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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 CSA Notice of Amendments to National Instrument 45-106 Prospectus Exemptions and Change to Companion Policy 45-106CP Prospectus Exemptions relating to Reports of Exempt Distribution



Canadian Securities
Administrators

Autorités canadiennes
en valeurs mobilières

CSA Notice of Amendments to National Instrument 45-106 *Prospectus Exemptions* and Change to Companion Policy 45-106CP *Prospectus Exemptions* relating to Reports of Exempt Distribution

July 19, 2018

Introduction

The Canadian Securities Administrators (**CSA** or **we**) are making amendments (the **Rule Amendments**) to National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**) to amend Form 45-106F1 *Report of Exempt Distribution* (the **Report**). We are also making a related change to Companion Policy 45-106CP *Prospectus Exemptions* (**45-106CP**).

We refer to the Rule Amendments and the change to 45-106CP collectively as the **Revisions**.

Provided all necessary ministerial approvals are obtained, the Revisions will come into force on **October 5, 2018** in all CSA jurisdictions.

The text of the Rule Amendments is contained in Annex C. A blacklined extract of 45-106CP, incorporating the change to 45-106CP, is contained in Annex D. A blacklined version of the Report, incorporating the Rule Amendments, is contained in Annex E.

Substance and Purpose

Issuers and underwriters who rely on certain prospectus exemptions to distribute securities are required to file the Report within the prescribed timeframe.

The Revisions:

- provide greater clarity and flexibility regarding the certification requirement of the Report while still supporting the regulatory objectives of filed Reports being true and complete, and
- streamline certain information requirements to assist filers in completing the Report while still providing us with the information necessary for oversight and policy development.

The Revisions are primarily intended to address concerns expressed by foreign dealers conducting offerings into Canada and Canadian institutional investors about the unintended effects of the certification requirement and other information requirements in the Report on these offerings. However, we believe the Revisions will be beneficial to all filers.

The Revisions also include minor amendments addressing feedback received by CSA staff following the implementation of the Report, including those comments received during the comment period.

Background

The Report came into force in all CSA jurisdictions on June 30, 2016. The Report replaced both the prior version of Form 45-106F1 *Report of Exempt Distribution* and Form 45-106F6 *British Columbia Report of Exempt Distribution*. The Report was intended to:

- 1) reduce the compliance burden for issuers and underwriters by having harmonized reports of exempt distributions, and
- 2) provide securities regulators with the necessary information to facilitate more effective regulatory oversight of the exempt market and improve analysis for policy development purposes.

In the spring and summer of 2016, CSA staff became aware of concerns expressed by foreign dealers conducting offerings into Canada, as well as Canadian institutional investors, about the certification requirements and certain information requirements in the Report. Certain Canadian institutional investors noted that they had been excluded from participating in foreign offerings into Canada in part due to dealers' concerns about the certification of the Report as well as the more extensive information required in the Report.

As a result of these concerns, we provided relief from the requirement to disclose whether a purchaser is a registrant or an insider of the issuer in certain circumstances. This relief was provided by all CSA members, except the Ontario Securities Commission (**OSC**), by issuing blanket orders effective June 30, 2016. In Ontario, this relief was provided through an Ontario-only amendment to NI 45-106 that came into force on July 29, 2016.

We understand that there continued to be difficulties in respect of the certification, creating unintended complications in respect of access by Canadian institutional investors to foreign investment opportunities. On September 29, 2016, CSA staff issued a revised version of 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)* that contained new guidance intended to alleviate certain of the concerns raised regarding certification and other matters. We have adopted the Revisions to further address these concerns.

The CSA, other than the British Columbia Securities Commission, published proposed amendments to NI 45-106 relating to the Report (the **2017 Proposal**) for a 90-day comment period on June 8, 2017. The British Columbia Securities Commission published the 2017 Proposal for a 60-day comment period on October 4, 2017.

Summary of Written Comments Received by the CSA

The comment period expired in all CSA jurisdictions, except British Columbia, on September 6, 2017. We received 6 written submissions. In British Columbia, the comment period expired on December 4, 2017 and no submissions were received. We have considered the comments received and thank all of the commenters for their input. The names of the commenters are contained in Annex A and a summary of their comments, together with our responses, is contained in Annex B. The comment letters can be viewed on the Autorité des marchés financiers website at www.lautorite.qc.ca and the OSC website at www.osc.gov.on.ca.

Summary of Changes to the 2017 Proposal

After considering the written comments received, we have made the following changes to the 2017 Proposal:

- **Certification:** We have revised the instructions to clarify that if the Report is being certified by an agent on behalf of an issuer or underwriter, the name of the agent should be provided in the box titled "Name of issuer/underwriter/investment fund manager/agent" and the information for the agent's certifying individual should be used to complete all other boxes.
- **North American Industry Classification Standard (NAICS) code:** We have amended Item 5a) of the Report to explicitly request filers to provide the issuer's NAICS code that in their reasonable judgment most closely corresponds to the issuer's primary business activity.
- **Public listing status:** In Item 5g) of the Report, we amended the requirement for non-investment fund issuers to identify the name of the exchange on which the issuer's securities primarily trade, to provide that this requirement only applies to equity securities. Filers are not required to provide any exchange information pertaining to an issuer's debt securities.
- **Size of assets:** We have amended Item 5h) to direct filers to select the size of the issuer's assets based on its most recently available annual financial statements.

- Distribution by co-issuers: We recognize that there are circumstances where two or more issuers distribute a single security. We have amended NI 45-106 to provide that an issuer or underwriter is not required to file a report for a distribution of securities if a report has been filed by another issuer or underwriter for the distribution of the same security. We have also amended Item 3 of the Report to require that, in these instances, the filer identifies the co-issuers of the security.
- Purchasers' secondary given names: We have amended paragraph b)3 of Schedule 1 to add the words "(if applicable)" to the requirement for purchasers' secondary given names.
- Cryptocurrencies and cryptocurrency-related assets: Given the increase in the number of offerings in the exempt market by issuers that invest in cryptoassets, we have amended:
 - Item 5a) of the Report to require filers to identify an issuer whose primary business is to invest all or substantially all of its assets in cryptoassets.
 - Item 6b) of the Report to require filers to identify where the type of investment fund that most accurately identifies an investment fund issuer is a cryptoasset investment fund.

We have also amended the list of security codes in the general instructions of the Report to introduce a new security code "DCT" for distributions of securities involving digital coins or tokens. These changes will allow us to more accurately monitor issuers that invest in cryptocurrencies and cryptocurrency-related assets and to identify distributions of securities involving digital coins or tokens.

The Rule Amendments also clarify certain instructions, including updating the table of security codes in the general instructions of the Report and clarifying Item 7f) of the Report relating to the calculation of the number of purchasers.

Provided all necessary ministerial approvals are obtained, all issuers must use the amended Report for any filings submitted on or after October 5, 2018.

Revision of CSA Staff Notice 45-308

We are publishing concurrently with this Notice a revised version of CSA Staff Notice 45-308 to reflect the Revisions.

