
B. Ontario Securities Commission

B.1 Notices

B.1.1 Notice of General Order – Ontario Instrument 13-512 Temporary Exemption from the Requirement to Transmit a Report of Exempt Distribution through SEDAR+ in connection with Distributions of Eligible Foreign Securities to Permitted Clients (Interim Class Order)

NOTICE OF GENERAL ORDER

ONTARIO INSTRUMENT 13-512 TEMPORARY EXEMPTION FROM THE REQUIREMENT TO TRANSMIT A REPORT OF EXEMPT DISTRIBUTION THROUGH SEDAR+ IN CONNECTION WITH DISTRIBUTIONS OF ELIGIBLE FOREIGN SECURITIES TO PERMITTED CLIENTS (INTERIM CLASS ORDER)

January 16, 2025

Introduction

The Ontario Securities Commission (the **Commission**) has made an order under subsection 143.11(2) of the *Securities Act* (Ontario) (the **Act**) providing an exemption from the requirement to transmit a Form 45-106F1 *Report of Exempt Distribution* (**Report of Exempt Distribution**) through the System for Electronic Data Analysis and Retrieval + (**SEDAR+**) and to expressly limit the application of this exemption to circumstances in which specified conditions are satisfied.

Background

On June 9, 2023, National Instrument 13-103 *System for Electronic Data Analysis and Retrieval + (SEDAR+)* (**NI 13-103**) came into force. Pursuant to NI 13-103, a Report of Exempt Distribution must be transmitted through SEDAR+.

On July 21, 2023, Coordinated Blanket Order 13-933 *Temporary exemption from the requirement to transmit a report of exempt distribution through SEDAR+ in connection with distributions of eligible foreign securities to permitted clients* (**Blanket Order 13-933**) came into force. Blanket Order 13-933 provides an exemption from the requirement to transmit Forms 45-106F1 through SEDAR+ for a distribution of an eligible foreign security to a permitted client. Blanket Order 13-933 will expire in Ontario on January 21, 2025.

Blanket Order 13-933 continues to be in force in certain jurisdictions¹ across the Canadian Securities Administrators (**CSA**). Blanket Order 13-933 has a limited duration in the remaining CSA jurisdictions and is expected to be extended following its expiration on January 21, 2025.²

Description of Order

Ontario Instrument 13-512 *Temporary Exemption from the Requirement to Transmit a Report of Exempt Distribution through SEDAR+ in connection with Distributions of Eligible Foreign Securities to Permitted Clients (Interim Class Order)* (the **Order**) provides an exemption in Ontario from the requirement to transmit a Report of Exempt Distribution through SEDAR+ for a distribution of an “eligible foreign security” to a “permitted client”, as such terms are defined in the Report of Exempt Distribution, provided the distribution satisfies the conditions set out in the Order. A person or company eligible to rely on the Order must file the form of report in Appendix B to the Order³ in the manner set out in Appendix A to the Order.⁴

The Order also provides an exemption from the requirement to transmit an offering memorandum through SEDAR+, provided that it is transmitted in the manner set out in Appendix A to the Order.

¹ These jurisdictions include Alberta, Manitoba, New Brunswick, Nova Scotia, Quebec and Saskatchewan.

² These jurisdictions include British Columbia, Newfoundland, Northwest Territories, Nunavut, Prince Edward Island and the Yukon.

³ The version of the report in Appendix B is based on the version of the report that was in force on June 8, 2023 and remains unchanged from the version of the report included as Appendix B to Blanket Order 13-933. The Report of Exempt Distribution was amended on June 9, 2023, to remove certain information captured by a SEDAR+ profile, to reduce duplication.

⁴ Filers must use the Excel spreadsheets for Schedule 1 and Schedule 2 of the report that are available on the Canadian Securities Administrators website at the following address: <https://www.securities-administrators.ca/resources/reports-of-exempt-distribution/>. The Order also requires filers use the fillable PDF form available on that website, which remains unchanged from the version of the report included as Appendix B to Blanket Order 13-933.

The exemption is available to allow the CSA to continue to consider potential enhancements to the functionality of SEDAR+.

The Order does not otherwise relieve a person or company from any of the reporting requirements in Part 6 of National Instrument 45-106 *Prospectus Exemptions* or the filing fees or late fees in respect of the Report of Exempt Distribution. Reports of Exempt Distribution filed in reliance on the Order are available to the public upon request made to the Commission.

Reasons for the Order

Under current securities laws, businesses distributing securities under certain prospectus exemptions are required to file a Report of Exempt Distribution through SEDAR+ within ten days of the distribution. An investment fund is required to file the Report of Exempt Distribution through SEDAR+ not later than 30 days after the end of the calendar year for exempt distributions. Blanket Order 13-933 provides a temporary exemption from this requirement for a distribution of an eligible foreign security to a permitted client. Blanket Order 13-933 is premised on the fact that, by definition, the offering of an eligible foreign security would be expected to primarily occur in a foreign jurisdiction by a foreign issuer with a limited nexus to Canada and that the distribution of such eligible foreign security to a Canadian permitted client would constitute a *de minimus* distribution in Canada.

Since the introduction of Blanket Order 13-933 on July 21, 2023, the Commission has observed instances where certain issuers relying on the exemption contained in Blanket Order 13-933 had an existing SEDAR+ profile and/or were a reporting issuer in Canada at the time of the applicable distribution.

Accordingly, this Order is being issued to clarify the types of distributions that were permitted by Blanket Order 13-933 as originally contemplated. Pursuant to the Order, reporting issuers in any jurisdiction of Canada and those with an existing SEDAR+ profile at the time of distribution of an eligible foreign security to a permitted client are not permitted to avail themselves of the exemption contained in this Order and accordingly, should be filing the applicable Report of Exempt Distribution on SEDAR+.

In addition, the Commission has been advised by a number of stakeholders that Blanket Order 13-933 provided an important exemption that facilitates participation by Ontario permitted clients in global offerings of foreign issuers.

This Order aims to fulfill the Commission's mandate in a way that protects investors and market integrity while facilitating investment activities by Ontario-based permitted clients.

This Order reflects stakeholder feedback and is intended to promote right-size regulation that has been informed by changing needs, risks and practices in Ontario and globally. However, the Commission also recognizes the importance of the information it receives regarding exempt market issuances, which provides important data for assessing capital-raising activities in Ontario.

In light of the foregoing, the Commission is satisfied that it would not be prejudicial to the public interest to provide, on an interim basis, an exemption from the requirements described above subject to the conditions of the Order.

Term of Order

We expect that the Order will be revoked or replaced before the expiry date. We will provide advance notice before revoking or replacing the Order.

Day on which the Order Ceases to Have Effect

The Order will come into effect on January 21, 2025, and remains in effect until July 21, 2026, unless extended by the Commission.

Questions

If you have any questions regarding the blanket order, please contact any of the following:

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