

CSA Staff Notice 45-314

Consolidated List of Current CSA Exempt Market Initiatives

March 20, 2014

Introduction

Modernization of the exempt market regulatory regime is a major priority for the Canadian Securities Administrators (CSA). In keeping with this, CSA members are publishing a series of significant initiatives related to prospectus exemptions. This Notice describes all of these initiatives in one place for the benefit of industry and investors.

Although CSA members have substantially harmonized the prospectus exemptions and amendments to prospectus exemptions, market participants will note some differences. Some of these can be explained by differences in local markets and the fact that certain prospectus exemptions are proposed for the first time in some jurisdictions.

List of Initiatives (organized by Exemption and Date Published)

Prospectus Exemption	Jurisdiction	Summary of Latest Developments	Date (2014)
Short-Term Debt (s. 2.35 of NI 45-106 ¹)	All	Publication for comment <ul style="list-style-type: none"> Proposal to modify the minimum credit rating requirement when an issuer obtains more than one credit rating 	January 23
Short-Term Securitized Products (proposed s. 2.35.2 of NI 45-106)	All	Publication for comment <ul style="list-style-type: none"> Proposal to introduce a new prospectus exemption for short-term securitized products (ABCP) with additional credit rating, liquidity and disclosure requirements 	January 23

¹ National Instrument 45-106 *Prospectus and Registration Exemptions*

Prospectus Exemption	Jurisdiction	Summary of Latest Developments	Date (2014)
Accredited Investor (s. 2.3 of NI 45-106)	All	Publication for comment <ul style="list-style-type: none"> • Proposal to require persons relying on the prospectus exemption to obtain a signed risk acknowledgement from certain individual accredited investors • Proposal regarding additional guidance on steps issuers can take to verify accredited investor status 	February 27
	ON	Publication for comment <ul style="list-style-type: none"> • Proposal to amend the definition of accredited investor in Ontario to allow fully managed accounts to purchase investment fund securities using the managed account category of the prospectus exemption 	February 27
\$150,000 Minimum Amount Investment (s. 2.10 of NI 45-106)	All	Publication for comment <ul style="list-style-type: none"> • Proposal to restrict the prospectus exemption to distributions to non-individual investors 	February 27
Report of Exempt Distribution (Forms 45-106F1 and F6)	All	Publication for comment <ul style="list-style-type: none"> • Proposal to gather additional information on the purchaser's category of accredited investor, the issuer's industry and persons being compensated in connection with the exempt distribution 	February 27

Prospectus Exemption	Jurisdiction	Summary of Latest Developments	Date (2014)
Existing Security Holder (Multilateral Notice 45-313 <i>Prospectus Exemption for Distributions to Existing Security Holders</i>)	BC, AB, SK, MB, QC, NB, NS, PE, YK, NT NU	Adoption by local blanket order or rule of new prospectus exemption <ul style="list-style-type: none"> • Issuers listed on certain Canadian stock exchanges may distribute securities to existing security holders in prescribed circumstances 	March 13
Existing Security Holder (proposed s. 2.9 of OSC Rule 45-501 <i>Ontario Prospectus and Registration Exemptions</i>)	ON	Publication for comment <ul style="list-style-type: none"> • Proposal to introduce a new prospectus exemption that would allow non-investment fund issuers listed on certain Canadian stock exchanges to distribute securities to existing security holders in prescribed circumstances 	March 20
Offering Memorandum (s. 2.9 of NI 45-106)	AB, SK, QC	Publication for comment <ul style="list-style-type: none"> • Proposal to impose new annual caps on the amount that can be raised from an individual, to address marketing materials and to require annual financial statements 	March 20
	ON	Publication for comment <ul style="list-style-type: none"> • Proposal to introduce an offering memorandum prospectus exemption similar to the exemption available in certain other CSA jurisdictions (as proposed to be amended) for non-investment fund issuers 	March 20
	NB	Publication for comment <ul style="list-style-type: none"> • Proposal to adopt an offering memorandum prospectus exemption on the same terms as in Ontario 	March 20

Prospectus Exemption	Jurisdiction	Summary of Latest Developments	Date (2014)
Family, Friends and Business Associates (s. 2.5 and proposed s. 2.6.1 of NI 45-106)	ON	Publication for comment <ul style="list-style-type: none"> Proposal to introduce a family, friends and business associates prospectus exemption similar to those in other CSA jurisdictions for non-investment fund issuers 	March 20
Crowdfunding (proposed MI 45-108 <i>Crowdfunding</i>)	SK, MB, ON, QC, NB, NS	Publication for comment <ul style="list-style-type: none"> Proposal to introduce a new crowdfunding prospectus exemption for non-investment fund issuers and an associated registration regime for online funding portals 	March 20
Crowdfunding (proposed <i>Start-Up Crowdfunding</i> general and blanket orders)	SK, MB, QC, NB, NS	Publication for comment <ul style="list-style-type: none"> Proposal to introduce new crowdfunding prospectus and registration exemptions for non-reporting issuers similar to Saskatchewan's existing regime² 	March 20
Crowdfunding (BC Notice 2014/03 <i>Start-Up Crowdfunding</i>)	BC	Request for comment <ul style="list-style-type: none"> Request for comment on introducing new crowdfunding prospectus and registration exemptions for non-reporting issuers similar to Saskatchewan's existing regime² 	March 20
Report of Exempt Distribution (proposed Forms 45-106F10 and F11)	AB, SK, ON, NB	Publication for comment <ul style="list-style-type: none"> Proposal to introduce two new reports of exempt distribution, one for investment funds and the other for non-investment fund issuers 	March 20

