

### 5.1.12 Changes to Companion Policy 45-106CP Prospectus Exemptions

#### CHANGES TO COMPANION POLICY 45-106CP PROSPECTUS EXEMPTIONS

The following reflects changes to Companion Policy 45-106CP *Prospectus Exemptions* that will take effect upon the coming into force of the amendments to National Instrument 45-106 *Prospectus Exemptions* related to the offering memorandum prospectus exemption. Additions are represented with underlined text and deletions are represented with strikethrough text.

#### 3.6 Private issuer –

(5) Ceasing to be a private issuer – The term “private issuer” is defined in section 2.4(1) of NI 45-106. A private issuer can distribute securities only to the persons listed in section 2.4(2) of NI 45-106. If a private issuer distributes securities to a person not listed in section 2.4(2), even under another exemption, it will no longer be a private issuer and will not be able to continue to use the private issuer prospectus exemption in section 2.4(2). For example, if a private issuer distributes securities under the offering memorandum exemption, it will no longer be a private issuer.

Issuers that cease to be private issuers do not automatically become “reporting issuers”. They are simply no longer able to rely on the private issuer exemption in section 2.4(1). Such issuers would still be able to use other exemptions to distribute their securities. For example, such issuers could rely on the family, friends and business associates prospectus exemption (~~except in Ontario~~) or the accredited investor prospectus exemption. However, issuers that rely on these prospectus exemptions must file a report of exempt distribution with the securities regulatory authority or regulator in each jurisdiction in which the distribution took place.