquire crypto assets from other sources, such as crypto asset trading platforms, provided the crypto asset qualifies under the criteria set out in subsection 2.3(1.3) and subject to any other existing requirements that may impact how an investment fund acquires its portfolio assets.**.**

4. ***Section 8.1 is changed:***

(a) by renumbering it as subsection "8.1(1)***", and***

(b) by adding the following subsections:

(2) The Canadian securities regulatory authorities expect that custodians and sub-custodians responsible for the custody of portfolio assets that are crypto assets implement policies and procedures that address the unique risks concerning safeguarding of crypto assets compared to other asset types. We also expect that investment fund managers take note of these policies and procedures in conducting their due diligence on custodians or sub-custodians to hold crypto assets for an investment fund, consistent with their fiduciary obligations. Examples of what we understand to be industry best practices may include, but are not limited to:

(a) having specialist expertise and infrastructure relating to the custody of crypto assets;

(b) storing private cryptographic keys to the investment fund's crypto assets in segregated wallets separate from wallets the custodian or sub-custodian uses for its other customers so that unique public and private keys are maintained on behalf of an investment fund and visible on the blockchain;

(c) maintaining books and records in a way that enables the investment fund, at any time, to confirm its transactions and ownership of the crypto assets it holds. Custody and record-keeping controls (e.g., reconciliation to the blockchain) that ensure investors' crypto assets exist, are appropriately segregated and protected, and that ensure transactions with respect to those assets are verifiable, should be maintained;

(d) using hardware devices to hold private cryptographic keys that are subject to robust physical security practices, with effective systems and processes for private key backup and recovery;

(e) using effective cybersecurity solutions that minimise single point of failure risk, such as the use of multi-signature wallets;

(f) maintaining robust systems and practices for the receipt, validation, review, reporting and execution of instructions from the investment fund;

(g) maintaining website security measures that include two-factor authentication, strong password requirements that are cryptographically hashed, encryption of user information and

other state-of-the-art measures to secure client information and protect the custodian and sub-custodian's website from hacking attempts;

(h) maintaining robust cyber and physical security practices for their operations, including appropriate internal governance and controls, risk management and business continuity practices;

(i) maintaining insurance with respect to the crypto assets in their custody that is reasonable and appropriate. The Canadian securities regulatory authorities expect investment fund managers to use their best judgment, consistent with their fiduciary obligation to the investment fund, to determine whether the insurance maintained by the custodian or sub-custodian is satisfactory in the circumstances, which would include a consideration of whether the amount and nature of the insurance is consistent with standard industry practices where applicable.

(3) For the purposes of section 6.5.1, the Canadian securities regulatory authorities generally consider offline storage to mean the storage of private cryptographic keys in a manner that prevents any connection to the internet.**.**

5. ***Section 8.3 is changed by renumbering it as subsection 8.3(1) and by adding the following subsections:***

(2) Subsection 6.7(1.1) requires a custodian or sub-custodian of an investment fund that holds portfolio assets of that investment fund that are crypto assets to obtain a report prepared by a public accountant to assess its internal management and controls. The Canadian securities regulatory authorities would consider obtaining a System and Organization Controls 2 Type II report, generally referred to as a "SOC-2 Type II" report, prepared in accordance with the framework developed by the American Institute of Certified Public Accountants, to satisfy this requirement.

(3) We are not prescribing a specific 12-month period the report required under subsection 6.7(1.1) must refer to. However, we expect that report will generally refer to the same 12-month period each year, similar to how other types of annual reporting, such as financial reporting is provided.**.**

Effective date

6. These changes become effective on July 16, 2025.

ANNEX E

ONTARIO RULE-MAKING AUTHORITY FOR THE AMENDMENTS

The following provisions of the *Securities Act* (Ontario) (the Act) provide the Commission with authority to adopt the Amendments:

Paragraph 143(1)31 of the Act authorizes the Commission to make rules regulating investment funds and the distribution and trading of the securities of investment funds, including

- making rules prescribing permitted investment policy and investment practices for investment funds and prohibiting or restricting certain investments or investment practices for investment funds (subparagraph (ii));
- making rules prescribing requirements for investment funds in respect of derivatives (subparagraph (ii.1));
- making rules prescribing requirements governing the custodianship of assets of investment funds (subparagraph (iii));

Paragraph 143(1)34 of the Act authorizes the Commission to make rules regulating commodity pools.

Paragraph 143(1)49 of the Act authorizes the Commission to make rules permitting or requiring, or varying the Act to permit or require, methods of filing or delivery, to or by the Commission, issuers, registrants, security holders or others, of documents, information, notices, books, records, things, reports, orders, authorizations or other communications required under or governed by Ontario securities law.

B.1.2 CSA Staff Notice 81-338 Guidance on the Use of Discretion under the CSA Investment Risk Classification Methodology

Canadian Securities Administrators | Autorités canadiennes en valeurs mobilières

CSA STAFF NOTICE 81-338
GUIDANCE ON THE USE OF DISCRETION UNDER
THE CSA INVESTMENT RISK CLASSIFICATION METHODOLOGY

April 16, 2025

1. Introduction

The purpose of this Canadian Securities Administrators (the **CSA** or **we**) Staff Notice (the **Notice**) is to provide guidance on the use of discretion under the CSA investment risk classification methodology (the **CSA Methodology**). The CSA Methodology is set out in Appendix F of National Instrument 81-102 *Investment Funds* (**NI 81-102**).

The guidance provided in this Notice is based on existing securities regulatory requirements and does not create any new legal requirements or modify existing ones. This Notice includes guidance that, while not required, CSA staff are of the view would support consistency in the use of discretion under the CSA Methodology.

We conducted continuous disclosure (**CD**) reviews of 45 investment fund managers (**IFMs**) to determine their use of discretion under the CSA Methodology. Over 60% of the IFMs subject to the CD review have used discretion to increase the investment risk levels of their funds (as defined below) determined by the standard deviation calculation under the CSA Methodology. Common reasons cited by IFMs for using discretion include maintaining the investment risk level to avoid unnecessary disruption and confusion to investors, having a fund that is on the cusp of two standard deviation ranges, having the same investment risk level as comparable funds and anticipating higher volatility. Notably, in 2019, some IFMs reportedly used discretion to maintain a fund's investment risk level as disclosed in the most recently filed Fund Facts document (**Fund Facts**) or ETF Facts document (**ETF Facts**) when the 10-year standard deviation calculation under the CSA Methodology no longer included the performance returns of the 2008 financial crisis. See "Continuous Disclosure Reviews" below.

We strongly encourage all IFMs to adopt policies and procedures to determine the circumstances in which it would be appropriate to use discretion to increase a fund's investment risk level under the CSA Methodology.

2. Background

Section 15.1.1 of NI 81-102 mandates the use of the CSA Methodology by IFMs to determine the investment risk level of conventional mutual funds, alternative mutual funds and exchange-traded mutual funds (**ETFs**) that are reporting issuers (which are collectively referred to as **funds**) for use in the Fund Facts and in the ETF Facts, as applicable.

The CSA Methodology was implemented to benefit both investors and market participants by providing:

- a standardized risk classification methodology across all funds for use in the Fund Facts and the ETF Facts,
- consistency and improved comparability between funds, and
- enhanced transparency by enabling third parties to independently verify the risk rating disclosed in the Fund Facts or the ETF Facts.

Under the CSA Methodology, a fund must calculate its standard deviation for the most recent 10 years to determine its investment risk level on the 5-category risk scale in the Fund Facts or ETF Facts, as applicable:

Standard Deviation Range	Investment Risk Level
0 to less than 6	Low
6 to less than 11	Low to medium
11 to less than 16	Medium
16 to less than 20	Medium to high
20 or greater	High

For a fund with less than 10 years of history, the CSA Methodology requires that the fund use their available return history and impute the return history of an underlying fund, another mutual fund or a reference index, as applicable, for the remainder of the 10-year period to calculate the fund's standard deviation.

3. Use of Discretion

In addition to the standard deviation calculation, there may be circumstances where other quantitative or qualitative factors may be considered in determining the investment risk level of funds. The CSA Methodology does not allow an IFM to use discretion to classify a fund at a lower investment risk level than indicated by the standard deviation calculation. However, the CSA Methodology does allow the use of discretion by an IFM to classify a fund at a higher investment risk level than that indicated by the standard deviation calculation if it is reasonable to do so in the circumstances.

In determining whether to exercise discretion, IFMs should consider whether the standard deviation calculation applied under the CSA Methodology results in a lower risk level than the IFM's expected risk level for the fund. Such circumstances may occur when a fund employs investment strategies that produce an atypical or non-normal distribution of performance results. IFMs may consider other factors or risk metrics in order to determine whether it would be appropriate to increase the fund's risk level to better reflect the features of the fund. It is important for IFMs to consider using discretion when there are unusual market conditions and market volatility fluctuations.

The CSA Methodology requires funds to keep and maintain records that document how the investment risk level of a fund was determined, and if the investment risk level of a fund was increased, why it was reasonable to do so in the circumstances.

4. Continuous Disclosure Reviews

(a) Scope and Purpose

The purpose of the CD reviews was to better understand whether discretion under the CSA Methodology was being used, and if so, the factors considered in determining the use of discretion, and the related policies and procedures.

The IFMs were selected based on criteria designed to reflect a fair representation of assets under management (**AUM**):

- 15 IFMs with AUM of more than $5 billion
- 15 IFMs with AUM of between $300 million to $5 billion
- 15 IFMs with AUM of less than $300 million.

The scope of the CD reviews included:

(i) ***Policies and procedures***: whether the IFM had policies and procedures in place to determine the circumstances under which it would be reasonable to use discretion under the CSA Methodology and what the policies and procedures included.

(ii) ***The use of discretion under the CSA Methodology***: whether the IFM used discretion under the CSA Methodology to increase the investment risk level of a fund for the period from January 2018 to May 2024, and the factors considered in determining the use of discretion.

(b) Findings

The findings of the CD reviews are summarized below.

(i) ***Policies and procedures***:

(A) 60% of the IFMs reviewed had policies and procedures in place to determine the circumstances under which it would be reasonable to use discretion under the CSA Methodology.

The policies and procedures of these IFMs included the following:

- qualitative factors to consider in determining whether to use discretion
- quantitative thresholds to identify temporary movements in volatility for which no discretion would be used
- conduct quality assurance by performing manual recalculations of standard deviation for a random sample of funds

- internal audit team to conduct a review of the investment risk level classification process
- monthly or quarterly reviews of the investment risk levels.

(B) Approximately 25% of the IFMs reviewed used discretion but did not have any policies and procedures related to the use of discretion under the CSA Methodology.

These IFMs provided the following reasons for not having any related policies and procedures:

- policies and procedures would be restrictive as the use of discretion is determined on a case-by-case basis
- policies and procedures are not required as the use of discretion is not mandatory under the CSA Methodology
- a list of qualitative factors is considered in determining whether to use discretion under the CSA Methodology
- there are plans to formalize related policies and procedures.

(C) Approximately 15% of the IFMs reviewed did not have any related policies and procedures and have not used discretion under the CSA Methodology.

These IFMs provided the following reasons for not having any related policies and procedures:

- the investment risk level determined under the CSA Methodology is appropriate
- the use of discretion under the CSA Methodology would be an exception.

(ii) ***The use of discretion under the CSA Methodology***: for the period from January 2018 to May 2024

(A) Over 64% of the IFMs reviewed used discretion under the CSA Methodology to increase the investment risk level of a fund.

(B) Some factors that IFMs considered when determining whether to use discretion under the CSA Methodology include:

- the risk factors associated with the fund's characteristics, e.g., investment objectives, investment strategies, use of leverage, short positions, underlying asset classes
- the fund's standard deviation calculation resulted in an investment risk level that is at the higher end of a risk band
- the reference index used for funds with less than 10 years of history resulted in a lower investment risk level than expected
- the fund's standard deviation calculation resulted in a lower investment risk level by more than one risk band
- the fund's investment risk level disclosed in the most recently filed Fund Facts or ETF Facts
- the investment risk levels of funds in the same Canadian Investment Funds Standards Committee category
- the fund's historical or expected long-term volatility
- financial market volatility, including the impact of the COVID-19 pandemic
- interest rate movement.