Local Matters

Annex F includes, where applicable, additional information that is relevant in a local jurisdiction only.

Annexes

This notice contains the following annexes:

Annex A – List of Commenters

Annex B – Summary of Comments and CSA Responses

Annex C – Amendments to National Instrument 45-106 *Prospectus Exemptions*

Annex D – Change to Companion Policy 45-106CP *Prospectus Exemptions*

Annex E – Blackline of Form 45-106F1 *Report of Exempt Distribution reflecting the Rule Amendments*

Annex F – Local Matters

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ANNEX A

LIST OF COMMENTERS

1. Blake, Cassels & Graydon LLP, Davies Ward Phillips & Vineberg LLP, McCarthy Tétrault LLP, Osler, Hoskin & Harcourt LLP and Stikeman Elliott LLP
2. Canadian Foundation for Advancement of Investor Rights
3. Norton Rose Fulbright Canada LLP
4. RP Investment Advisors LP
5. Securities Industry and Financial Markets Association (SIFMA)
6. Stikeman Elliott LLP

ANNEX B

SUMMARY OF COMMENTS AND CSA RESPONSES

This Annex summarizes the comments we received and our responses to those comments.

No.	Topic	Comments	Responses
General			
1.	General support for proposed amendments	Most commenters expressed support for the proposed amendments. A commenter noted that the proposed amendments address many of the issues they have observed and especially those raised by foreign dealers who underwrite and distribute new securities in Canada. Two commenters noted that the reduced regulatory burden that would result from the implementation of the proposed amendments would facilitate more efficient capital raising in the Canadian exempt market. Another commenter expressed appreciation for the CSA's efforts to be responsive about the unintended effects of the certification requirement and other information requirements in the report.	We acknowledge these comments of support and thank the commenters.
2.	Exempt market oversight	One commenter expressed concern about the CSA's overall regulatory focus relating to the exempt market and suggested that the proposed amendments focus on alleviating regulatory burden for exempt market participants rather than taking action to respond to problems associated with the exempt market.	<p>Monitoring activities related to raising capital in the exempt market, including from retail investors, remains a primary focus of our compliance and oversight programs. The amendments to the report, for the most part, are intended to address concerns in respect of exempt offerings involving Canadian institutional investors.</p> <p>Additionally, the CSA's compliance and oversight programs monitor firms and issuers who rely on prospectus exemptions. Where necessary, guidance is provided to filers to assist them to understand and apply the provisions of these prospectus exemptions and to help them meet their regulatory obligations.</p>
Certification [Item 10]			
3.	Support for proposed certification amendments	One commenter noted that the proposed revised certification wording is a significant improvement over the existing wording in that it expressly recognizes the existence of a due diligence defence and it contains a knowledge qualifier. Another commenter noted that clarifying and introducing greater flexibility with respect to the certification requirements will help alleviate various concerns that dealers have expressed.	We acknowledge these comments of support and thank the commenters.
4.	Clarification that certifying individual is not certifying in his or her personal capacity	Two commenters suggested additional language to further clarify that the individual certifying the report is doing so on behalf of the filer and not in his or her own personal capacity.	The certification already includes language that the certifying individual is certifying "on behalf of" the issuer, underwriter or investment fund manager. Further guidance is provided at item #22 of Annex 3 of CSA Staff Notice 45-308 (<i>Revised</i>) <i>Guidance for Preparing and Filing Reports of Exempt Distribution under National Instrument 45-106</i>

No.	Topic	Comments	Responses
			<i>Prospectus Exemptions (CSA Staff Notice 45-308).</i>
5.	Guidance on reasonable diligence	A commenter suggested that the words “exercise reasonable diligence” be replaced with “made reasonable inquiries with respect to information outside my personal knowledge” to clarify the expectation on the certifying individual’s due diligence investigation regarding information required to complete the report.	The knowledge qualifier is worded to align with the due diligence defence under the securities legislation of most jurisdictions, which provides a defence to liability based on the person or company’s knowledge after exercising reasonable diligence. What constitutes reasonable diligence will depend on the circumstances. For example, guidance is provided at item #9.1 of Annex 3 of CSA Staff Notice 45-308 on the reasonable steps an underwriter filing a report should undertake to obtain and confirm the required information regarding the issuer.
6.	Clarification when an authorized agent certifies the report	A commenter asked for clarification on how to fill out the boxes titled “Name of issuer/underwriter/investment fund manager/agent” and “full legal name” where a dealer has engaged a law firm to assist it in preparing and filing the required reports.	We have revised the instructions to clarify the certification in circumstances where the report is being certified by an agent on behalf of the issuer or underwriter. If a law firm is preparing and certifying a report on behalf of the issuer or underwriter, provide the full name of the law firm in the box titled “Name of issuer/underwriter/investment fund manager/agent” and provide the full name of the individual at the law firm certifying the report in the box titled “Full legal name”.
7.	Authority of delegation to agent	One commenter suggested the certification be amended to expressly confirm the authority of the agent to act on behalf of and bind the issuer.	Item 10 of the report states that the certification may be delegated only to an agent that has been authorized by an officer or director of the issuer or underwriter. We do not think the proposed amendment is necessary. The authority of an agent to act on behalf of an issuer or underwriter is governed by the relationship between the issuer or underwriter and its agent.
Information Requirements			
8.	Public listing status [Items 5(g) and 6(e)]	One commenter suggested amendments so that the name of the exchange on which the issuer’s “equity” securities primarily trade be required. Additionally, the commenter suggested that if only debt securities of the issuer trade on an exchange, it should be allowed to name “any” exchange on which they trade.	With respect to an issuer’s equity securities, we have amended the requirement to identify the name of the exchange on which an issuer’s securities primarily trade to apply to equity securities only. We recognize that identifying the exchanges on which an issuer’s debt securities are listed may be problematic for filers given both the nature of debt and how debt is traded. We have amended the requirement in the report so that filers are not required to provide any exchange information pertaining to an issuer’s debt securities.
9.	Support for proposed amendment to allow issuers distributing securities to non-	Three commenters were supportive of the proposed amendment to permit filers to select NIPC which, in their view, will reduce a significant compliance burden associated with the report. One commenter supported the	We acknowledge these comments of support and thank the commenters. This amendment is limited to NIPC in order to address concerns in respect of offerings involving Canadian institutional investors.

