
B. Ontario Securities Commission

B.1 Notices

B.1.1 CSA Notice Regarding Coordinated Blanket Order – Coordinated Blanket Order 45-935 Exemptions from Certain Conditions of the Listed Issuer Financing Exemption



Canadian Securities
Administrators

Autorités canadiennes
en valeurs mobilières

CSA NOTICE REGARDING COORDINATED BLANKET ORDER

COORDINATED BLANKET ORDER 45-935 EXEMPTIONS FROM CERTAIN CONDITIONS OF THE LISTED ISSUER FINANCING EXEMPTION

May 14, 2025

Introduction

The Canadian Securities Administrators (the **CSA** or **we**) are publishing substantively harmonized relief from certain conditions of the listed issuer financing exemption (the **exemption**) in Part 5A of National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**). Every member of the CSA is implementing the relief through a local blanket order entitled Coordinated Blanket Order 45-935 *Exemptions from Certain Conditions of the Listed Issuer Financing Exemption* (the **blanket order**).

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.

The exemption was adopted in November 2022 to provide a more efficient method of capital raising for reporting issuers that have securities listed on an exchange recognized by a securities regulatory authority in a jurisdiction of Canada and that have filed all timely and periodic disclosure documents required under Canadian securities legislation. The blanket order provides relief from certain conditions of the exemption to further facilitate capital raising by listed reporting issuers.

Description of blanket order

Description

Under the exemption, listed reporting issuers are limited to raising the greater of \$5 000 000 and 10% of the issuer's aggregate market value to a maximum of \$10 000 000 in a 12-month period, subject to a 50% dilution limit. The blanket order provides relief from these conditions by allowing listed reporting issuers to raise the greater of \$25 000 000 and 20% of the aggregate market value of the issuer's listed securities to a maximum of \$50 000 000 in a 12-month period, subject to different provisions related to the 50% dilution limit.

The blanket order provides that for the purposes of the 50% dilution limit:

- the timing for calculating the outstanding securities is (i) the date of the news release announcing the offering if an issuer has not relied on the exemption or the blanket order in the last 12 months or (ii) the date of the news release announcing the first offering completed in reliance on the exemption or the blanket order in the last 12 months; and
- issuers can exclude securities issuable on exercise of warrants from the calculation if they are not convertible within 60 days of closing of the offering.

In addition, under the blanket order, the distribution cannot:

- result in a new control person, or
- result in a person or company acquiring ownership of, or exercising control or direction over, securities that would result in the person or company being entitled to elect a majority of directors.

Rationale

Since its adoption, the exemption has been used by over 270 issuers, collectively raising over \$1 billion. Market participants have provided positive feedback on the exemption but noted that the capital raising limits have been restricting use of the exemption. Increasing the capital raising limits, while adding more conditions on who an issuer can distribute securities to, will allow listed reporting issuers to raise significantly more capital without impacting investor protection.

The changes in the blanket order related to the timing of the 50% dilution limit address a condition of the exemption that requires the calculation to be based on the issuer's outstanding securities 12 months before the offering. Further, under the blanket order, only warrants convertible within 60 days of the closing need to be included in the 50% dilution calculation. This relief expands the number of warrants an issuer may be able to issue, as under the exemption all securities on conversion of warrants need to be included in the dilution calculation.

CSA Staff Notice 45-330 (Revised) *Frequently Asked Questions about the Listed Issuer Financing Exemption*

We are concurrently publishing CSA Staff Notice (Revised) *Frequently Asked Questions about the Listed Issuer Financing Exemption* to add clarity and provide more guidance on the exemption and how it will work with the blanket order.

Local adaption and term of blanket order

Although the outcome is intended to be the same in all CSA jurisdictions, the language of the blanket order 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 order will come into effect on May 15, 2025. In certain jurisdictions, the blanket order includes an expiry date based on the term limits for blanket orders in the jurisdiction.¹

Questions

Please refer your questions to any of the following:

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¹ For example, in Ontario, the term of the blanket order is 18 months and will expire on November 15, 2026.

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