(C) Of the IFMs reviewed that used discretion:

- approximately 60% of the IFMs used discretion to increase a fund's investment risk level because the standard deviation calculation under the CSA Methodology placed the fund on the higher end of a risk band
- approximately 40% of the IFMs used discretion to increase a fund's investment risk level to be consistent with the investment risk level previously disclosed in the most recently filed Fund Facts or ETF Facts, i.e., the standard deviation calculation under the CSA Methodology placed the fund on a lower risk level than previously disclosed
- over 20% of the IFMs used discretion to increase a fund's investment risk level to be consistent with comparable funds
- over 10% of the IFMs used discretion to increase a fund's investment risk level as higher volatility was anticipated.

(D) In 2019, when the 10-year standard deviation calculation under the CSA Methodology no longer included the performance returns of 2008 which captured the financial crisis, the IFMs reviewed reported an almost four-fold increase (compared to 2018) in the use of discretion to increase the investment risk level of a fund, including to maintain a fund's investment risk level as disclosed in the most recently filed Fund Facts or ETF Facts, in order to reflect their funds' expected long-term volatility.

5. Guidance

The classification of a fund's investment risk level is not limited to the standard deviation calculation under the CSA Methodology as IFMs are allowed to use discretion to classify a fund at a higher investment risk level. Consistent with an IFM's fiduciary duty to act in the best interest of a fund, IFMs should consider whether it is reasonable to exercise discretion in the circumstances. In particular, IFMs should consider the standard deviation calculation and determine whether the investment risk level is appropriate given the type of fund, the types of investment strategies used, the asset class, general market performance expectations and abnormal return periods.

Under section 11.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, IFMs must establish, maintain and apply policies and procedures that establish a system of controls and supervision sufficient to provide reasonable assurance that the firm and each individual acting on its behalf complies with securities legislation, and to manage the risks associated with its business in accordance with prudent business practices. All IFMs are strongly encouraged to adopt policies and procedures regarding their risk classification methodology, including procedures to review the risk classification calculation and to determine the appropriateness of using discretion to increase a fund's investment risk level under the CSA Methodology.

IFMs are reminded of the importance of consistency in the use of discretion when determining the investment risk levels of their funds under the CSA Methodology. As funds are required to keep and maintain records of how investment risk levels are determined, policies and procedures can be referenced when documenting why it was reasonable to use discretion in the circumstances.

We will continue to monitor the use of discretion in determining the investment risk levels of funds under the CSA Methodology.

Questions

IFMs and their counsel are encouraged to use the guidance provided in this Notice.

Please refer your questions to any of the following:

British Columbia Securities Commission

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Alberta Securities Commission

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B.1.3 CSA Notice Regarding Coordinated Blanket Orders – Coordinated Blanket Order 41-930 Exemptions from Certain Prospectus and Disclosure Requirements; Coordinated Blanket Order 45-930 Prospectus Exemption for New Reporting Issuers; Coordinated Blanket Order 45-933 Exemption from the Investment Limit under the Offering Memorandum Prospectus Exemption to Exclude Reinvestment Amounts

CSA NOTICE REGARDING COORDINATED BLANKET ORDERS

COORDINATED BLANKET ORDER 41-930
EXEMPTIONS FROM CERTAIN PROSPECTUS AND DISCLOSURE REQUIREMENTS

COORDINATED BLANKET ORDER 45-930
PROSPECTUS EXEMPTION FOR NEW REPORTING ISSUERS

COORDINATED BLANKET ORDER 45-933
EXEMPTION FROM THE INVESTMENT LIMIT UNDER THE OFFERING MEMORANDUM PROSPECTUS EXEMPTION TO EXCLUDE REINVESTMENT AMOUNTS

April 17, 2025

Introduction

The Canadian Securities Administrators (the **CSA** or **we**) are publishing substantively harmonized exemptions from certain prospectus and disclosure requirements. Every member of the CSA is implementing the relief through the following local blanket orders entitled:

- Coordinated Blanket Order 41-930 *Exemptions from Certain Prospectus and Disclosure Requirements* (the **prospectus and disclosure blanket order**); and
- Coordinated Blanket Order 45-930 *Prospectus Exemption for New Reporting Issuers* (the **new reporting issuer blanket order**)[1].

In addition, Alberta, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan (the **participating jurisdictions**) are publishing a substantively harmonized exemption modifying the investment limit in the offering memorandum exemption in these jurisdictions. The participating jurisdictions are implementing relief through a local blanket order entitled:

- Coordinated Blanket Order 45-933 *Exemption from the Investment Limit under the Offering Memorandum Prospectus Exemption to Exclude Reinvestment Amounts* (the **offering memorandum blanket order**, together with the prospectus and disclosure blanket order and the new reporting issuer blanket order, the **blanket orders**).

Background

We are committed to ensuring that Canada's regulatory environment adapts to the evolving needs of businesses, investors and other market participants. For businesses to thrive in Canada, the regulatory environment must be balanced, tailored and responsive to the evolving marketplace without compromising investor protection.

Accordingly, the prospectus and disclosure blanket order is intended to streamline certain requirements with a view to reducing the time and costs of preparing disclosure related to prospectus filings, restructuring transactions and bids, without compromising investor protection. The new reporting issuer blanket order is intended to facilitate capital raising for new reporting issuers, other than investment funds. The offering memorandum blanket order is intended to increase capital raising opportunities for issuers and allow investors to participate in greater financing opportunities.

Description of prospectus and disclosure blanket order

The prospectus and disclosure blanket order is intended to support the competitiveness of Canada's public markets by:

[1] In Saskatchewan, this exemption has been issued as Coordinated Blanket Order 45-934 instead of 45-930, since 45-930 is already being used for another order in the province. Although the order number is different, the exemption remains substantively harmonized across all CSA jurisdictions.

- making it more cost-effective for issuers to go public in Canada through an initial public offering (**IPO**) prospectus, and
- streamlining other disclosure requirements.

Under the prospectus and disclosure blanket order, issuers may:

- exclude audited annual financial statements and operating statements for the third most recently completed financial year in their IPO prospectuses, circulars or material change reports that are filed in relation to restructuring transactions,
- include, subject to certain conditions, prices, total numbers and total dollar amounts of offered securities (or the range of such prices, numbers and amounts, as well as certain other information) in marketing materials and standard term sheets distributed during the waiting period without first disclosing the information in a preliminary prospectus or an amendment to a preliminary prospectus, and
- exclude promoter certificates from a prospectus where the promoter signs a certificate to the prospectus in another capacity or in Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick and Nova Scotia, where other conditions are met.

Third-Year Historical Financial Statements

Description

The prospectus and disclosure blanket order provides that issuers and offerors filing a prospectus are exempt from the requirements under Form 41-101F1 *Information Required in a Prospectus* (**Form 41-101F1**) to provide third-year historical financial and operating statements. A similar exemption is provided for requirements that arise under the enumerated circular and material change reporting requirements.

Specifically, the prospectus and disclosure blanket order provides an exemption from the requirements to disclose, for the third most recently completed financial year, the:

- statement of comprehensive income,
- statement of changes in equity,
- statement of cash flows, and
- operating statement for oil & gas acquisitions.

This exemption applies to IPO prospectuses prepared in accordance with Form 41-101F1 and extends to circulars and material change reports that directly or indirectly reference prospectus requirements, including Form 51-102F3 *Material Change Report*, Form 51-102F5 *Information Circular,* Form 62-104F1 *Take-Over Bid Circular* and Form 62-104F2 *Issuer Bid Circular*.

This relief is only from the requirement to provide financial and operating statements for the third most recently completed financial year. Issuers and offerors, as applicable, must still comply with all other disclosure requirements related to the third most recently completed financial year.[2]

Rationale

The additional third year of historical financial and operating statements may provide limited incremental value to investors while imposing costs on potential issuers and offerors. Historically, only IPO venture issuers and issuers that are already reporting issuers did not have to provide a third year of financial statements. Expanding this exemption to all issuers and offerors reflects evolving market expectations and takes into consideration that most issuers in comparable jurisdictions do not have the same requirement.

Standard Term Sheets and Marketing Materials During the Waiting Period

Description

The prospectus and disclosure blanket order provides exemptions from the requirements in National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**) that all information contained in standard terms sheets and marketing materials provided during the waiting period must be disclosed in, or derived from, a previously-filed preliminary prospectus or an amendment to a

[2] For example, please see items 5.1(2) and 5.1(3) and 5.2(2) of Form 41-101F1.

preliminary prospectus. The prospectus and disclosure blanket order allows standard term sheets and marketing materials provided during the waiting period between the receipt of the preliminary prospectus and final prospectus to include the:

- price (or price range) of offered securities,
- number (or range of the number) of offered securities,
- total dollar amount (or range of the total dollar amount) of offered securities,
- total number (or the range of the total number) of securities of the issuer of the class proposed to be distributed under the prospectus that would be outstanding post-offering, post-offering ownership (or the range of the post-offering ownership) of the issuer by selling securityholders and principal securityholders, or
- any other terms of the offered securities or information regarding the issuer that are mathematically derived from any of the information referred to above (the **specified pricing information**)

if:

- before an investment dealer provides potential investors with the standard term sheet or marketing materials containing specified pricing information, the issuer issues and files a news release containing the specified pricing information, and
- all information in the standard term sheet and marketing materials, other than the specified pricing information, information mathematically derived from the specified pricing information and contact information for the investment dealer or underwriters, is disclosed in or derived from, the preliminary prospectus or any amendment to the preliminary prospectus.

For example, if the preliminary prospectus contained “use of proceeds” disclosure with a number based on the original pricing information in the preliminary prospectus (or a “bullet” for a number to be based on future pricing information), the exemptions would allow the standard term sheet or marketing materials to include use of proceeds disclosure with a revised number based on the specified pricing information in the news release if the revised number was information mathematically derived from the specified pricing information in the news release.

Rationale

The standard term sheet and marketing materials exemptions included in the prospectus and disclosure blanket order are designed to help facilitate flexibility and deal certainty when marketing securities proposed to be distributed under a prospectus. The exemptions do so by eliminating the time and cost of having to file an amended preliminary prospectus to disclose pricing and deal size information before such information can be marketed to potential investors during the waiting period. The exemptions recognize that where an issuer has already publicly disclosed the specified pricing information in a news release filed on SEDAR+, there is limited benefit to the market compared to the burden to the issuer to expend the time and cost of filing an amended preliminary prospectus.

Promoter Certificate Exemptions

Description

The prospectus and disclosure blanket order provides that issuers are exempt from including a promoter certificate in a prospectus where the promoter is an individual and signs a certificate required by securities legislation in a capacity other than that of a promoter.

In Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick and Nova Scotia, the prospectus and disclosure blanket order also provides that issuers are exempt from including a promoter certificate in a prospectus, other than a prospectus qualifying the distribution of asset-backed securities, for issuers that have been reporting issuers for at least 24 months, and where the promoter is not a director, officer or control person of the issuer.

Rationale

The prospectus and disclosure blanket order eliminates the time and cost associated with routine exemptive relief applications to exclude a promoter certificate in the context of a prospectus offering where the promoter is assuming liability for a misrepresentation in the prospectus by signing a prospectus certificate in another capacity. This exemption recognizes that the promoter would already have the same statutory liability by virtue of signing the prospectus in another capacity.

In addition, in Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick and Nova Scotia, the prospectus and disclosure blanket order is intended to provide clarity by specifically exempting issuers from the promoter certificate requirement where they have

been reporting issuers for at least 24 months, where the promoter is not a director, officer or control person of the issuer and where the prospectus is not qualifying the distribution of an asset-backed security. Other jurisdictions do not require an issuer to include a promoter certificate in these circumstances.

This relief is only from the promoter certificate requirement. Issuers must still comply with all prospectus and continuous disclosure requirements related to promoters.[3]

An issuer relying on any exemptions included in the prospectus and disclosure blanket order should refer to such reliance in the applicable disclosure document.

Description of new reporting issuer blanket order

Description

The new reporting issuer blanket order provides a prospectus exemption to new reporting issuers for the 12 months immediately after their underwritten IPO prospectus, subject to the conditions of the order.

Under the new reporting issuer blanket order, within the 12 month period after a receipt is issued for a final long form IPO prospectus for an underwritten offering, the issuer may, in total, distribute up to the lesser of $100,000,000 or 20% of the aggregate market value of the issuer's listed equity securities on the date the issuer issues the news release announcing the first offering in reliance on the exemption in the order. The securities distributed under the new reporting issuer blanket order must be of the same class qualified under the IPO prospectus, and the price offered per security must not be less than the price per security distributed under the IPO prospectus.