No.	Topic	Comments	Responses
	individual permitted clients (NIPC) to indicate this [Schedule 1]	proposed amendment, but believed it should apply to all permitted clients, not just non-individuals.	
Other Proposed Amendments			
10.	Support for proposed amendments to reflect Blanket Order Relief	One commenter supported the proposed amendment to subsection f) of Schedule 1 which allows permitted foreign issuers to omit information regarding whether a purchaser is an insider or a registrant.	We acknowledge this comment of support and thank the commenter.
Other Comments on the Report – Not Directly Related to Proposed Amendments			
11.	Determining jurisdiction of distribution	One commenter suggested that additional guidance be added in the report as to how an issuer is to determine whether a distribution is considered to have taken place in a particular jurisdiction. Another commenter suggested that the report be amended so that the inclusion of information regarding purchasers outside Canada in Item 7 and Schedule 1 is not required under any circumstances, no matter which province the issuer is located in.	Guidance on where the issuer is required to file the report is provided at item #1 of Annex 3 of CSA Staff Notice 45-308. Issuers and underwriters should refer to applicable securities legislation, securities directions and case law to determine whether a distribution has taken place in a local jurisdiction. The suggested amendment is beyond the scope of this project.
12.	Co-issuers	One commenter proposed the adoption of a “primary” issuer concept to address the issues of <ul style="list-style-type: none"> (1) duplicative reporting, where two or more co-issuers are offering the same security, and (2) inaccurate and incomplete issuer information, where the information collected in Item 5 does not correspond to the information that investors would rely upon when making their investment decision. 	We agree with the commenter that in circumstances where two or more issuers distribute a single security, only one report of exempt distribution should be required to be filed for the distribution, and that any one of the co-issuers should be permitted to file the report. We have amended National Instrument 45-106 <i>Prospectus Exemptions</i> to provide that an issuer or underwriter is not required to file a report for a distribution of a security if a report has been filed by another issuer or underwriter for the distribution for the same security. We have also amended Item 3 of the report to require that, in these instances, filers identify the co-issuers of the security distributed.
13.	Benefit of the information being requested is greater than the burden it may impose on filers	Some commenters requested the CSA reconsider some of the required disclosure introduced in the 2016 implementation of the report and questioned whether the benefit of the information requested justifies the burden imposed on filers.	We have streamlined certain information requirements in the report to further alleviate the burden it may impose on filers. Overall, we believe the report strikes an appropriate balance between the information needs of the CSA to support its compliance oversight and policy-making functions and the regulatory burden imposed on filers.
14.	NAICS industry code [Item 5(a)]	Two commenters questioned the meaningfulness and usefulness of the NAICS industry code information requirement, noting that the identification of an issuer’s NAICS industry code requires filers to exercise a significant amount of judgment and may result in inconsistency of classification. One of these commenters suggesting revising the instructions	Using a comprehensive and standardized industry classification system enables us to better understand exempt market activity and to inform our policy making function as regulators. We continue to believe the NAICS industry code is the most appropriate classification system for the purposes of the report. Based on our review of reports filed to date, we have not observed any significant

No.	Topic	Comments	Responses
		to clarify that filers ought to use their best judgment.	<p>inconsistencies in the NAICS industry code submitted across filers from similar industries.</p> <p>We have amended item 5(a) to explicitly require filers to provide the issuer’s NAICS industry code that in their reasonable judgment most closely corresponds to the issuer’s primary business activity. Item #7 of Annex 3 of CSA Staff Notice 45-308 provides guidance that the filer should use its reasonable judgment to determine the NAICS industry code that most closely matches the issuer’s primary business activity.</p>
15.	Date of formation [Items 5(e) and 6(c)]	One commenter noted that the exact month and day of formation, which otherwise generally is not required disclosure for a non-reporting issuer, is often very difficult to obtain.	The requirement to provide the exact month and day of formation is consistent with the requirement for issuers that have a SEDAR profile. We understand that this information can be obtained through the issuer, and we believe this information would generally not be unduly difficult to obtain.
16.	CUSIP number [Items 5(g) and 6(e)]	One commenter noted that many issuers have multiple CUSIP numbers and believed the CUSIP number the CSA requires filers to disclose in these sections is the CUSIP number for the issuer’s common shares and not the CUSIP number for the particular securities described in the report.	We do not believe a clarifying instruction is necessary. Items 5(g) and 6(e) ask for the first 6 digits of the issuer’s CUSIP number and these 6 digits will be the same for all securities of the issuer.
17.	Size of issuer’s assets [Item 5(h)]	One commenter suggested that the requirement to disclose the size of the issuer’s assets for its most recent financial year-end be revised to allow the filer to provide the required information based on the most recently available financial statements.	We have amended the instruction to direct filers to select the size of the issuer’s assets “based on its most recently available annual financial statements” to provide clarity to issuers who have completed a financial year end but have not yet prepared their annual financial statements.
18.	Net proceeds to the investment fund [Item 7(g)]	One commenter asked that the CSA consider revising the requirements of Item 7(g) because the requirements are burdensome for most alternative fund managers and some issuers consider such data to be highly confidential and commercially sensitive.	<p>Information about the fund on a net proceeds basis is vital to our understanding of investment funds distributing in the exempt market.</p> <p>Also, in certain jurisdictions, the reporting of net proceeds is required as part of the calculation of fees payable for reports of exempt distribution. We understand that fund managers consistently track the purchases and redemptions of their funds. Therefore, we do not believe it is burdensome to report net proceeds.</p>
19.	Whether the person compensated is a registrant [Item 8(a)]	One commenter suggested that the question “Indicate whether the person compensated is a registrant” be amended to “Indicate whether the person compensated has an NRD number” to better address international dealers who, technically, are not registrants but have an NRD number.	If a person compensated is relying on the “international dealer exemption” or the “international adviser exemption” (as set out in section 8.18 and in section 8.26, respectively, of National Instrument 31-103 <i>Registration Requirements, Exemptions and Ongoing Registrant Obligations</i>), the filer should respond “no” to the first question in Item 8(a) asking whether the person

No.	Topic	Comments	Responses
			<p>compensated is a registrant but, as these firms are issued an NRD number for tracking purposes, the firm should provide the firm's NRD number in the third section of Item 8(a).</p>
20.	<p>Residential address of directors, executive officers, promoters and control persons of the issuer</p> <p>[Item 9(c) and Schedule 2, paragraph c)]</p>	<p>One commenter suggested eliminating the requirement to provide residential addresses for directors, executive officers, promoters and control persons of the issuer citing that an issuer may not necessarily have the information available and privacy issues in certain jurisdictions with disclosing residential addresses.</p>	<p>Residential address information has proven an effective means of locating and contacting individuals and is used to support our compliance functions. We believe this information would not be unduly difficult to obtain. Information collected in Schedule 2 is not on the public record of any CSA member. The release of this information through a freedom of information request is governed by freedom of information legislation in place in each CSA jurisdiction.</p>
21.	<p>Purchasers' secondary given names</p> <p>[Schedule 1, paragraph b)3]</p>	<p>One commenter suggested that purchasers' secondary given names should only be required to the extent that they are applicable and available.</p>	<p>To the extent that purchasers' secondary given names are provided to the issuer, they should be disclosed in the report. We have amended the requirement for secondary given names to add the words "(if applicable)".</p>
22.	<p>Alberta specific comments</p>	<p>Two comments were received that are specific to Alberta, addressing distributions outside the jurisdiction and additional prospectus exemptions in Alberta.</p>	<p>The comments are outside the scope of this project, and we have referred them to the appropriate staff at the ASC who are currently reviewing Alberta's approach to distributions outside the jurisdiction.</p>

