

Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Notice of Correction – CSA Staff Notice 45-308 (Revised) Guidance for Preparing and Filing Reports of Exempt Distribution under National Instrument 45-106 Prospectus Exemptions

CSA Staff Notice 45-308 (Revised) Guidance for Preparing and Filing Reports of Exempt Distribution under National Instrument 45-106 Prospectus Exemptions was published at (2018), 41 OSCB 5811. A title was incorrectly added on page 5825 following Question 14 in Annex 3 Frequently Asked Questions. Question 14 should have read:

14. The type of security distributed by the issuer is not on the list of security codes in Instruction 12 of the report. What security code should the filer provide in Item 7(d) of the report?

The list of security codes in Instruction 12 of the report captures most types of securities distributed under a prospectus exemption triggering the filing of a report in Canada. If the security being distributed is not listed, enter “OTH” (for other) as the security code in Item 7(d) and include a description of the security in the box provided. Examples are provided below.

Security code			CUSIP number (if applicable)	Description of security
N	O	T	555555555	6.26% medium term notes
C	E	R	555555556	Commercial mortgage pass-through certificates
U	B	S		Units comprised of one common share and one-half of one non-transferrable share purchase warrant
O	T	H		Managed joint venture interest

[Editor’s Note: The incorrect title was deleted here.]

14.1 When should the “DCT” security code be used?

Businesses that distribute digital coins or tokens, either directly or indirectly through a convertible or exercisable feature in any instrument, should first consider whether they are distributing securities. One way of determining whether they are distributing securities is to consider the four-prong investment contract test and the guidance outlined in CSA Staff Notice 46-307 *Cryptocurrency Offerings (CSA Staff Notice 46-307)* and CSA Staff Notice 46-308 *Securities Law Implications for Offerings of Tokens (CSA Staff Notice 46-308)*. CSA Staff Notice 46-307 indicates that many initial coin offerings (ICOs) and initial token offerings (ITOs) involve distributions of securities, including because they are investment contracts and CSA Staff Notice 46-308 provides examples of situations and their possible implications on one or more of the elements of an investment contract. Filers should consider CSA Staff Notice 46-307, CSA Staff Notice 46-308 and any other relevant guidance published by the CSA.