The new reporting issuer blanket order requires that, before soliciting an offer to purchase, issuers must file a news release and an offering document. Staff expect that issuers filing a news release or offering document on SEDAR+ will use the following approach:

Applicable Document	Filing Category	Filing Type/Filing Sub-type	Description
News Release	Continuous Disclosure	News Releases	News Release
Offering document	Continuous Disclosure	News Releases	Offering material

This will ensure a consistent approach to filing these materials and will enable potential investors to find them more easily.

The offering document must include, among other information:

- details of the offering;
- disclosure of any material fact relating to the securities being distributed that has not already been disclosed in a document filed by the issuer;
- a description of the issuer's business objectives, recent developments and use of proceeds; and
- a contractual right to cancel the agreement to purchase within two days of purchase and, if there is a misrepresentation in the offering document or certain other documents, a contractual right of recission or action for damages.

Additional disclosure may be required by non-venture issuers where proceeds from the distribution are allocated to any recently completed or probable significant acquisition. The new reporting issuer blanket order imposes some restrictions on when the exemption can be used. For example, it cannot be used by any issuer for a restructuring transaction or any other transaction that requires securityholder approval, and further it cannot be used by venture issuers for acquisitions that would be significant acquisitions under Part 8 of NI 51-102. It also requires post-distribution reporting.

Rationale

The new reporting issuer blanket order provides issuers who successfully complete an underwritten IPO with greater, more flexible and efficient capital raising opportunities, while maintaining investor protection. To receive a receipt for a final prospectus, an issuer conducting an IPO must undergo a lengthy review and comment process in respect of their prospectus disclosure with their principal regulator. The new reporting issuer blanket order is limited to a one-year timeframe after the date of the receipt for the final IPO prospectus, and issuers must continue to file all periodic and timely disclosure documents that are required to be filed

[3] For example, please see item 22 of Form 41-101F1, item 16 of Form 44-101F1 *Short Form Prospectus* and item 11 of Form 52-102F2 *Annual Information Form*.

under applicable securities legislation. If a material change occurs in respect of the issuer before the completion of the distribution under this order, an issuer must cease the distribution, subject to certain conditions. In addition, the new reporting issuer blanket order is limited to issuers who reasonably expect to have available funds to meet business objectives and liquidity requirements for a period of 12 months after the distribution.

Description of offering memorandum blanket order

Description

In the participating jurisdictions, the offering memorandum exemption includes certain investment limits for individual investors who do not meet the definition of "accredited investor," including a limit of $100,000 if the investor receives advice from a registered dealer or registered adviser that the investment itself is suitable for the investor.

The offering memorandum blanket order provides an exemption from the 12 month $100,000 investment limit, such that a re-investment of proceeds of disposition of an investment in the same issuer does not count towards such 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 offering memorandum exemption continues to be suitable for the investor.

In Ontario and Nova Scotia, an issuer distributing securities in reliance on the exemption in the offering memorandum blanket order must provide written notice including specified information to the regulator or securities regulatory authority within ten days of the distribution. The participating jurisdictions also expect the issuer to specify the offering memorandum blanket order and the name of the registered dealer or registered adviser respectively in column R and Z of Schedule 1 to Form 45-106F1 *Report of Exempt Distribution* when relying on the exemption in the offering memorandum blanket order.

Rationale

The participating jurisdictions have received feedback from stakeholders recommending that the investment limit in the offering memorandum exemption be raised in the interest of facilitating capital-raising opportunities for issuers and to allow investors to participate in more exempt-market opportunities.

Local adaption and term of blanket orders

Although the outcome is intended to be the same in all CSA jurisdictions, the language of the blanket orders issued by each province or territory may not be identical because each jurisdiction's blanket order must fit within the authority provided in local securities legislation.

The blanket orders will come into effect on April 17, 2025. In certain jurisdictions, the blanket orders include an expiry date based on the term limits for blanket orders in the jurisdiction.[4]

Future relief

The CSA is actively considering blanket orders in other areas where we can reduce issuer burden without impacting investor protection, including an increase to the capital raising limit under the listed issuer financing exemption in Part 5A of National Instrument 45-106 *Prospectus Exemptions* that would apply to all listed reporting issuers.

Questions

Please refer your questions to any of the following:

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[4] For example, in Ontario, the term of the blanket orders is 18 months and will expire on October 16, 2026.

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B.2
Orders

B.2.1 Agnico Eagle Abitibi Acquisition Corp. as successor to O3 Mining Inc.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – The issuer ceased to be a reporting issuer under securities legislation.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).

April 11, 2025

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS

AND

IN THE MATTER OF
AGNICO EAGLE ABITIBI ACQUISITION CORP.
AS SUCCESSOR TO O3 MINING INC.
(the Filer)

ORDER

Background

The principal regulator in the Jurisdiction has received an application from the Filer for an order under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the **Order Sought**).

Under the Process for Cease to be a Reporting Issuer Applications (for a passport application):

a) the Ontario Securities Commission is the principal regulator for this application, and

b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Québec, Saskatchewan and Yukon.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this order, unless otherwise defined.

Representations

This order is based on the following facts represented by the Filer:

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;

2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;

3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;

4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and

5. the Filer is not in default of securities legislation in any jurisdiction.

Order

The principal regulator is satisfied that the order meets the test set out in the Legislation for the principal regulator to make the order.

The decision of the principal regulator under the Legislation is that the Order Sought is granted.

"Erin O'Donovan"
Manager, Corporate Finance
Ontario Securities Commission

OSC File #: 2025/0152

B.2.2 Ackroo Inc.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – The issuer ceased to be a reporting issuer under securities legislation.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).

April 11, 2025

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS

AND

IN THE MATTER OF
ACKROO INC.
(the Filer)

ORDER

Background

The principal regulator in the Jurisdiction has received an application from the Filer for an order under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the **Order Sought**).

Under the Process for Cease to be a Reporting Issuer Applications (for a passport application):

a) the Ontario Securities Commission is the principal regulator for this application, and

b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia and Alberta.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this order, unless otherwise defined.

Representations

This order is based on the following facts represented by the Filer:

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;

2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;

3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;

4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and

5. the Filer is not in default of securities legislation in any jurisdiction.

Order

The principal regulator is satisfied that the order meets the test set out in the Legislation for the principal regulator to make the order.

The decision of the principal regulator under the Legislation is that the Order Sought is granted.

"Marie-France Bourret"
Manager, Corporate Finance
Ontario Securities Commission

OSC File #: 2025/0192

B.2.3 Ontario Securities Commission – Coordinated Blanket Order 41-930

ONTARIO SECURITIES COMMISSION

COORDINATED BLANKET ORDER 41-930

Citation: Exemptions from Certain Prospectus and Disclosure Requirements

Date: April 17, 2025

Definitions

1. Terms defined in the *Securities Act* (Ontario) (the **Act**), National Instrument 13-103 *System for Electronic Data Analysis and Retrieval + (SEDAR+)*, National Instrument 14-101 *Definitions,* National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**), National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) and National Instrument 62-104 *Take-Over Bids and Issuer Bids* (**NI 62-104**) have the same meaning if used in this Order.

2. In this Order:

   "offered securities" means securities proposed to be distributed under a prospectus; and

   "specified pricing information" means (i) the price, or the price range, of offered securities; (ii) the total number, or the range of the total number, of offered securities; (iii) the total dollar amount, or the range of the total dollar amount, of offered securities; (iv) the total number, or the range of the total number, of securities of the issuer of the class proposed to be distributed under the prospectus that would be outstanding post-offering; (v) post-offering ownership, or the range of the post-offering ownership, of the issuer by selling securityholders and principal securityholders; or (vi) any other terms of the offered securities or information regarding the issuer that are mathematically derived from any of the information referred to in clauses (i) to (v).

Background

3. The Commission is satisfied that it is appropriate to provide exemptive relief to streamline certain prospectus and financial statement requirements required in some disclosure documents to reduce the time and costs of raising capital under a prospectus and in preparing other required disclosure, without compromising investor protection.

Order

Third-Year Historical Financial Statements

4. 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 an issuer or offeror, as applicable, is exempt from the requirement to include a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for the third most recently completed financial year, as required by any of the following:

   (a) item 32.2 of Form 41-101F1 *Information Required in a Prospectus*;

   (b) item 14.2 of Form 51-102F5 *Information Circular*;

   (c) item 5.2 of Form 51-102F3 *Material Change Report*;

   (d) item 19 of Form 62-104F1 *Take-Over Bid Circular*;

   (e) item 21 of Form 62-104F2 *Issuer Bid Circular*.

Standard Term Sheets During the Waiting Period

5. 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 an investment dealer that provides a standard term sheet to a potential investor during the waiting period is exempt from the requirement under paragraph 13.5(1)(b) of NI 41-101 that all information in the standard term sheet must be disclosed in, or derived from, the preliminary prospectus or any amendment to the preliminary prospectus if

   (a) the standard term sheet contains specified pricing information,

   (b) the issuer issues and files a news release containing the specified pricing information before the standard term sheet is provided to the potential investor, and

(c) all information in the standard term sheet, other than the specified pricing information, information mathematically derived from the specified pricing information and contact information for the investment dealer or underwriters, is disclosed in, or derived from, the preliminary prospectus or any amendment to the preliminary prospectus.

Marketing Materials During the Waiting Period

6. 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 an investment dealer that provides marketing materials to a potential investor during the waiting period is exempt from the requirement under paragraph 13.7(1)(b) of NI 41-101 that all information in the marketing materials must be disclosed in, or derived from, the preliminary prospectus or any amendment to the preliminary prospectus if

(a) the marketing materials contain specified pricing information,

(b) the issuer issues and files a news release containing the specified pricing information before the marketing materials are provided to the potential investor, and

(c) all information in the marketing materials, other than the specified pricing information, information mathematically derived from the specified pricing information, contact information for the investment dealer or underwriters and any comparables, is disclosed in, or derived from, the preliminary prospectus or any amendment to the preliminary prospectus.

Promoter Certificate

7. 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 an issuer is exempt from the requirement under subsection 58(1) of the Act to include in a prospectus, or an amendment to the prospectus, a certificate signed by a promoter that is an individual, provided that the prospectus or the amendment includes a certificate signed by that individual in a capacity other than that of a promoter, in the applicable issuer certificate form.

8. 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 an issuer is exempt from the requirement under subsection 58(1) of the Act to include in a prospectus, or an amendment to the prospectus, a certificate signed by a promoter provided that

(a) the issuer has been a reporting issuer in at least one jurisdiction of Canada for at least 24 months,

(b) the prospectus or the amendment does not qualify the distribution of an asset-backed security,

(c) the promoter is not a control person of the issuer at the time the prospectus or the amendment is filed, and

(d) the promoter is not a director or officer of the issuer at the time the prospectus or the amendment is filed.

Effective Date and Term

9. 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

B.2.4 Ontario Securities Commission – Coordinated Blanket Order 45-930

ONTARIO SECURITIES COMMISSION

COORDINATED BLANKET ORDER 45-930

Citation: Prospectus Exemption for New Reporting Issuers

Date: April 17, 2025

Definitions

1. Terms defined in the *Securities Act* (Ontario) (**Act**), National Instrument 14-101 *Definitions,* National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**)*,* National Instrument 44-101 *Short Form Prospectus Distributions*, National Instrument 45-106 *Prospectus Exemptions* and National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) have the same meaning if used in this Order.

2. In this Order:

   "aggregate market value of an issuer's listed equity securities" means the total number of listed equity securities outstanding multiplied by the market price;

   "ineligible OTC issuer" means an issuer that has securities listed, quoted, or the equivalent, trading on the OTCQX Best Market, the OTCQB Venture Market or any other over-the-counter market that requires an issuer to complete an application process to be listed, quoted or the equivalent;

   "listed equity securities" means securities of a class of equity securities of an issuer listed for trading on TSX Inc., TSX Venture Exchange Inc., CNSX Markets Inc., or Cboe Canada Inc.; and

   "prior 45-930 offering" means a prior offering in reliance on the exemption in this Order or a substantially similar order of another regulator or securities regulatory authority.

Background

3. The purpose of this Order is to introduce a new time-limited prospectus exemption to facilitate capital raising for new reporting issuers.