ANNEX C

AMENDMENTS TO
NATIONAL INSTRUMENT 45-106 PROSPECTUS EXEMPTIONS

1. **National Instrument 45-106 Prospectus Exemptions is amended by this Instrument.**
2. **Section 6.2 is amended by adding the following subsection:**
 - (3) An issuer or underwriter is not required to file a report under section 6.1 for a distribution of a security if a report has been filed by another issuer or underwriter for the distribution of the same security..
3. **Subsection 7.1(3) is amended by adding “Alberta and” before “Ontario”.**
4. **Form 45-106F1 Report of Exempt Distribution is amended**
 - (a) **in section 1, under the heading “A. General Instructions”, by adding the following after “The issuer or underwriter must file the report in a jurisdiction of Canada if the distribution occurs in the jurisdiction”:**

“, and the issuer or underwriter is relying on a specific exemption from the prospectus requirement set out in section 6.1 of the Instrument. The requirement to file this report might also be a condition of a prospectus exemption provided in a national, multilateral or local rule or instrument, or a condition of an exemptive relief order”;
 - (b) **in section 4, under the heading “A. General Instructions”, by adding the following paragraph at the end:**

“Joint purchasers may be treated as one purchaser for the purposes of Item 7(f) of this form.”;
 - (c) **in section 9, under the heading “A. General Instructions”:**
 - (i) **by deleting “noon” wherever it occurs,**
 - (ii) **by replacing “recent closing” with “recent daily”, and**
 - (iii) **by deleting “If the Bank of Canada no longer publishes a daily noon exchange rate and closing exchange rate, convert foreign currency using the daily single indicative exchange rate of the Bank of Canada in the same manner described in each of the three scenarios above.”;**
 - (d) **by replacing section 12 under the heading “A. General Instructions” with the following:**

12. Security codes

Wherever this form requires disclosure of the type of security, use the following security codes:

Security code	Security type
BND	Bonds
CER	Certificates <i>(including pass-through certificates, trust certificates)</i>
CMS	Common shares
CVD	Convertible debentures
CVN	Convertible notes
CVP	Convertible preferred shares
DCT	Digital coins or tokens
DEB	Debentures
DRS	Depository receipts <i>(such as American or Global depository receipts/shares)</i>
FTS	Flow-through shares
FTU	Flow-through units

Security code	Security type
LPU	Limited partnership units and limited partnership interests <i>(including capital commitments)</i>
MTG	Mortgages <i>(other than syndicated mortgages)</i>
NOT	Notes <i>(include all types of notes except convertible notes)</i>
OPT	Options
PRS	Preferred shares
RTS	Rights
SMG	Syndicated mortgages
SUB	Subscription receipts
UBS	Units of bundled securities <i>(such as a unit consisting of a common share and a warrant)</i>
UNT	Units <i>(exclude units of bundled securities, include trust units and mutual fund units)</i>
WNT	Warrants <i>(including special warrants)</i>
OTH	Other securities not included above <i>(if selected, provide details of security type in Item 7d)</i>

(e) **by adding the following section under the heading “A. General Instructions”:**

13. Distributions by more than one issuer of a single security

If two or more issuers distributed a single security, provide the full legal names of the co-issuers in Item 3.;

(f) **by adding the following under the heading “B. Terms used in the form” before “permitted client”:**

“NRD” means National Registration Database;;

(g) **by replacing the portion of the form that follows the text under the heading “B. Terms used in the form” and precedes Item 5 of the form with the following:**

Form 45-106F1 Report of Exempt Distribution

ITEM 1 – REPORT TYPE

New report
 Amended report If amended, provide filing date of report that is being amended. (YYYY-MM-DD)

ITEM 2 – PARTY CERTIFYING THE REPORT

Indicate the party certifying the report (select only one). For guidance regarding whether an issuer is an investment fund, refer to section 1.1 of National Instrument 81-106 Investment Fund Continuous Disclosure and the companion policy to NI 81-106.

Investment fund issuer
 Issuer (other than an investment fund)
 Underwriter

ITEM 3 – ISSUER NAME AND OTHER IDENTIFIERS

Provide the following information about the issuer, or if the issuer is an investment fund, about the fund.

Full legal name

Previous full legal name

If the issuer's name changed in the last 12 months, provide most recent previous legal name.

Website (if applicable)

If the issuer has a legal entity identifier, provide below. Refer to Part B of the Instructions for the definition of "legal entity identifier".

Legal entity identifier

If two or more issuers distributed a single security, provide the full legal name(s) of the co-issuer(s) other than the issuer named above.

Full legal name(s) of co-issuer(s) (if applicable)

ITEM 4 – UNDERWRITER INFORMATION

If an underwriter is completing the report, provide the underwriter's full legal name and firm NRD number.

Full legal name

Firm NRD number (if applicable)

If the underwriter does not have a firm NRD number, provide the head office contact information of the underwriter.

Street address

Municipality Province/State

Country Postal code/Zip code

Telephone number Website (if applicable)

- (h) *in Item 5(a), by adding “in your reasonable judgment most closely” before “corresponds to the issuer’s primary business activity”;*
- (i) *in Item 5(a), by deleting “For more information on finding NAICS industry code go to **Statistics Canada’s NAICS industry search tool.**”;*
- (j) *in Item 5(a), by adding “ Cryptoassets” after “ Private companies”;*
- (k) *in Item 5(g), by replacing “If the issuer is publicly listed, provide the names of all exchanges on which its securities are listed. Include only the names of exchanges for which the issuer has applied for and received a listing, which excludes, for example, automated trading systems.” with “If the issuer is publicly listed, provide the name of the exchange on which the issuer’s equity securities primarily trade. Provide only the name of an exchange and not a trading facility such as, for example, an automated trading system.”;*
- (l) *in Item 5(g), by replacing “Exchange names” with “Exchange name”;*
- (m) *in Item 5(h), by replacing “Select the size of the issuer’s assets for its most recent financial year-end (Canadian \$). If the issuer has not existed for a full financial year, provide the size of the issuer’s assets at the distribution end date.” with “Select the size of the issuer’s assets based on its most recently available annual financial statements (Canadian \$). If the issuer has not prepared annual financial statements for its first financial year, provide the size of the issuer’s assets at the distribution end date.”;*
- (n) *in Item 6(b), by adding “ Cryptoasset” after “ Alternative strategies”;*
- (o) *in Item 6(e), by replacing “If the investment fund is publicly listed, provide the names of all exchanges on which its securities are listed. Include only the names of exchanges for which the investment fund has applied for and received a listing, which excludes, for example, automated trading systems.” with “If the investment fund is publicly listed, provide the name of the exchange on which the investment fund’s securities primarily trade. Provide only the name of an exchange and not a trading facility such as, for example, an automated trading system.”;*
- (p) *in Item 6(e), by replacing “Exchange names” with “Exchange name”;*
- (q) *in Item 7, by adding “in connection with the distribution” after “or finder’s fees”;*
- (r) *in Item 7, by replacing “should” with “must”;*
- (s) *in Item 7(d), by replacing “Provide the following information for all distributions that take place in a jurisdiction of Canada on a per security basis. Refer to Part A of the Instructions for how to indicate the security code.” with “Provide the following information for all distributions reported on a per security basis. Refer to Part A(12) of the Instructions for how to indicate the security code.”;*
- (t) *in Item 7(e), by replacing “Security code” with “Convertible/exchangeable security code”;*

(u) **by replacing Item 7(f) with the following:**

f) Summary of the distribution by jurisdiction and exemption

State the total dollar amount of securities distributed and the number of purchasers for each jurisdiction of Canada and foreign jurisdiction where a purchaser resides and for each exemption relied on in Canada for that distribution. However, if an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, include distributions to purchasers resident in that jurisdiction of Canada only.