² Based on General Order 45-925 Saskatchewan Equity Crowdfunding Exemption. Saskatchewan is not revoking its Order but is republishing its Order as multilateral relief with Québec, New Brunswick and Nova Scotia.

The text of the new exemptions and proposed amendments is or will be available on websites of CSA jurisdictions, including:

www.lautorite.qc.ca
www.albertasecurities.com
www.bcsc.bc.ca
www.nssc.gov.ns.ca
www.fcnb.ca
www.osc.gov.on.ca
www.fcaa.gov.sk.ca
www.msc.gov.mb.ca

Questions

Please refer your questions to any of the following:

British Columbia

Peter Brady
Director, Corporate Finance
British Columbia Securities Commission
604-899-6570
Toll free across Canada: 800-373-6393
pbrady@bcsc.bc.ca

Leslie Rose
Senior Legal Counsel, Corporate Finance
British Columbia Securities Commission
604-899-6654
Toll free across Canada: 800-373-6393
lrose@bcsc.bc.ca

Alberta

Jonathan Taylor
Manager, CD Compliance & Market
Analysis, Corporate Finance
Alberta Securities Commission
403-297-4770
jonathan.taylor@asc.ca

Denise Weeres
Manager, Legal, Corporate Finance
Alberta Securities Commission
403-297-2930
denise.weeres@asc.ca

Saskatchewan

Sonne Udemgba
Deputy Director, Legal, Securities Division
Financial and Consumer Affairs Authority
of Saskatchewan
306-787-5879
sonne.udemgba@gov.sk.ca

Tony Herdzik
Deputy Director, Corporate Finance, Securities Division
Financial and Consumer Affairs Authority of Saskatchewan
306-787-5849
tony.herdzik@gov.sk.ca

Manitoba

Chris Besko
Legal Counsel - Deputy Director
The Manitoba Securities Commission
204-945-2561
cbesko@gov.mb.ca

Ontario

Jo-Anne Matear
Manager, Corporate Finance
Ontario Securities Commission
416-593-2323
jmatear@osc.gov.on.ca

Elizabeth Topp
Senior Legal Counsel, Corporate Finance
Ontario Securities Commission
416-593-2377
etopp@osc.gov.on.ca

Maria Carelli
Senior Accountant, Compliance and
Registrant Regulation
Ontario Securities Commission
416-593-2380
mcarelli@osc.gov.on.ca

Melissa Schofield
Senior Legal Counsel, Investment Funds
Ontario Securities Commission
416-595-8777
mschofield@osc.gov.on.ca

Québec

Sylvie Lalonde
Director, Policy and Regulations
Department
Autorité des marchés financiers
514-395-0337, ext. 4461
sylvie.lalonde@lautorite.qc.ca

Patrick Théorêt
Director, Corporate Finance
Autorité des marchés financiers
514-395-0337, ext. 4381
patrick.theoret@lautorite.qc.ca

New Brunswick

Susan W. Powell
Deputy Director, Securities
Financial and Consumer Services
Commission (New Brunswick)
506-643-7697
susan.powell@fcnbc.ca

Nova Scotia

Shirley Lee
Director, Policy and Market Regulation
Nova Scotia Securities Commission
902-424-5441
leesp@gov.ns.ca

Kevin Redden
Director, Corporate Finance
Nova Scotia Securities Commission
902-424-5343
reddenkg@gov.ns.ca

Prince Edward Island

Steve Dowling
General Counsel
Consumer, Labour and Financial Services
Division
Department of Environment, Labour and
Justice
Government of Prince Edward Island
902-368-4551
sddowling@gov.pe.ca

Newfoundland and Labrador

Don Boyles
Superintendent of Securities (by interim)
Securities Commission of Newfoundland
and Labrador
Government of Newfoundland & Labrador
709-729-4501
dboyles@gov.nl.ca

Northwest Territories

Gary MacDougall
Superintendent of Securities
Office of the Superintendent of Securities
Government of the Northwest Territories
867-873-7490
gary_macdougall@gov.nt.ca

Nunavut

Louis Arki
Director, Legal Registries
Department of Justice, Government of Nunavut
867-975-6587
larki@gov.nu.ca

Yukon

Rhonda Horte
Deputy Superintendent
Office of the Yukon Superintendent of Securities
Yukon Government
867-667-5466
Rhonda.Horte@gov.yk.ca