Order

4. 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 the prospectus requirement does not apply to a distribution by an issuer of a security of the issuer's own issue to a purchaser if all of the following apply:

   (a) a receipt for a final long form prospectus or for any amendment to the final prospectus was issued in a jurisdiction of Canada by a regulator or securities regulatory authority in connection with the issuer's initial public offering within the 12 months immediately preceding the date that the issuer files the news release referred to in paragraph (j);

   (b) the prospectus referred to in paragraph (a) included a signed certificate of an underwriter under subsection 59(1) of the Act;

   (c) the issuer is a reporting issuer in at least one jurisdiction of Canada immediately before the date that the issuer files the news release referred to in paragraph (j);

   (d) the issuer has filed all periodic and timely disclosure documents that it is required to have filed under each of the following:

      (i) applicable securities legislation;

      (ii) an order issued by the regulator or securities regulatory authority;

      (iii) an undertaking to the regulator or securities regulatory authority;

   (e) the issuer has listed equity securities;

   (f) the issuer is not an ineligible OTC issuer;

(g) the issuer is not an investment fund;

(h) the security being distributed is of the same class that was qualified for distribution pursuant to the prospectus referred to in paragraph (a);

(i) the offering price per security distributed in reliance on the exemption in this Order is not less than the price per security distributed under the prospectus referred to in paragraph (a);

(j) before soliciting an offer to purchase, the issuer issues and files a news release that

(i) announces the offering, and

(ii) includes the following statement: "There is an offering document related to this offering that can be accessed under the issuer's profile at www.sedarplus.ca and at [include website address and provide a link, if the issuer has a website]. Prospective investors should read this offering document before making an investment decision.";

(k) before soliciting an offer to purchase, the issuer files an offering document which includes all of the following:

(i) details of the offering, including all of the following:

(A) the type and number of securities the issuer is offering, and a description of all significant attributes of the securities;

(B) the offering price;

(C) the minimum and maximum amount of securities that the issuer may offer;

(D) whether the offering may close in one or more closings and the date by which the offering is expected to close (if known);

(E) the exchange on which the securities are listed, traded or quoted as well as any quotation system on which the securities are traded or quoted;

(F) the closing price of the issuer's securities on the most recent trading day before the date of the offering document;

(ii) disclosure of any material fact relating to the securities being distributed that has not already been disclosed in a document filed by the issuer;

(iii) a detailed description of the issuer's business objectives, recent developments and use of proceeds;

(iv) use of funds from the issuer's initial public offering and any subsequent financings;

(v) the amount and source of any material funds to be used in conjunction with the proceeds of the distribution;

(vi) if proceeds of the offering are to be allocated to an acquisition, the disclosure that would be required under item 10 of Form 44-101F1 *Short Form Prospectus* if the offering document was a short form prospectus, where the reference to the date of the short form prospectus is read as the date of the offering document;

(vii) disclosure of any involvement of underwriters, dealers, finders or other intermediaries in connection with the offering including any compensation, fees, commissions and any disclosure required under National Instrument 33-105 *Underwriting Conflicts*;

(viii) a statement on the cover page disclosing the following statement in bold

[Name of issuer] is conducting an offering under Coordinated Blanket Order 45-930 *Prospectus Exemption for New Reporting Issuers* (the Order). In connection with this offering, the issuer represents it is qualified to distribute securities in reliance on the exemption included in the Order.

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this document. Any representation to the contrary is an offence. This offering may not be suitable for you and you should only invest in it if you are willing to risk the loss of your

entire investment. In making this investment decision, you should seek the advice of a registered dealer.;

(ix) a certificate in bold that states

This offering document, together with all documents filed under Canadian securities legislation, contains disclosure of all material facts relating to the securities being distributed and does not contain a misrepresentation.;

(x) the signature, date of the signature, name and position of the chief executive officer and chief financial officer of the issuer;

(l) the issuer does not allocate the proceeds as disclosed in the offering document referred to in paragraph (k) to any of the following:

(i) a restructuring transaction;

(ii) any other transaction for which the issuer seeks approval of any securityholder;

(m) if the issuer is a venture issuer, it does not allocate the proceeds as disclosed in the offering document referred to in paragraph (k) to an acquisition that is or would be a significant acquisition under part 8 of NI 51-102;

(n) if the securities legislation where the purchaser is resident does not provide a comparable right, the offering document referred to in paragraph (k) and any subscription agreement provide the purchaser with a contractual right to cancel the agreement to purchase the security by delivering a notice to the issuer not later than midnight on the 2nd business day after the purchaser agrees to purchase the security;

(o) if the securities legislation where the purchaser is resident does not provide a comparable right, the offering document referred to in paragraph (k) and any subscription agreement provide a purchaser of securities offered by the offering document with a contractual right of action against the issuer for rescission or damages that

(i) is available to the purchaser if a document or a core document each as defined in section 138.1 of the Act, or the offering document, contains a misrepresentation on the date the purchaser agrees to purchase the security, without regard to whether the purchaser relied on the misrepresentation,

(ii) is enforceable by the purchaser delivering a notice to the issuer

(A) in the case of an action for rescission, within 180 days after the purchaser agrees to purchase the security,

(B) or in the case of an action for damages, before the earlier of

(1) 180 days after the purchaser first has knowledge of the facts giving rise to the cause of action, or

(2) 3 years after the date the purchaser agrees to purchase the security,

(iii) is subject to the defence that the purchaser had knowledge of the misrepresentation,

(iv) in the case of an action for damages, provides that the amount recoverable

(A) must not exceed the price at which the security was offered, and

(B) does not include all or any part of the damages that the issuer proves does not represent the depreciation in value of the security resulting from the misrepresentation, and

(v) is in addition to, and does not detract from, any other right of the purchaser;

(p) if the issuer has a website, it posts the offering document referred to in paragraph (k) on its website;

(q) in Québec, the offering document referred to in paragraph (k) is prepared in French or French and English;

(r) at the time of the distribution of securities in reliance on the exemption in this Order, the issuer reasonably expects that it will have available funds to meet its business objectives and liquidity requirements for a period of 12 months after the distribution;

(s) on the date of the issuance of the news release referred to in paragraph (j), the total dollar amount of the distribution, combined with the dollar amount of all other prior 45-930 offerings during the 12 months immediately preceding the date that the issuer files the news release, will not exceed $100 000 000;

(t) if the issuer has not closed a prior 45-930 offering within the 12-month period immediately preceding the date that the issuer files the news release referred to in paragraph (j), the aggregate market value of securities in the distribution will not exceed 20% of the aggregate market value of the issuer's listed equity securities outstanding on the date of the news release;

(u) if the issuer has closed a prior 45-930 offering within the 12-month period immediately preceding the date that the issuer files the news release referred to in paragraph (j), the aggregate market value of securities in the distribution, combined with all other prior 45-930 offerings during the 12-month period, will not exceed 20% of the aggregate market value of the issuer's listed equity securities outstanding as of the date of the news release announcing the first prior 45-930 offering;

(v) the distribution does not result in a new control person;

(w) the distribution does not result in a person or company acquiring beneficial ownership of, or exercising control or direction over, such number of the issuer's securities that would result in such person or company being entitled to elect a majority of the directors of the issuer;

(x) the distribution is not made to a person who is an employee, insider or consultant of the issuer;

(y) the issuer closes the distribution no later than the 45th day after the date the issuer issues and files the news release referred to in paragraph (j).

5. If a material change occurs in respect of the issuer after the filing of the news release referred to in paragraph 4(j) and before the completion of the distribution, the issuer must cease the distribution until the issuer

(a) complies with the requirements in securities legislation, including NI 51-102, in connection with the material change,

(b) files an amendment to the offering document filed under paragraph 4(k) in the form of an amended and restated offering document, and

(c) issues and files a news release that states that an amendment to the offering document referred to in paragraph 4(k) addressing the material change has been filed.

6. An issuer distributing securities in reliance on the exemption in this Order must file a completed Form 45-106F1 *Report of Exempt Distribution* on or before the 10th day after the closing of the distribution.

Effective Date and Term

7. 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

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[1] 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.

[1] 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 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.

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.

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

B.3
Reasons and Decisions

B.3.1 Raintree Wealth Management Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from subparagraphs 13.5(2)(b)(ii) and (iii) of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations to permit in specie transfers between investment funds in the context of the creation of new funds.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.5(2)(b)(ii)-(iii) and 15.1.

Citation: *Re Raintree Wealth Management Inc.*, 2025 ABASC 29

March 28, 2025

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA
AND
ONTARIO
(the Jurisdictions)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
RAINTREE WEALTH MANAGEMENT INC.
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (each, a **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for an exemption from the prohibitions in sections 13.5(2)(b)(ii) and (iii) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) to permit each of the Existing Funds to sell securities they currently own to any of the New Funds in exchange for units of that New Fund (each an ***In-Specie* Subscription**) in connection with the Reorganization (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

(a) the Alberta Securities Commission is the principal regulator for this Application;

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces of Canada; and

(c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in MI 11-102, National Instrument 14-101 *Definitions*, National Instrument 81-102 *Investment Funds* (**NI 81-102**) and NI 31-103 have the same meaning if used in this decision, unless otherwise defined. The following terms have the following meanings:

(a) **Clients** means individuals, institutions, and other entities to whom the Filer offers, or may offer, discretionary portfolio management services through a Managed Account;

(b) **Discretionary Management Agreement** means a written agreement between the Filer and a Client seeking wealth management or related services;

(c) **Existing Funds** means investment funds that exist, currently named Raintree Preservation Fund and Raintree Growth Fund, to be renamed Raintree Core Fixed Income Fund and Raintree Core Equity Fund respectively in the context of the Reorganization, to reflect the new investment objectives of these funds;

(d) ***In-Specie* Distribution** means each *in-specie* distribution made by each Existing Fund of units of the New Funds to its investors;

(e) ***In-Specie* Transfers** means the *In-Specie* Subscriptions followed by the *In-Specie* Distributions;

(f) **Managed Account** means an account managed by the Filer for a Client that is not a responsible person and over which the Filer has discretionary authority;

(g) **New Funds** means Raintree Enhanced Yield Fund and Raintree Alternative Strategies Fund, both to be created in the context of the Reorganization;

(h) **Pooled Funds** means, collectively, the Existing Funds and the New Funds; and

(i) **Reorganization** means the multi-step process including:

(i) establishment of the New Funds,

(ii) the *In-Specie* Subscriptions;

(iii) the *In-Specie* Distributions; and

(iv) the rebalancing of certain Managed Accounts to provide exposure to up to four Pooled Funds.

Representations

This decision is based on the following facts represented by the Filer:

The Filer

1. The Filer is:

(a) a corporation incorporated under the laws of Alberta with its head office in Alberta; and

(b) registered as:

(i) an investment fund manager in Alberta, Ontario, Quebec, and Newfoundland and Labrador, and

(ii) a portfolio manager in each province of Canada.

The Funds

2. Each of the Pooled Funds is, or will be, an investment fund established as a trust under the laws of Alberta, Canada.

3. The Filer is, and will be, the investment fund manager and portfolio manager for each of the Pooled Funds. As such, the Filer is a “responsible person”, as defined in section 13.5(1) of NI 31-103, for each of the Pooled Funds.

4. As the Filer is, or will be, the trustee of the Pooled Funds, each such Pooled Fund may be an “associate” of the Filer for the purposes of section 13.5(1) of NI 31-103.

5. The securities of the Existing Funds are, and the securities of the New Funds will be, distributed on a private placement basis pursuant to available prospectus exemptions.

6. Before and after the Reorganization, at least 98% of the securities of the Pooled Funds (in existence at the time) are expected to be held by Clients.

7. None of the Pooled Funds are, or will be, reporting issuers.

8. Each Existing Fund is not, and each New Fund will not be, subject to NI 81-102.

9. The only "illiquid assets" (as defined in NI 81-102) owned by the Existing Funds are securities of funds managed by third party managers (**Underlying Funds**).

10. Underlying Funds make up no more than 17% of an Existing Fund's net asset value.

11. The Filer and the Existing Funds are not in default of securities legislation in any of the provinces and territories of Canada.

The Managed Accounts

12. The Filer offers discretionary portfolio management services to Clients seeking wealth management or related services under Discretionary Management Agreements.

13. Pursuant to the Discretionary Management Agreement entered into with each Client, the Client appoints the Filer to act as portfolio manager in connection with an investment portfolio of the Client with full discretionary authority to trade in securities for the Managed Account without obtaining the specific consent or instructions of the Client to execute the trade.