This table requires a separate line item for: (i) each jurisdiction where a purchaser resides, (ii) each exemption relied on in the jurisdiction where a purchaser resides, if a purchaser resides in a jurisdiction of Canada, and (iii) each exemption relied on in Canada, if a purchaser resides in a foreign jurisdiction.

For jurisdictions within Canada, state the province or territory, otherwise state the country.

Province or country	Exemption relied on	Number of unique purchasers ^{2a}	Total amount (Canadian \$)
Total dollar amount of securities distributed			
Total number of unique purchasers^{2b}			

^{2a}In calculating the number of unique purchasers per row, count each purchaser only once. Joint purchasers may be counted as one purchaser.

^{2b}In calculating the total number of unique purchasers to which the issuer distributed securities, count each purchaser only once, regardless of whether the issuer distributed multiple types of securities to, and relied on multiple exemptions for, that purchaser.

(v) **in Item 9, by replacing “(select all that apply)” with “(select the one that applies – if more than one applies, select only one)”;**

(w) **in Item 9, by replacing “Issuer distributing eligible foreign securities only to permitted clients” with “Issuer distributing only eligible foreign securities and the distribution is to permitted clients only”;**

(x) **by replacing Item 10 with the following:**

ITEM 10 – CERTIFICATION			
<p><i>Provide the following certification and business contact information of an officer, director or agent of the issuer or underwriter. If the issuer or underwriter is not a company, an individual who performs functions similar to that of a director or officer may certify the report. For example, if the issuer is a trust, the report may be certified by the issuer's trustee. If the issuer is an investment fund, a director or officer of the investment fund manager (or, if the investment fund manager is not a company, an individual who performs similar functions) may certify the report if the director or officer has been authorized to do so by the investment fund.</i></p> <p><i>The certification may be delegated, but only to an agent that has been authorized by an officer or director of the issuer or underwriter to prepare and certify the report on behalf of the issuer or underwriter. If the report is being certified by an agent on behalf of the issuer or underwriter, provide the applicable information for the agent in the boxes below.</i></p> <p><i>If the individual completing and filing the report is different from the individual certifying the report, provide the name and contact details for the individual completing and filing the report in Item 11.</i></p> <p><i>The signature on the report must be in typed form rather than handwritten form. The report may include an electronic signature provided the name of the signatory is also in typed form.</i></p>			
<p><i>Securities legislation requires an issuer or underwriter that makes a distribution of securities under certain prospectus exemptions to file a completed report of exempt distribution.</i></p> <p>By completing the information below, I certify, on behalf of the issuer/underwriter/investment fund manager, to the securities regulatory authority or regulator, as applicable, that I have reviewed this report and to my knowledge, having exercised reasonable diligence, the information provided in this report is true and, to the extent required, complete.</p>			
Name of issuer/underwriter/ investment fund manager/agent	<input style="width: 100%; height: 25px;" type="text"/>		
Full legal name	<input style="width: 30%; height: 25px;" type="text"/>	<input style="width: 30%; height: 25px;" type="text"/>	<input style="width: 30%; height: 25px;" type="text"/>
	Family name	First given name	Secondary given names
Title	<input style="width: 100%; height: 25px;" type="text"/>		
Telephone number	<input style="width: 200px; height: 25px;" type="text"/>	Email address	<input style="width: 200px; height: 25px;" type="text"/>
Signature	<input style="width: 200px; height: 25px;" type="text"/>	Date	<input style="width: 50px; height: 25px;" type="text"/> <input style="width: 50px; height: 25px;" type="text"/> <input style="width: 50px; height: 25px;" type="text"/>
		YYYY	MM
			DD

(y) **in paragraph b) of Schedule 1, by adding the following under the heading “b) Legal name of purchaser” and before “1. Family name”:**

If two or more individuals have purchased a security as joint purchasers, provide information for each purchaser under the columns for family name, first given name and secondary given names, if applicable, and separate the individuals’ names with an ampersand. For example, if Jane Jones and Robert Smith are joint purchasers, indicate “Jones & Smith” in the family name column.;

(z) **in paragraph b) of Schedule 1, by adding “(if applicable)” after “3. Secondary given names”;**

(aa) **in paragraph e)2 of Schedule 1, by replacing “(select only one)” with “(select only one – if the purchaser is a permitted client that is not an individual, “NIPC” can be selected instead of the paragraph number)”;**

(bb) **except in Ontario, in Schedule 1, by adding the following below the heading “f) Other information” and before “1. Is the purchaser a registrant? (Y/N)”:**

Paragraphs f)1. and f)2. do not apply if any of the following apply:

- (a) *the issuer is a foreign public issuer;*
- (b) *the issuer is a wholly owned subsidiary of a foreign public issuer;*
- (c) *the issuer is distributing only eligible foreign securities and the distribution is to permitted clients only.;*

- (cc) **in Ontario, in paragraph f) of Schedule 1, by replacing “In Ontario, clauses (f)1. and (f)2. do not apply if one or more of the following apply:” with “Paragraphs f)1. and f)2. do not apply if any of the following apply”;**
- (dd) **in Ontario, in paragraph f) of Schedule 1, by replacing “the issuer is distributing eligible foreign securities only to permitted clients” with “the issuer is distributing only eligible foreign securities and the distribution is to permitted clients only”;**
- (ee) **by deleting paragraph f)3 of Schedule 1 and replacing it with the following:**
3. Full legal name of person compensated for distribution to purchaser. If a person compensated is a registered firm, provide the firm NRD number only. (Note: the names must be consistent with the names of the persons compensated as provided in Item 8.);
- (ff) **in Schedule 1, under the heading “INSTRUCTIONS FOR SCHEDULE 1”, by replacing “needs to” with “must”; and**
- (gg) **by replacing the portion of the Form after the heading “Questions:” with the following:**

Refer any questions to:

Alberta Securities Commission

Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: 403-297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: 403-297-2082
Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: 604-899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: 604-899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information: FOI Inquiries

The Manitoba Securities Commission

500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: 204-945-2561
Toll free in Manitoba: 1-800-655-5244
Facsimile: 204-945-0330
Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)