14. Currently, the Filer uses its discretionary authority to purchase units of one or both of the Existing Funds for Managed Accounts in order to provide Clients with the benefit of asset diversification and lower commission charges and generally to facilitate portfolio management.

15. Following the Reorganization, the Filer will use its discretionary authority to purchase units of one or more of the Pooled Funds for Managed Accounts in order to provide Clients with the benefit of asset diversification and lower commission charges and generally to facilitate portfolio management.

The In-Specie Transfers

16. It is anticipated that the trades to facilitate the *In-Specie* Subscriptions and *In-Specie* Distributions will be submitted on March 31, 2025 and will settle on April 1, 2025.

17. As the Filer is, or will be, the trustee of the Pooled Funds, each Pooled Fund may be an "associate" of the Filer. Accordingly, absent the grant of the Exemption Sought, the Filer (as adviser to each of the Pooled Funds) may be precluded from causing any of the Pooled Funds to purchase or sell a security to any of the other Pooled Funds (each, the Filer's associate). For greater certainty, absent the grant of the Exemption Sought, the Filer could be precluded by the provisions of section 13.5(2)(b)(ii) of NI 31-103 from effecting the *In-Specie* Subscriptions.

18. As investment fund manager and portfolio manager of each of the Pooled Funds, the Filer is considered a "responsible person" (for the purpose of section 13.5(2)(b)(iii) of NI 31-103) in relation to each of the Pooled Funds. Consequently, absent the grant of the Exemption Sought, the Filer (as adviser to each of the Pooled Funds) is precluded from causing any of the Pooled Funds to purchase or sell a security to any of the other Pooled Funds (for which the Filer, as responsible person, acts as an adviser). For greater certainty, absent the grant of the Exemption Sought, the Filer would be precluded by section 13.5(2)(b)(iii) of NI 31-103 from effecting the *In-Specie* Subscriptions.

Decision

19. The Decision Maker is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

20. The decision of the Decision Maker under the Legislation is that the Exemption Sought is granted provided that and for so long as the Filer complies with the following terms and conditions:

    (a) the Pooled Fund accepting securities pursuant to an *In-Specie* Subscription would, at the time of payment, be permitted to purchase the securities;

    (b) the portfolio securities are acceptable to the Filer, or its affiliate, as portfolio adviser of the New Funds and consistent with each of the New Fund's investment objectives;

(c) the *In-Specie* Distributions made by each Existing Fund (consisting of units of the New Funds) will be proportionate to their ownership in the Existing Fund, such that each unitholder will hold the underlying assets in the same proportion as before the Reorganization;

(d) the Filer will use the same valuation principles to calculate:

(i) the net asset value of each Pooled Fund;

(ii) the value of assets transferred in the context of *In-Specie* Subscriptions; and

(iii) the value of assets transferred in the context of *In-Specie* Distributions.

(e) the Filer will use the same valuation date for all assets transferred in the context of an *In-Specie* Subscription.

(f) the Filer will value all assets transferred in the context of an *In-Specie* Subscription as if the securities were portfolio assets of the New Fund, as contemplated by section 9.4(2)(b)(iii) of NI 81-102;

(g) the Filer will value securities of each Underlying Fund transferred in the context of an *In-Specie* Subscription by reference to the current net asset value of the Underlying Fund provided by the manager of the Underlying Fund;

(h) the Filer will value the liquid assets transferred in the context of an *In-Specie* Subscription using values provided by its administrator after the close of markets on the day before the *In-Specie* Transfers are executed;

(i) the Filer will value the units distributed in the context of an *In-Specie* Distribution on the same valuation day on which the *In-Specie* Distribution occurs;

(j) prior to the Reorganization, the Filer will send each investor that holds at least one unit in an Existing Fund a notice describing:

(i) the Reorganization,

(ii) the reasons for, and benefits of, the Reorganization,

(iii) a description of any fee changes that will result from the Reorganization,

(iv) a description of the liquidity terms of the New Funds, and

(v) a blacklined copy of the declaration of trust that will govern the Pooled Funds, showing the changes that will be made to the declaration of trust in order to effect the Reorganization;

(k) the notice described in section 20(j) above will inform each unitholder that if they are not satisfied with the changes that will result from the Reorganization, they can redeem their units of the Existing Funds prior to the effective date of the Reorganization;

(l) the Filer will keep written records of all *In-Specie* Subscriptions, reflecting details of the securities delivered to a Pooled Fund and the value assigned to such securities, for seven years after the *In-Specie* Subscriptions, with the most recent two years in a reasonably accessible place;

(m) the Filer will keep written records of all *In-Specie* Distributions, reflecting the details of the units distributed to Managed Accounts for a period of at least seven years after the *In-Specie* Distributions, with the records for at least the first two years being maintained in a reasonably accessible place;

(n) the Filer will bear all costs of the Reorganization;

(o) the Filer will not receive any compensation in respect of the Reorganization or *In-Specie* Transfers; and

(p) the Filer will ensure that the Pooled Funds and Managed Accounts will not incur any costs in connection with the *In-Specie* Distributions.

For the Executive Director:

"Lynn Tsutsumi"
Director, Market Regulation

B.3.2 Global X Investments Canada Inc. and The Funds

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted under subsection 62(5) of the Securities Act to permit the extension of a prospectus lapse date by 107 days to facilitate the consolidation of the funds' prospectus with the prospectus of different funds under common management – no conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 62(5).

April 11, 2025

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE
RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
GLOBAL X INVESTMENTS CANADA INC.
(the Filer)

AND

IN THE MATTER OF
THE FUNDS LISTED IN SCHEDULE A
(the Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Funds for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that the respective time limits for the renewal of the long form prospectus of the Funds dated April 24, 2024 (the **April Prospectus**) be extended to those time limits that would apply if the lapse date of the April Prospectus was August 9, 2025 (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(i) the Ontario Securities Commission is the principal regulator for this application; and

(ii) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces and territories of Canada (together with Ontario, the **Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a corporation incorporated under the laws of Canada. The Filer's head office is located in Toronto, Ontario.

2. The Filer is registered as a portfolio manager in Alberta, British Columbia, Ontario and Québec, an exempt market dealer in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Québec and Saskatchewan, a commodity trading manager and a commodity trading adviser in Ontario and an investment fund manager in each of Ontario, Québec and Newfoundland and Labrador.

3. The Filer is the investment fund manager of the Funds.

4. Each of the Funds is an exchange-traded mutual fund (**ETF**) established under the laws of Ontario, and is a reporting issuer as defined in the securities legislation of each of the Jurisdictions.

5. Neither the Filer nor any of the Funds are in default of securities legislation in any of the Jurisdictions.

6. The Funds currently distribute securities in the Jurisdictions under the April Prospectus. Securities of each of the Funds trade on the Toronto Stock Exchange.

7. Pursuant to subsection 62(1) of the *Securities Act* (Ontario) (the **Act**), the lapse date of the April Prospectus is April 24, 2025 (the **Lapse Date**). Accordingly, under subsection 62(2) of the Act, the distribution of securities of each of the Funds would have to cease on the Lapse Date unless: (i) each of the Funds files a pro forma prospectus at least 30 days prior to the Lapse Date; (ii) the final prospectus is filed no later than 10 days after the Lapse Date; and (iii) a receipt for the final prospectus is obtained within 20 days of the Lapse Date.

8. The Filer is the investment fund manager of certain other ETFs (the **August Funds**) that currently distribute their securities to the public under a prospectus that has a lapse date of August 9, 2025 (the **August Prospectus**).

9. Given that the Funds and the August Funds share many common operational and administrative features, the Filer wishes to combine the April Prospectus with the August Prospectus in order to reduce renewal, printing and related costs of the Funds and the August Funds and allow investors to compare the features of the Funds and the August Funds more easily.

10. Offering the Funds and the August Funds under one prospectus would facilitate the distribution of the Funds in the Jurisdictions under the same prospectus and enable the Filer to streamline disclosure across the Filer's fund platform. As the Funds and the August Funds are all managed by the Filer, offering them under one prospectus (as opposed to two) will allow investors to more easily compare their features.

11. It would be unreasonable to incur the costs and expenses associated with preparing two separate renewal prospectuses given how close in proximity the Lapse Date of the Funds and the lapse date of the August Funds are to one another.

12. There have been no material changes in the affairs of each Fund since the date of the April Prospectus, other than those for which amendments have been filed. Accordingly, the April Prospectus and current ETF facts document of each Fund represent current information regarding the Funds.

13. Given the disclosure obligations of the Funds, should a material change in the affairs of any of the Funds occur, the prospectus of the Funds and current ETF facts document(s) of the applicable Fund(s) will be amended as required under the Legislation.

14. New investors in the Funds will receive the most recently filed ETF facts document(s) of the applicable Fund(s). The prospectus of the Funds will still be available upon request.

15. The Exemption Sought will not affect the accuracy of the information contained in the prospectus of the Funds or the August Funds and will therefore not be prejudicial to the public interest.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted.

"Darren McKall"
Manager, Investment Management Division
Ontario Securities Commission

Application File #: 2025/0165
SEDAR+ File #: 6257178

Schedule "A"

Global X S&P/TSX 60 Index ETF

Global X S&P 500 Index ETF

Global X MSCI EAFE Index ETF

Global X MSCI Emerging Markets Index ETF

Global X Nasdaq-100 Index ETF

Global X India Nifty 50 Index ETF

Global X Artificial Intelligence & Technology Index ETF

Global X Innovative Bluechip Top 10 Index ETF

Global X MSCI EAFE Covered Call ETF

Global X MSCI Emerging Markets Covered Call ETF

Global X All-Equity Asset Allocation Covered Call ETF

Global X Short-Term Government Bond Premium Yield ETF

Global X Enhanced S&P 500 Index ETF

Global X Enhanced Nasdaq-100 Index ETF

Global X Enhanced MSCI EAFE Index ETF

Global X Enhanced MSCI Emerging Markets Index ETF

Global X Enhanced MSCI EAFE Covered Call ETF

Global X Enhanced MSCI Emerging Markets Covered Call ETF

B.3.3 Bigstack Opportunities I Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, ss. 3.3(1)(a)(i) and 5.1 – An issuer requires relief from the requirement that financial statements required by securities legislation to be audited must be accompanied by an auditor's report that expresses an unmodified opinion.

Applicable Legislative Provisions

National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, s. 3.3(1)(a)(i).

April 11, 2025

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE
RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
BIGSTACK OPPORTUNITIES I INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that the requirement in section 3.3(1)(a)(i) of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* (**NI 52-107**) that financial statements required to be audited must be accompanied by an auditor's report that expresses an unmodified opinion not apply to the auditor's report that accompanies the audited annual financial statements of Coil Solutions Inc. (**Coil**) for the year ended August 31, 2023 (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the Ontario Securities Commission is the principal regulator for this application; and

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia and Alberta.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a corporation incorporated under the *Business Corporations Act* (Ontario) on November 25, 2020 and a "Capital Pool Company" pursuant to Policy 2.4 - *Capital Pool Companies* (**Policy 2.4**) of the TSX Venture Exchange (the **TSXV**). The Filer was formed for the purpose of effecting a "Qualifying Transaction" pursuant to Policy 2.4. As a result, the principal business of the Filer to date has been to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction, as that term is defined in Policy 2.4.

2. On July 16, 2021, the Filer completed its initial public offering of common shares pursuant to a final long-form prospectus dated May 14, 2021.

3. The Filer's common shares are listed and posted for trading on the TSXV under the symbol "STAK.P".

4. The Filer is a reporting issuer in the Jurisdiction, British Columbia and Alberta and is not in default of any securities legislation in any jurisdiction of Canada.

5. Reeflex Coil Solutions Inc. (**Reeflex**) is a corporation incorporated under the *Business Corporations Act* (Alberta) on June 14, 2024. Reeflex currently has no business operations or assets other than cash and a management team.

6. On November 3, 2024, the Filer entered into a non-binding letter of intent (the **LOI**) with Reeflex pursuant to which the Filer and Reeflex intend to negotiate and enter into a definitive agreement that is expected to supersede the LOI. Pursuant to the LOI, the definitive agreement will set out the terms of a reverse take-over of the Filer pursuant to which Reeflex would be acquired by the Filer (the **Business Combination**), which transaction would constitute the Filer's Qualifying Transaction.