85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: 506-658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: 506-658-3059
Email: info@fcnb.ca
Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer

**Government of Newfoundland and Labrador
Financial Services Regulation Division**

P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: 709-729-4189
Facsimile: 709-729-6187
Public official contact regarding indirect collection of information: Superintendent of Securities

**Government of the Northwest Territories
Office of the Superintendent of Securities**

P.O. Box 1320
Yellowknife, Northwest Territories X1A 2L9
Telephone: 867-767-9305
Facsimile: 867-873-0243
Public official contact regarding indirect collection of information: Superintendent of Securities

Nova Scotia Securities Commission

Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: 902-424-7768
Facsimile: 902-424-4625
Public official contact regarding indirect collection of information: Executive Director

**Government of Nunavut
Department of Justice**

Legal Registries Division
P.O. Box 1000, Station 570
1st Floor, Brown Building
Iqaluit, Nunavut X0A 0H0
Telephone: 867-975-6590
Facsimile: 867-975-6594
Public official contact regarding indirect collection of information: Superintendent of Securities

Ontario Securities Commission

20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: 416-593- 8314
Toll free in Canada: 1-877-785-1555
Facsimile: 416-593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information: Inquiries Officer

Prince Edward Island Securities Office

95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: 902-368-4569
Facsimile: 902-368-5283
Public official contact regarding indirect collection of information: Superintendent of Securities

Autorité des marchés financiers

800, rue du Square-Victoria, 22e étage

C.P. 246, tour de la Bourse

Montréal, Québec H4Z 1G3

Telephone: 514-395-0337 or 1-877-525-0337

Facsimile: 514-873-6155 (For filing purposes only)

Facsimile: 514-864-6381 (For privacy requests only)

Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers);

fonds_dinvestissement@lautorite.qc.ca (For investment fund issuers)

Public official contact regarding indirect collection of information: Corporate Secretary

Financial and Consumer Affairs Authority of Saskatchewan

Suite 601 – 1919 Saskatchewan Drive

Regina, Saskatchewan S4P 4H2

Telephone: 306-787-5842

Facsimile: 306-787-5899

Public official contact regarding indirect collection of information: Director

Office of the Superintendent of Securities

Government of Yukon

Department of Community Services

307 Black Street, 1st Floor

P.O. Box 2703, C-6

Whitehorse, Yukon Y1A 2C6

Telephone: 867-667-5466

Facsimile: 867-393-6251

Email: securities@gov.yk.ca

Public official contact regarding indirect collection of information: Superintendent of Securities .

5. This Instrument comes into force on October 5, 2018.

ANNEX D

CHANGE TO COMPANION POLICY 45-106CP *PROSPECTUS EXEMPTIONS*

The Canadian Securities Administrators are publishing a change to Companion Policy 45-106CP *Prospectus Exemptions (45-106CP)*. The change comes into effect on the implementation of the Rule Amendments. This Annex shows, by way of blackline, the change to the relevant portion of 45-106CP.

PART 5 – FORMS

5.1 Report of exempt distribution

(1) Requirement to file

An issuer that has distributed a security of its own issue under any of the prospectus exemptions listed in section 6.1 of NI 45-106 is required to file a report of exempt distribution, on or before the 10th day after the distribution. Alternatively, if an underwriter distributes securities acquired under section 2.33 of NI 45-106, either the issuer or the underwriter may complete and file the form. If there is a syndicate of underwriters, the lead underwriter may file the form on behalf of the syndicate or each underwriter may file a form relating to the portion of the distribution it was responsible for. In certain circumstances, two or more issuers distribute a single security. In these circumstances, only one report of exempt distribution is required to be filed for the distribution, which may be completed and filed by any one of the co-issuers. The required form of report is Form 45-106F1 *Report of Exempt Distribution*. In determining if it is required to file a report in a particular jurisdiction, the issuer or underwriter should consider the following questions:

- (a) Is there a distribution in the jurisdiction? (Please refer to the securities legislation and securities directions of the jurisdiction for guidance, if any, on when a distribution occurs in the jurisdiction.)
- (b) If there is a distribution in the jurisdiction, what exemption from the prospectus requirement is the issuer relying on for the distribution of the security?
- (c) Does the exemption referred to in paragraph (b) trigger a reporting requirement? (Reports of exempt distribution are required for distributions made in reliance on the prospectus exemptions listed in section 6.1 of NI 45-106, Multilateral Instrument 45-108 *Crowdfunding* and certain local rules and orders.)

A distribution may occur in more than one jurisdiction. In this case, the issuer may complete a single report identifying all purchasers, and file the report in each Canadian jurisdiction where the distribution has occurred.

[Editor's Note: Annex E follows on separately numbered pages. Bulletin pagination resumes with Annex F.]

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ANNEX E

BLACKLINE OF FORM 45-106F1 *REPORT OF EXEMPT DISTRIBUTION* REFLECTING THE AMENDMENTS

This is a blackline showing amendments to the Form 45-106F1 against the version that was adopted by the CSA on June 30, 2016.

The existing Ontario version of the Report differs from the June 30, 2016 CSA version, as the substance of the new italicized text immediately before the questions in paragraph f) of Schedule 1 of the Report was added by way of an Ontario-only amendment that came into force on July 29, 2016.

Form 45-106F1 *Report of Exempt Distribution*

A. General Instructions

1. Filing instructions

An issuer or underwriter that is required to file a report of exempt distribution and pay the applicable fee must file the report and pay the fee as follows:

- **In British Columbia** – through BCSC eServices at <http://www.bsc.bc.ca>.
- **In Ontario** – through the online e-form available at <http://www.osc.gov.on.ca>.
- **In all other jurisdictions** – through the System for Electronic Document Analysis and Retrieval (SEDAR) in accordance with National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)* if required, or otherwise with the securities regulatory authority or regulator, as applicable, in the applicable jurisdictions at the addresses listed at the end of this form.

The issuer or underwriter must file the report in a jurisdiction of Canada if the distribution occurs in the jurisdiction, and the issuer or underwriter is relying on a specific exemption from the prospectus requirement set out in section 6.1 of the Instrument. The requirement to file this report might also be a condition of a prospectus exemption provided in a national, multilateral or local rule or instrument, or a condition of an exemptive relief order. If a distribution is made in more than one jurisdiction of Canada, the issuer or underwriter may satisfy its obligation to file the report by completing a single report identifying all purchasers, and file the report in each jurisdiction of Canada in which the distribution occurs. Filing fees payable in a particular jurisdiction are not affected by identifying all purchasers in a single report.

In order to determine the applicable fee in a particular jurisdiction of Canada, consult the securities legislation of that jurisdiction.

2. Issuers located outside of Canada

If an issuer located outside of Canada determines that a distribution has taken place in a jurisdiction of Canada, include information about purchasers resident in that jurisdiction only.

3. Multiple distributions

An issuer may use one report for multiple distributions occurring within 10 days of each other, provided the report is filed on or before the 10th day following the first distribution date. However, an investment fund issuer that is relying on the exemptions set out in subsection 6.2(2) of NI 45-106 may file the report annually in accordance with that subsection.