7. In connection with and immediately prior to the Business Combination, Reeflex intends to acquire all of the issued and outstanding securities of Coil, a corporation incorporated under the *Business Corporations Act* (Alberta) on August 15, 2007 (the **Acquisition**). Coil is an industry leader and innovator in coil tubing solutions and downhole tools, including stimulation technology, with a specialization in drilling products. Coil's business is not a seasonal business. The Acquisition will result in Coil becoming a wholly-owned operating

subsidiary of Reeflex immediately prior to the Business Combination.

8. Neither Reeflex nor Coil is a reporting issuer in any jurisdiction nor is any class of either of their securities listed on a stock exchange.

9. Neither Reeflex nor Coil is in default of securities legislation in any jurisdiction of Canada.

10. Pursuant to Policy 2.4, the Filer is required to file a filing statement in TSXV Form 3B2 (the **Filing Statement**) providing disclosure on the business or businesses being acquired pursuant to the Qualifying Transaction and the business of the resulting issuer from the Qualifying Transaction.

11. In accordance with Item 45 of TSXV Form 3B2, the Filing Statement must include financial statement disclosure concerning Coil in accordance with National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**), which includes two years of audited financial statements as well as comparative interim financial statements for the most recently completed interim period and MD&A related thereto (similar to what is required for an IPO venture issuer).

12. In accordance with the disclosure requirements for a Filing Statement and section 3.3(1)(a)(i) of NI 52-107, the financial statements included in the Filing Statement that are required to be audited must be accompanied by an auditor's report that expresses an unmodified opinion, which would include the audited annual financial statements of Coil for the years ended August 31, 2024 and 2023.

13. The auditors of Coil (the **Auditors**) were not physically present to complete or observe an inventory count at August 31, 2022 (or satisfy themselves by alternative means). Since the inventories held at August 31, 2022 represent the opening inventory for the period ended August 31, 2023, and such inventories enter into the determination of financial performance and cash flows, the Auditors were unable to determine whether adjustments to financial performance and cash flows might be necessary for the year ended August 31, 2023. As a result, the Auditors' report for the audited annual financial statements of Coil for the year ended August 31, 2023 contains a modified opinion relating to the physical verification of inventory at the beginning of the year ended August 31, 2023 (the **Inventory Modification**). The preceding is the only modification in the Auditors' report. The Auditors' report for the audited annual financial statements as at August 31, 2024 and for the year then ended is not modified.

14. Subsection 5.8(2) of Companion Policy 41-101CP to NI 41-101 contemplates that relief may be granted to non-reporting issuers in appropriate circumstances to permit the auditor's report on financial statements to contain a modified opinion relating to opening inventory if there is a subsequent audited period of at least six months on which the auditor's report expresses an unmodified opinion and the business is not seasonal.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that:

(a) the Filer includes in the Filing Statement the audited annual financial statements of Coil for the years ended August 31, 2024 and 2023; and

(b) the only modification in the Auditors' report on the audited annual financial statements of Coil for the year ended August 31, 2023 is the Inventory Modification.

"Cameron McInnis"
Chief Accountant
Ontario Securities Commission

OSC File #: 2025/0163

B.3.4 Lithium Royalty Corp.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption from the extension take up requirements in subsection 2.32(4) of National Instrument 62-104 Take-Over Bids and Issuer Bids – an issuer conducting an issuer bid by way of a modified Dutch auction procedure – issuer may wish to extend the bid if it is undersubscribed and the market price of the shares at the time is not greater than the range of proposed prices under the bid – requires relief from the requirement not to extend its issuer bid if all terms and conditions are met unless the issuer first takes up all securities validly deposited and not withdrawn under the issuer bid as all tenders need to be known in order to calculate the purchase price per share – requested relief granted, subject to conditions.

Applicable Legislative Provisions

National Instrument 62-104 Take-Over Bids and Issuer Bids, ss. 2.32(4) and 6.1.

April 11, 2025

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
LITHIUM ROYALTY CORP.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that, in connection with the proposed purchase by the Filer of a portion of its issued and outstanding common shares (the **Shares**) pursuant to a formal issuer bid commenced on March 25, 2025 (the **Offer**), the Filer be exempt (the **Exemption Sought**) from the requirement in subsection 2.32(4) of National Instrument 62-104 *Take-Over Bids and Issuer Bids* (**NI 62-104**) that the Offer not be extended if all the terms and conditions of the Offer have been complied with or waived unless the Filer first takes up all Shares deposited under the Offer and not withdrawn (the **Extension Take Up Requirement**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application);

(a) the Ontario Securities Commission is the principal regulator for this application; and

(b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Québec, Saskatchewan and Yukon.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and NI 62-104 have the same meaning if used in this decision, unless otherwise defined herein.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a corporation validly existing under the *Canada Business Corporations Act* and is in good standing.

2. The registered and head office of the Filer is in Toronto, Ontario.

3. The Filer is a reporting issuer in each of the provinces and territories of Canada and the Shares are listed for trading on the Toronto Stock Exchange (the **TSX**) under the trading symbol “LIRC”. The Filer is not in default of any requirement of the securities legislation in any of the jurisdictions in which it is a reporting issuer.

4. The Filer’s authorized share capital consists of: (i) an unlimited number of Shares with no par value; (ii) 30,549,214 convertible common shares (**Convertible Common Shares** and, together with the Shares, the **Equity Shares**) with no par value and (ii) an unlimited number of preferred shares with no par value. As of March 20, 2025, there were 25,005,827 Shares, 30,549,214 Convertible Common Shares and no preferred shares issued and outstanding.

5. On March 19, 2025, the last full trading day prior to the public announcement of the Filer’s intention to make the Offer, the closing price of the Shares on the TSX was $4.25 per Share. On the basis of this closing price, on such date the Equity Shares had an aggregate market value of approximately $236,108,924 (on a non-diluted basis).

6. The board of directors of the Filer (the **Board**) believes that the Offer is in the best interests of the Filer and its shareholders (**Shareholders**), and is an advisable use of the Filer’s financial resources, given its available cash resources and its ongoing cash requirements as well as the Filer’s belief that its Shares are undervalued. The Offer provides the Filer with the opportunity to return up to $7,000,000 of capital to Shareholders who elect to tender, while at the same time increasing the proportionate share ownership of Shareholders who do not elect to tender.

7. As at March 20, 2025, Royalty Capital I LP, Royalty Capital II LP, Royalty Capital I-II LP and Royalty Capital II-II LP (collectively, the **Waratah Funds**) are the beneficial owners of an aggregate of 30,549,214 Convertible Common Shares, representing approximately 55.0% of all issued and outstanding Equity Shares. Riverstone VI LRC B.V. (**Riverstone**) is the beneficial owner of, or exercise control or direction over, 15,912,472 Shares, representing approximately 28.6% of all issued and outstanding Equity Shares.

8. Waratah Capital Advisors Ltd., acting as investment manager to the Waratah Funds, has advised the Filer that it will not convert any of its Convertible Common Shares into Shares and will not deposit those Shares pursuant to the Offer. Riverstone has advised the Filer that it will not deposit any Shares pursuant to the Offer.

9. Each director and officer of the Filer has advised the Filer that he or she does not intend to deposit Shares under the Offer.

10. The Offer commenced on March 25, 2025 and will expire at 5:00 p.m. (Eastern time) on April 30, 2025 unless withdrawn, extended or varied by the Filer (the **Expiration Date**).

11. The issuer bid circular dated March 25, 2025 prepared and filed by the Filer in connection with the Offer (the **Circular**) specifies that the Filer proposes to purchase, at a purchase price payable per Share (the **Purchase Price**) to be determined by the Filer, by way of a modified "Dutch auction" procedure in the manner described below, up to $7,000,000 of the issued and outstanding Shares (the **Specified Maximum Dollar Amount**) at a purchase price of not less than $4.50 and not more than $5.20 per Common Share (the **Price Range**).

12. If the Purchase Price is determined to be $4.50 (which is the minimum price per Share under the Offer), the maximum number of Shares that may be purchased by the Filer is 1,555,555 Shares. If the Purchase Price is determined to be $5.20 (which is the maximum price per Share under the Offer), the maximum number of Shares that may be purchased by the Company is 1,346,153 Shares.

13. The Offer is made only for Shares and is not made for any convertible securities or other rights to acquire Shares, such as convertible common shares, stock options, restricted share units, or deferred share units of the Filer. Pursuant to subsection 2.8(b) of NI 62-104, the Filer also sent the Offer to each holder of convertible securities that, before the expiry of the deposit period of the Offer, are convertible into Shares. Any holder of such convertible securities who wishes to accept the Offer must, to the extent permitted by the terms thereof and applicable law, fully exercise, convert or exchange, or make arrangement for settlement of, as applicable, the convertible securities or other rights to acquire Shares in order to deposit the resulting Shares in accordance with the terms and conditions of the Offer, prior to the expiry of the deposit period of the Offer.

14. After giving effect to the Offer, the Board believes that the Filer will continue to have sufficient financial resources and working capital to conduct its ongoing business and operations and the Offer is not expected to preclude the Filer from pursuing its foreseeable business opportunities or the future growth of the Filer’s business.

15. The Filer will fund the purchase of Shares pursuant to the Offer, together with fees and expenses of the Offer, using available cash on hand. The Offer is not conditional upon the receipt of any financing.

16. A Shareholder wishing to tender to the Offer will be able to do so in one of two ways:

    (a) by making an auction tender pursuant to which the tendering Shareholders agree to tender a specified number of Shares at a specified price per Share (an **Auction Price**) within the Price Range in increments of $0.10 per Share (an **Auction Tender**); or

    (b) by making a purchase price tender pursuant to which the tendering Shareholders do not specify a price per Share, but rather agree to have a specified number of Shares purchased at the Purchase Price to be determined by the Auction Tenders (a **Purchase Price Tender**).

17. Shareholders may deposit some of their Shares pursuant to an Auction Tender and deposit different Shares pursuant to a Purchase Price Tender. Shareholders may not deposit the same Shares pursuant to both an Auction Tender and a Purchase Price Tender or pursuant to an Auction Tender at more than one price.

18. Shareholders who tender Shares without making a valid Auction Tender or Purchase Price Tender will be deemed to have made a Purchase Price Tender.

19. Any Shareholder who beneficially owns fewer than 100 Shares (**Odd Lot**) and tenders all of such Shareholder's Shares pursuant to an Auction Tender at or below the Purchase Price or pursuant to a Purchase Price Tender will be considered to have made an **Odd Lot Tender**.

20. The Filer will determine the Purchase Price promptly after the expiry of the Offer by taking into account the number of Shares deposited pursuant to Auction Tenders and Purchase Price Tenders and the Auction Prices specified by Shareholders depositing Shares pursuant to Auction Tenders. The Purchase Price will be the lowest price per Share that enables the Filer to purchase that number of Shares validly deposited and not properly withdrawn pursuant to the Offer having an aggregate purchase price not exceeding the Specified Maximum Dollar Amount. For the purposes of determining the Purchase Price, Shares deposited pursuant to a Purchase Price Tender will be deemed to have been deposited at a price of $4.50 per Share (which is the minimum price per Share under the Offer).

21. If the aggregate purchase price for Shares validly tendered pursuant to Auction Tenders (at Auction Prices at or below the Purchase Price) and Purchase Price Tenders would result in an aggregate purchase price greater than the Specified Maximum Dollar Amount, the Filer will purchase a portion of the Shares so deposited pursuant to Auction Tenders (at or below the Purchase Price) and Purchase Price Tenders, determined as follows:

    (a) first, the Filer will purchase all such Shares tendered at or below the Purchase Price by Shareholders pursuant to Odd Lot Tenders at the Purchase Price; and

    (b) second, the Filer will purchase Shares at the Purchase Price on a pro rata basis according to the number of Shares deposited or deemed to be deposited at a price equal to or less than the Purchase Price by the depositing Shareholders, for an aggregate purchase price of the Specified Maximum Dollar Amount less the aggregate purchase price of the Shares purchased from Odd Lot Tenders.

22. All Shares purchased by the Filer pursuant to the Offer will be purchased at the Purchase Price. Shareholders will receive the Purchase Price in cash. All Auction Tenders and Purchase Price Tenders will be subject to adjustment to avoid the purchase of fractional Shares, rounding down to the nearest whole number of Shares. All payments to Shareholders will be subject to deduction of applicable withholding taxes.

23. The Purchase Price will be denominated in Canadian dollars and the payment of amounts owing to Shareholders whose Shares are taken up under the Offer will be made in Canadian dollars. However, Shareholders may elect to receive the Purchase Price in United States dollars by indicating that in the letter of transmittal for the Offer. The exchange rate that will be used to convert payments from Canadian dollars into U.S. dollars will be the rate available from the depositary and foreign exchange service provider under the Offer, on the date on which the funds are converted, which rate will be based on the prevailing market rate on such date.

24. All Shares tendered to the Offer and not taken up by the Filer will be returned to the appropriate Shareholders promptly after the Expiration Date, without expense to the Shareholder.

25. Shares tendered by a Shareholder pursuant to an Auction Tender will not be purchased by the Filer pursuant to the Offer if the price per Share specified by the Shareholder is greater than the Purchase Price.

26. Until expiry of the Offer, all information about the number of Shares tendered and the prices at which the Shares are tendered will be required to be kept confidential by the depositary and the Filer, until the announcement of the results of the Offer.

27. Certificates for all Shares not purchased under the Offer (including Shares deposited pursuant to an Auction Tender at prices greater than the Purchase Price, Shares not purchased due to proration, improper tenders, or Shares not taken up due to the termination of the Offer), or properly withdrawn before the Expiration Date will be returned (in the case of certificates representing Shares all of which are not purchased), or replaced with new certificates representing the balance of Shares not purchased (in the case of certificates representing Shares of which less than all are purchased), as soon as practicable after the Expiration Date or termination of the Offer or the date of withdrawal of the Shares, without expense to the depositing Shareholder. In the case of Shares tendered through book-entry transfer, such Shares will be credited to the appropriate account, without expense to the Shareholder.

28. Shareholders who do not accept the Offer will continue to hold the same number of Shares held before the Offer and, assuming Shares are validly tendered to the Offer, their proportionate Share ownership will increase following completion of the Offer.

29. The Filer may elect to extend the Offer without first taking up all the Shares deposited and not withdrawn under the Offer if the aggregate purchase price for Shares validly tendered pursuant to Auction Tenders and Purchase Price Tenders is less than the Specified Maximum Dollar Amount. Under the Extension Take Up Requirement contained in subsection 2.32(4) of NI 62-104, an issuer may not extend an issuer bid if all the terms and conditions of the issuer bid have been complied with or waived unless the issuer first takes up all the securities deposited and not withdrawn under the issuer bid.

30. The Filer will not extend the Offer if all the terms and conditions of the Offer have been complied with or waived by the Filer by the Expiration Date, and the aggregated purchase price for the Shares validly tendered and not withdrawn pursuant to Auction Tenders and Purchase Price Tenders is equal to or greater than the Specified Maximum Dollar Amount.

31. As the determination of the Purchase Price requires that all Auction Prices and the number of Shares deposited pursuant to both Auction Tenders and Purchase Price Tenders be known and taken into account, the Filer will be unable to take up the Shares deposited and not withdrawn under the Offer as of the Expiration Date prior to extending the Offer because the Purchase Price will not and cannot be known as additional Auction Tenders and Purchase Price Tenders may be made during the extension period that will impact the calculation of the Purchase Price. Accordingly, the Exemption Sought is required in connection with an extension of the Offer to enable the Filer to make a final determination regarding the Purchase Price, taking into account all Shares tendered prior to the Expiration Date and those tendered during any extension period.

32. Shares deposited pursuant to the Offer, including those deposited prior to the Expiration Date, may be withdrawn by the Shareholder at any time prior to the expiration of any extension period in respect of the Offer.

33. The Filer is relying on the exemption from the formal valuation requirements applicable to issuer bids under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (**MI 61-101**) set out in subsection 3.4(b) of MI 61-101 (the **Liquid Market Exemption**).

34. The Filer has obtained a liquidity opinion (the **Liquidity Opinion**) from Cormark Securities Inc. confirming that, subject to customary qualifications, assumptions and restrictions, there will be a market for holders of Shares who do not tender to the Offer that is not materially less liquid than the market that existed at the time of making the Offer. A copy of the Liquidity Opinion is attached to the Circular.

35. The Board has reached a determination in connection with its approval of the Offer that there was a “liquid market” for the Shares, as such term is defined in MI 61-101, as of the date of the making of the Offer because the criteria in Subsection 1.2(1)(b) of MI 61-101 was satisfied based on the Liquidity Opinion.

36. Based on the Liquidity Opinion, the Filer has determined that it is reasonable to conclude that, following the completion of the Offer, there will be a market for holders of Shares who do not tender their Shares pursuant to the Offer that is not materially less “liquid” than the market that existed at the time of the making of the Offer.

37. The Filer has disclosed in the Circular relating to the Offer the following information:

    (a) the mechanics for the take up of and payment for Shares as described herein;

    (b) explains that, by tendering Shares under an Auction Tender at the lowest price in the Price Range or by tendering Common Shares under a Purchase Price Tender, a Shareholder can reasonably expect that the Shares so tendered will be purchased at the Purchase Price, subject to proration and other terms of the Offer as specified herein;

    (c) that the Filer has applied for the Exemption Sought;

(d) the manner in which any extension of the Offer will be communicated to Shareholders;

(e) that Shares deposited pursuant to the Offer may be withdrawn at any time prior to the Shares being taken up by the Filer;

(f) if known after reasonable inquiry, the name of every person named in Item 11 of Form 62-104F2 who has accepted or intends to accept the Offer and the number of Shares in respect of which the person has accepted or intends to accept the Offer;

(g) the facts supporting the Filer's reliance on the Liquid Market Exemption and the Liquidity Opinion; and

(h) the disclosure prescribed by applicable securities laws for issuer bids.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make this decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted, provided that:

(a) the Filer takes up and pays for Shares validly deposited pursuant to the Offer and not withdrawn, in each case, in the manner set out in the Circular and described herein;

(b) the Filer is eligible to rely on the Liquid Market Exemption;

(c) the Filer complies with the requirements of Regulation 14E promulgated under the 1934 Act in respect of the Offer; and

(d) the Filer will issue and file a press release announcing receipt of the Exemption Sought promptly, and in any case, no later than one (1) business day following receipt of the Exemption Sought.

"David Mendicino"
Manager, Corporate Finance Division
Ontario Securities Commission

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B.4
Cease Trading Orders

B.4.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
THERE IS NOTHING TO REPORT THIS WEEK.				

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
Xcyte Digital Corp.	April 8, 2025	
Xtra-Gold Resources Corp.	April 4, 2025	April 10, 2025

B.4.2 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
Accord Financial Corp.	April 4, 2025	April 10, 2025
Xcyte Digital Corp.	February 4, 2025	April 8, 2025
COSCIENS Biopharma Inc.	April 1, 2025	April 11, 2025

B.4.3 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Expire	Date of Issuer Temporary Order
Performance Sports Group Ltd.	19 October 2016	31 October 2016	31 October 2016		

Company Name	Date of Order	Date of Lapse
Agrios Global Holdings Ltd.	September 17, 2020	
Sproutly Canada, Inc.	June 30, 2022	
iMining Technologies Inc.	September 30, 2022	
Alkaline Fuel Cell Power Corp.	April 4, 2023	
mCloud Technologies Corp.	April 5, 2023	
FenixOro Gold Corp.	July 5, 2023	
HAVN Life Sciences Inc.	August 30, 2023	
Perk Labs Inc.	April 4, 2024	
Xcyte Digital Corp.	February 4, 2025	April 8, 2025
Avicanna Inc.	April 4, 2025	

Company Name	Date of Order	Date of Lapse
Accord Financial Corp.	April 4, 2025	April 10, 2025
COSCIENS Biopharma Inc.	April 1, 2025	April 11, 2025

B.7
Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as in Thomson Reuters Canada's internet service SecuritiesSource (see www.westlawnextcanada.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

B.9
IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:
BMO Canadian Core Plus Balanced ETF
BMO Canadian Equity Plus ETF
BMO Covered Call Spread Gold Bullion ETF
BMO Human Capital Factor US Equity ETF
BMO US Dividend Growth ETF
BMO US Equity Focused ETF
BMO US Large Cap Disciplined Value ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Apr 14, 2025
NP 11-202 Preliminary Receipt dated Apr 14, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06269335

Issuer Name:
Issuer Name
Chorus II 100 per cent Equity Growth Portfolio
Chorus II Aggressive Growth Portfolio
Chorus II Balanced Low Volatility Portfolio
Chorus II Conservative Low Volatility Portfolio
Chorus II Growth Portfolio
Chorus II Maximum Growth Portfolio
Chorus II Moderate Low Volatility Portfolio
Desjardins Agressive ETF Portfolio
Desjardins American Equity Growth Currency Neutral Fund
Desjardins American Equity Growth Fund
Desjardins American Equity Value Fund
Desjardins Balanced ETF Portfolio
Desjardins Canadian Bond Fund
Desjardins Canadian Corporate Bond Fund
Desjardins Canadian Equity Focused Fund
Desjardins Canadian Equity Fund
Desjardins Canadian Equity Income Fund
Desjardins Canadian Preferred Share Fund
Desjardins Canadian Small Cap Equity Fund
Desjardins Conservative ETF Portfolio
Desjardins Dividend Balanced Fund
Desjardins Dividend Growth Fund
Desjardins Emerging Markets Bond Fund
Desjardins Emerging Markets Fund
Desjardins Emerging Markets Opportunities Fund
Desjardins Enhanced Bond Fund
Desjardins Floating Rate Income Fund
Desjardins Global Balanced Growth Fund
Desjardins Global Balanced Strategic Income Fund
Desjardins Global Corporate Bond Fund
Desjardins Global Dividend Fund
Desjardins Global Equity ETF Portfolio
Desjardins Global Equity Fund
Desjardins Global Equity Growth Fund
Desjardins Global Government Bond Index Fund
Desjardins Global High Yield Bond Fund
Desjardins Global Infrastructure Fund
Desjardins Global Managed Bond Fund
Desjardins Global Small Cap Equity Fund
Desjardins Global Tactical Bond Fund
Desjardins Global Total Return Bond Fund
Desjardins Growth ETF Portfolio
Desjardins International Equity Value Fund
Desjardins Low Volatility Canadian Equity Fund
Desjardins Low Volatility Global Equity Fund
Desjardins Market Neutral ETF Fund
Desjardins Moderate ETF Portfolio
Desjardins Money Market Fund
Desjardins Overseas Equity Fund
Desjardins Overseas Equity Growth Fund
Desjardins Québec Balanced Fund

Desjardins Short-Term Income Fund
Desjardins Sustainable 100 % Equity Portfolio
Desjardins Sustainable American Equity Fund
Desjardins Sustainable American Small Cap Equity Fund
Desjardins Sustainable Balanced Portfolio
Desjardins Sustainable Canadian Bond Fund
Desjardins Sustainable Canadian Corporate Bond Fund
Desjardins Sustainable Canadian Equity Fund
Desjardins Sustainable Canadian Equity Income Fund
Desjardins Sustainable Cleantech Fund
Desjardins Sustainable Conservative Portfolio
Desjardins Sustainable Diversity Fund
Desjardins Sustainable Emerging Markets Bond Fund
Desjardins Sustainable Emerging Markets Equity Fund
Desjardins Sustainable Environmental Bond Fund
Desjardins Sustainable Fixed Income Portfolio
Desjardins Sustainable Global Balanced Fund
Desjardins Sustainable Global Bond Fund
Desjardins Sustainable Global Corporate Bond Fund
Desjardins Sustainable Global Dividend Fund
Desjardins Sustainable Global Managed Bond Fund
Desjardins Sustainable Global Opportunities Fund
Desjardins Sustainable Growth Portfolio
Desjardins Sustainable International EquityFund
Desjardins Sustainable International Small Cap Equity Fund
Desjardins Sustainable Low Volatility Global Equity Fund
Desjardins Sustainable Maximum Growth Portfolio
Desjardins Sustainable Moderate Portfolio
Desjardins Sustainable Positive Change Fund
Desjardins Sustainable Short-Term Income Fund
Desjardins Tactical Asset Allocation Fund
Melodia 100 per cent Equity Growth Portfolio
Melodia Balanced Growth Portfolio
Melodia Conservative Income Portfolio
Melodia Diversified Growth Portfolio
Melodia Diversified Income Portfolio
Melodia Maximum Growth Portfolio
Melodia Moderate Growth Portfolio
Melodia Moderate Income Portfolio
Melodia Very Conservative Income Portfolio
Principal Regulator – Quebec
Type and Date:
Final Simplified Prospectus dated Mar 28, 2025
NP 11-202 Final Receipt dated Apr 8, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06231664