4. References to purchaser

References to a purchaser in this form are to the beneficial owner of the securities.

However, if a trust company, trust corporation, or registered adviser described in paragraph (p) or (q) of the definition of “accredited investor” in section 1.1 of NI 45-106 has purchased the securities on behalf of a fully managed account, provide information about the trust company, trust corporation or registered adviser only; do not include information about the beneficial owner of the fully managed account.

[Joint purchasers may be treated as one purchaser for the purposes of Item 7\(f\) of this form.](#)

5. References to issuer

References to “issuer” in this form include an investment fund issuer and a non-investment fund issuer, unless otherwise specified.

6. Investment fund issuers

If the issuer is an investment fund, complete Items 1-3, 6-8, 10, 11 and Schedule 1 of this form.

7. Mortgage investment entities

If the issuer is a mortgage investment entity, complete all applicable items of this form other than Item 6.

8. Language

The report must be filed in English or in French. In Québec, the issuer or underwriter must comply with linguistic rights and obligations prescribed by Québec law.

9. Currency

All dollar amounts in the report must be in Canadian dollars. If the distribution was made or any compensation was paid in connection with the distribution in a foreign currency, convert the currency to Canadian dollars using the daily ~~noon~~ exchange rate of the Bank of Canada on the distribution date. If the distribution date occurs on a date when the daily ~~noon~~ exchange rate of the Bank of Canada is not available, convert the currency to Canadian dollars using the most recent closing daily exchange rate of the Bank of Canada available before the distribution date. For investment funds in continuous distribution, convert the currency to Canadian dollars using the average daily ~~noon~~ exchange rate of the Bank of Canada for the distribution period covered by the report.

~~If the Bank of Canada no longer publishes a daily noon exchange rate and closing exchange rate, convert foreign currency using the daily single indicative exchange rate of the Bank of Canada in the same manner described in each of the three scenarios above.~~

If the distribution was not made in Canadian dollars, provide the foreign currency in Item 7(a) of the report.

10. Date of information in report

Unless otherwise indicated in this form, provide the information as of the distribution end date.

11. Date of formation

For the date of formation, provide the date on which the issuer was incorporated, continued or organized (formed). If the issuer resulted from an amalgamation, arrangement, merger or reorganization, provide the date of the most recent amalgamation, arrangement, merger or reorganization.

12. Security codes

Wherever this form requires disclosure of the type of security, use the following security codes:

Security code	Security type
BND	Bonds
CER	Certificates <i>(including pass-through certificates, trust certificates)</i>
CMS	Common shares
CVD	Convertible debentures
CVN	Convertible notes
CVP	Convertible preferred shares
<u>DCT</u>	<u>Digital coins or tokens</u>
DEB	Debentures

Security code	Security type
DRS	Depository receipts (such as American or Global depository receipts/shares)
FTS	Flow-through shares
FTU	Flow-through units
LPU	Limited partnership units and limited partnership interests (including capital commitments)
MTG	Mortgages (other than syndicated mortgages)
NOT	Notes <i>(include all types of notes except convertible notes)</i>
OPT	Options
PRS	Preferred shares
RTS	Rights
SMG	Syndicated mortgages
SUB	Subscription receipts
UBS	Units of bundled securities <i>(such as a unit consisting of a common share and a warrant)</i>
UNT	Units <i>(exclude units of bundled securities, include trust units and mutual fund units)</i>
WNT	Warrants (including special warrants)
OTH	Other securities not included above <i>(if selected, provide details of security type in Item 7d)</i>

13. Distributions by more than one issuer of a single security

If two or more issuers distributed a single security, provide the full legal names of the co-issuers in Item 3.

B. Terms used in the form

1. For the purposes of this form:

“designated foreign jurisdiction” means Australia, France, Germany, Hong Kong, Italy, Japan, Mexico, the Netherlands, New Zealand, Singapore, South Africa, Spain, Sweden, Switzerland or the United Kingdom of Great Britain and Northern Ireland;

“eligible foreign security” means a security offered primarily in a foreign jurisdiction as part of a distribution of securities in either of the following circumstances:

- (a) the security is issued by an issuer
 - (i) that is incorporated, formed or created under the laws of a foreign jurisdiction,
 - (ii) that is not a reporting issuer in a jurisdiction of Canada,
 - (iii) that has its head office outside of Canada, and
 - (iv) that has a majority of the executive officers and a majority of the directors ordinarily resident outside of Canada;
- (b) the security is issued or guaranteed by the government of a foreign jurisdiction;

“foreign public issuer” means an issuer where any of the following apply:

- (a) the issuer has a class of securities registered under section 12 of the 1934 Act;
- (b) the issuer is required to file reports under section 15(d) of the 1934 Act;
- (c) the issuer is required to provide disclosure relating to the issuer and the trading in its securities to the public, to security holders of the issuer or to a regulatory authority and that disclosure is publicly available in a designated foreign jurisdiction;

“legal entity identifier” means a unique identification code assigned to the person

- (a) in accordance with the standards set by the Global Legal Entity Identifier System, or
- (b) that complies with the standards established by the Legal Entity Identifier Regulatory Oversight Committee for pre-legal entity identifiers;

“NRD” means [National Registration Database](#);

“permitted client” has the same meaning as in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;

“SEDAR profile” means a filer profile required under section 5.1 of National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)*.

2. For the purposes of this form, a person is connected with an issuer or an investment fund manager if either of the following applies:

- (a) one of them is controlled by the other;
- (b) each of them is controlled by the same person.

Form 45-106F1 Report of Exempt Distribution

IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT

ITEM 1 – REPORT TYPE

New report

Amended report If amended, provide filing date of report that is being amended. (YYYY-MM-DD)

ITEM 2 – PARTY CERTIFYING THE REPORT

Indicate the party certifying the report (select only one). For guidance regarding whether an issuer is an investment fund, refer to section 1.1 of National Instrument 81-106 Investment Fund Continuous Disclosure and the companion policy to NI 81-106.

Investment fund issuer

Issuer (other than an investment fund)

Underwriter

ITEM 3 – ISSUER NAME AND OTHER IDENTIFIERS

Provide the following information about the issuer, or if the issuer is an investment fund, about the fund.

Full legal name

Previous full legal name

If the issuer's name changed in the last 12 months, provide most recent previous legal name.

Website (if applicable)

If the issuer has a legal entity identifier, provide below. Refer to Part B of the Instructions for the definition of "legal entity identifier".

Legal entity identifier

If two or more issuers distributed a single security, provide the full legal name(s) of the co-issuer(s) other than the issuer named above.

Full legal name(s) of co-issuer(s) (if applicable)

ITEM 4 – UNDERWRITER INFORMATION

If an underwriter is completing the report, provide the underwriter's full legal name and firm ~~National Registration Database (NRD)~~ NRD number.

Full legal name

Firm NRD number (if applicable)

If the underwriter does not have a firm NRD number, provide the head office contact information of the underwriter.