Issuer Name:
3iQ Solana Staking ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated Apr 10, 2025
NP 11-202 Final Receipt dated Apr 14, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06233029

Issuer Name:
3iQ XRP ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated Apr 10, 2025
Withdrawn on Apr 11, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06233029

Issuer Name:
Brompton Wellington Square AAA CLO ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated Apr 10, 2025
NP 11-202 Final Receipt dated Apr 11, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06261796

Issuer Name:
Dynamic Global Small Cap Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Apr 11, 2025
NP 11-202 Preliminary Receipt dated Apr 11, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06269032

Issuer Name:
BMO AAA CLO ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated Apr 9, 2025
NP 11-202 Preliminary Receipt dated Apr 9, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06267872

Issuer Name:
Evolve Bitcoin ETF
Evolve Ether ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated Apr 14, 2025
NP 11-202 Final Receipt dated Apr 14, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06252863

Issuer Name:
BetaPro Nasdaq-100 -3x Daily Bear ETF
BetaPro Nasdaq-100 3x Daily Bull ETF
BetaPro Russell 2000 -3x Daily Bear ETF
BetaPro Russell 2000 3x Daily Bull ETF
BetaPro S&P 500 -3x Daily Bear ETF
BetaPro S&P 500 3x Daily Bull ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated Apr 10, 2025
NP 11-202 Preliminary Receipt dated Apr 10, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06268496

Issuer Name:
Evolve Solana ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated Apr 9, 2025
NP 11-202 Final Receipt dated Apr 14, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06241525

Issuer Name:
CI Galaxy Solana ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated Apr 9, 2025
NP 11-202 Final Receipt dated Apr 14, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06236946

Issuer Name:
Purpose Solana ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated Apr 11, 2025
NP 11-202 Final Receipt dated Apr 14, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06232330

Issuer Name:
Mackenzie AAA CLO ETF
Mackenzie Target 2027 North American IG Corporate Bond ETF
Mackenzie Target 2029 North American IG Corporate Bond ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated Apr 10, 2025
NP 11-202 Final Receipt dated Apr 11, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06239126

Issuer Name:
Russell Investments Global Equity Balanced
Russell Investments Global Income Balanced
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Apr 10, 2025
NP 11-202 Final Receipt dated Apr 11, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06247188

Issuer Name:
BMO Canadian Core Plus Balanced ETF
BMO Canadian Equity Plus ETF
BMO Covered Call Spread Gold Bullion ETF
BMO Human Capital Factor US Equity ETF
BMO US Dividend Growth ETF
BMO US Equity Focused ETF
BMO US Large Cap Disciplined Value ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Apr 11, 2025
NP 11-202 Preliminary Receipt dated Apr 14, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06269335

Issuer Name:
Canoe Defensive International Equity Fund
Principal Regulator – Alberta
Type and Date:
Amendment No 3 to Final Simplified Prospectus dated April 7, 2025
NP 11-202 Final Receipt dated Apr 11, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06126148

Issuer Name:
JPMorgan Nasdaq Equity Premium Income Active ETF
JPMorgan US Equity Premium Income Active ETF
Principal Regulator – British Columbia
Type and Date:
Amended and Restated to Final Long Form Prospectus dated April 7, 2025
NP 11-202 Final Receipt dated Apr 8, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06154301

Issuer Name:
JPMorgan US Growth Active ETF
JPMorgan US Value Active ETF
Principal Regulator – British Columbia
Type and Date:
Amended and Restated to Final Long Form Prospectus dated April 7, 2025
NP 11-202 Final Receipt dated Apr 8, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06221613

NON-INVESTMENT FUNDS

Issuer Name:
Super Lithium Corp.
Principal Regulator – British Columbia
Type and Date:
Preliminary Long Form Prospectus dated April 10, 2025
NP 11-202 Preliminary Receipt dated April 11, 2025
Offering Price and Description:
7,210,000 Units Upon the Exercise of 7,210,000 Series "A" Special Warrants and
3,287,500 Common Shares Upon the Exercise of 3,287,500 Series "B" Special Warrants
Filing # 06268914

Issuer Name:
SolarBank Corporation
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus dated April 10, 2025
NP 11-202 Preliminary Receipt dated April 11, 2025
Offering Price and Description:
C$200,000,000 - Common Shares, Debt Securities, Warrants, Subscription Receipts, Share Purchase Contracts, Units
Filing # 06268828

Issuer Name:
Highlander Silver Corp.
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus dated April 10, 2025
NP 11-202 Final Receipt dated April 10, 2025
Offering Price and Description:
$200,000,000 - COMMON SHARES, DEBT SECURITIES, WARRANTS, SUBSCRIPTION RECEIPTS, UNITS
Filing # 06252844

Issuer Name:
Information Services Corporation
Principal Regulator – Saskatchewan
Type and Date:
Preliminary Shelf Prospectus dated April 9, 2025
NP 11-202 Preliminary Receipt dated April 10, 2025
Offering Price and Description:
$275,000,000 - Class A Shares, Preferred Shares, Subscription Receipts, Debt Securities, Warrants, Units
Filing # 06268340

Issuer Name:
AXO COPPER CORP.
Principal Regulator – Nova Scotia
Type and Date:
Amendment to Preliminary Long Form Prospectus dated April 9, 2025
NP 11-202 Amendment Receipt dated April 9, 2025
Offering Price and Description:
$15,000,000 / * Common Shares
$* per Offered Share
Filing # 06263605

Issuer Name:
Simply Better Brands Corp.
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus dated April 7, 2025
NP 11-202 Preliminary Receipt dated April 8, 2025
Offering Price and Description:
$100,000,000 - Common Shares, Debt Securities, Warrants, Units, Subscription Receipts
Filing # 06267682

Issuer Name:
Abitibi Metals Corp.
Principal Regulator – Ontario
Type and Date:
Final Short Form Prospectus dated April 8, 2025
NP 11-202 Final Receipt dated April 8, 2025
Offering Price and Description:
$9,732,142.93
8,928,571 Common Shares at $0.28 per Common Share
16,071,429 Flow-Through Common Shares at $0.45 per Flow-Through Common Share
Filing # 06256975

Issuer Name:
The Toronto-Dominion Bank
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus dated April 7, 2025
NP 11-202 Final Receipt dated April 7, 2025
Offering Price and Description:
$20,000,000,000 - Debt Securities (subordinated indebtedness), Common Shares, Class A First Preferred Shares, Warrants to Purchase Preferred Shares, Subscription Receipts
Filing # 06265323

Issuer Name:
Cabral Gold Inc.
Principal Regulator – British Columbia
Type and Date:
Final Shelf Prospectus dated April 4, 2025
NP 11-202 Final Receipt dated April 7, 2025
Offering Price and Description:
$100,000,000 - Common Shares, Warrants, Subscription Receipts, Units, Debt Securities
Filing # 06255727

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B.10
Registrations

B.10.1 Registrants

Type	Company	Category of Registration	Effective Date
Voluntary Surrender	Covenant Securities Corp.	Restricted Dealer	April 9, 2025
Voluntary Surrender	Origin Wealth Advisory Services Ltd.	Portfolio Manager	April 8, 2025
Change Registration Category	Aligned Capital Partners Inc.	From: Investment Dealer and Investment Fund Manager To: Investment Dealer, Investment Fund Manager and Mutual Fund Dealer	April 14, 2025

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B.11
CIRO, Marketplaces, Clearing Agencies and Trade Repositories

B.11.1 CIRO

B.11.1.1 Canadian Investment Regulatory Organization (CIRO) – Proficiency Model for Approved Persons under the Investment Dealer and Partially Consolidated Rules – Notice of Commission Approval

NOTICE OF COMMISSION APPROVAL

PROFICIENCY MODEL FOR APPROVED PERSONS UNDER THE INVESTMENT DEALER AND PARTIALLY CONSOLIDATED RULES

CANADIAN INVESTMENT REGULATORY ORGANIZATION (CIRO)

The Ontario Securities Commission has approved amendments to Rules 2500 to 2800 of CIRO's Investment Dealer and Partially Consolidated Rules (**Amendments**) which establish an assessment centric proficiency model (**Proficiency Model**) with some mandatory education and training requirements.

The Amendments:

- Repealed current mandated course-based provisions and replaced them with new exam-based provisions.
- Added new relevant baseline education and experience provisions for some Approved Person categories.
- Added new provisions relating to conduct training by CIRO.
- Repealed current firm training provisions and added new provisions to better align with the proficiency principle and competency profiles.
- Added transitional rules and exemptions, which govern the coming into force of the new requirements, and their application on dealers and Approved Persons.
- Repealed related course-based exemptions, including recognition of qualifications with other SROs (e.g., Financial Industry Regulatory Authority and National Futures Association), and added new exemptions consistent with new exam-based provisions.
- Adopted a single derivatives product approach for consistency with Derivatives Rules Modernization Project, Stage 1.
- Added new mandated annual continuing education training specifically prescribed by CIRO.
- Streamlined continuing education requirements for all Supervisors, to reflect development of a single competency profile for all Supervisors.
- Repealed current course-based validity provisions and replaced them with new exam-based provisions.
- Added consequential changes to Rules 2700 and 2800 for consistency with Amendments in 2600, which repeal the current mandated course-based requirements.
- Repealed carry forward provisions.

CIRO published the Proficiency Model and Amendments for comment on July 4, 2024. Seventeen comment letters were received. Non-material changes made to the Amendments following the publication for comment were approved by CIRO's President and Chief Executive Officer and are described in the CIRO Implementation Bulletin.

A summary of the public comments and CIRO's responses to those comments, as well as the CIRO Implementation Bulletin, including the text of the Amendments, can be found at **www.osc.ca**.

The Amendments will be effective January 1, 2026.

In addition, the Alberta Securities Commission; the Autorité des marchés financiers; the British Columbia Securities Commission; the Financial and Consumer Affairs Authority of Saskatchewan; the Financial and Consumer Services Commission of New Brunswick; the Manitoba Securities Commission; the Northwest Territories Office of the Superintendent of Securities; the Nova Scotia Securities Commission; the Nunavut Office of the Superintendent of Securities; the Office of the Superintendent of Securities, Digital Government and Services, Newfoundland and Labrador; the Office of the Yukon Superintendent of Securities; and the Prince Edward Island Office of the Superintendent of Securities have either not objected to or have approved the Amendments.

B.11.3 Clearing Agencies

B.11.3.1 CDS Clearing and Depository Services Inc. – Material and Technical Amendments to CDS External Procedures Related to CDS Post Trade Modernization – Notice of Commission Approval

NOTICE OF COMMISSION APPROVAL

CDS CLEARING AND DEPOSITORY SERVICES INC.

MATERIAL AND TECHNICAL AMENDMENTS TO
CDS EXTERNAL PROCEDURES RELATED TO CDS POST TRADE MODERNIZATION

In accordance with the Rule Protocol between the Ontario Securities Commission (Commission) and CDS Clearing and Depository Services Inc. (CDS), the Commission approved on April 11, 2025 material amendments to CDS's External Procedures related to Post Trade Modernization (PTM). The amendments were published for comment on October 3, 2024, December 19, 2024, and January 23, 2025.

For further details, please see the final CDS External Procedures published on the CDS website.

B.11.3.2 CDS Clearing and Depository Services Inc. – Material Amendments to CDS Participant Rules Related to CDS Post Trade Modernization – Notice of Commission Approval

NOTICE OF COMMISSION APPROVAL

CDS CLEARING AND DEPOSITORY SERVICES INC.

MATERIAL AMENDMENTS TO
CDS PARTICIPANT RULES RELATED TO CDS POST TRADE MODERNIZATION

In accordance with the Rule Protocol between the Ontario Securities Commission (Commission) and CDS Clearing and Depository Services Inc. (CDS), the Commission approved on April 11, 2025 material amendments to CDS's Participant Rules related to Post Trade Modernization (PTM). The amendments were published for comment on November 20, 2020.

For further details, please see the final CDS Participant Rules published on the CDS website.

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