Street address

Municipality

Province/State

Country	<input style="width: 90%;" type="text"/>	Postal code/Zip code	<input style="width: 90%;" type="text"/>
Telephone number	<input style="width: 90%;" type="text"/>	Website	<input style="width: 90%;" type="text"/> (if applicable)

ITEM 5 – ISSUER INFORMATION

If the issuer is an investment fund, do not complete Item 5. Proceed to Item 6.

a) Primary industry

Provide the issuer's North American Industry Classification Standard (NAICS) code (6 digits only) that [in your reasonable judgment most closely](#) corresponds to the issuer's primary business activity. ~~For more information on finding the NAICS industry code go to~~ **Statistics Canada's NAICS industry search tool.**

NAICS industry code

If the issuer is in the **mining industry**, indicate the stage of operations. This does not apply to issuers that provide services to issuers operating in the mining industry. Select the category that best describes the issuer's stage of operations.

Exploration Development Production

Is the issuer's primary business to invest all or substantially all of its assets in any of the following? If yes, select all that apply.

Mortgages Real estate Commercial/business debt Consumer debt Private companies

[Cryptoassets](#)

b) Number of employees

Number of employees: 0 – 49 50 – 99 100 – 499 500 or more

c) SEDAR profile number

Does the issuer have a [SEDAR](#) profile?

No Yes If yes, provide SEDAR profile number

If the issuer does not have a SEDAR profile complete Item 5(d) – (h).

d) Head office address

Street address Province/State

Municipality Postal code/Zip code

Country Telephone number

e) Date of formation and financial year-end

Date of formation Financial year-end

YYYY MM DD MM DD

f) Reporting issuer status

Is the issuer a reporting issuer in any jurisdiction of Canada? No Yes

If yes, select the jurisdictions of Canada in which the issuer is a reporting issuer.

All AB BC MB NB NL NT

NS NU ON PE QC SK YT

g) Public listing status

If the issuer has a CUSIP number, provide below (first 6 digits only).

CUSIP number

If the issuer is publicly listed, provide the ~~names~~name of ~~all exchanges~~the exchange on which ~~its~~the issuer's equity securities are listed. Include only the names of exchanges for which the issuer has applied for and received a listing, which excludes ~~primarily trade~~. Provide only the name of an exchange and not a trading facility such as, for example, an automated trading ~~systems~~system.

Exchange ~~names~~name

h) Size of issuer's assets

Select the size of the issuer's assets ~~for based on~~ its most ~~recent~~recently available ~~annual~~ financial ~~year-end~~statements (Canadian \$). If the issuer has not ~~existed for a full~~prepared annual financial statements for its first financial year, provide the size of the issuer's assets at the distribution end date.

- \$0 to under \$5M \$5M to under \$25M \$25M to under \$100M
 \$100M to under \$500M \$500M to under \$1B \$1B or over

ITEM 6 – INVESTMENT FUND ISSUER INFORMATION

If the issuer is an investment fund, provide the following information.

a) Investment fund manager information

Full legal name

Firm NRD Number (if applicable)

If the investment fund manager does not have a firm NRD number, provide the head office contact information of the investment fund manager.

Street Address

Municipality

Province/State

Country

Postal code/Zip code

Telephone number

Website (if applicable)

b) Type of investment fund

Type of investment fund that most accurately identifies the issuer (select only one).

- Money market Equity Fixed income Balanced
 ~~Balanced~~Alternative strategies ~~Alternative strategies~~Cryptoasset Other (describe)

Indicate whether one or both of the following apply to the investment fund.

- Invests primarily in other investment fund issuers
 Is a UCITs Fund¹

¹Undertaking for the Collective Investment of Transferable Securities funds (UCITs Funds) are investment funds regulated by the European Union (EU) directives that allow collective investment schemes to operate throughout the EU on a passport basis on authorization from one member state.

c) Date of formation and financial year-end of the investment fund

Date of formation
YYYY MM DD

Financial year-end
MM DD

d) Reporting issuer status of the investment fund

Is the investment fund a reporting issuer in any jurisdiction of Canada? No Yes

If yes, select the jurisdictions of Canada in which the investment fund is a reporting issuer.

- All AB BC MB NB NL NT
 NS NU ON PE QC SK YT

e) Public listing status of the investment fund

If the investment fund has a CUSIP number, provide below (first 6 digits only).

CUSIP number

If the investment fund is publicly listed, provide the ~~names name~~ of ~~all exchanges~~ the exchange on which ~~its~~ the investment fund's securities are listed. Include only the names of exchanges for which the investment fund has applied for and received a listing, which excludes primarily trade. Provide only the name of an exchange and not a trading facility such as, for example, an automated trading system's system.

Exchange ~~names name~~

f) Net asset value (NAV) of the investment fund

Select the NAV range of the investment fund as of the date of the most recent NAV calculation (Canadian \$).

- \$0 to under \$5M \$5M to under \$25M \$25M to under \$100M
 \$100M to under \$500M \$500M to under \$1B \$1B or over
- Date of NAV calculation:
 YYYY MM DD

ITEM 7 – INFORMATION ABOUT THE DISTRIBUTION

If an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, include in Item 7 and Schedule 1 information about purchasers resident in that jurisdiction of Canada only. Do not include in Item 7 securities issued as payment of commissions or finder's fees in connection with the distribution, which should must be disclosed in Item 8. The information provided in Item 7 must reconcile with the information provided in Schedule 1 of the report.

a) Currency

Select the currency or currencies in which the distribution was made. All dollar amounts provided in the report must be in Canadian dollars.

- Canadian dollar US dollar Euro Other (describe)

b) Distribution date(s)

State the distribution start and end dates. If the report is being filed for securities distributed on only one distribution date, provide the distribution date as both the start and end dates. If the report is being filed for securities distributed on a continuous basis, include the start and end dates for the distribution period covered by the report.

Start date End date
 YYYY MM DD YYYY MM DD

c) Detailed purchaser information

Complete Schedule 1 of this form for each purchaser and attach the schedule to the completed report.

d) Types of securities distributed

Provide the following information for all distributions that take place in a jurisdiction of Canada reported on a per security basis. Refer to Part A(12) of the Instructions for how to indicate the security code. If providing the CUSIP number, indicate the full 9-digit CUSIP number assigned to the security being distributed.

Security code	CUSIP number (if applicable)	Description of security	Number of securities	Canadian \$		
				Single or lowest price	Highest price	Total amount

e) Details of rights and convertible/exchangeable securities

If any rights (e.g. warrants, options) were distributed, provide the exercise price and expiry date for each right. If any convertible/exchangeable securities were distributed, provide the conversion ratio and describe any other terms for each convertible/exchangeable security.

SecurityConvertible / exchangeable security code	Underlying security code	Exercise price (Canadian \$)		Expiry date (YYYY-MM-DD)	Conversion ratio	Describe other terms (if applicable)
		Lowest	Highest			

f) Summary of the distribution by jurisdiction and exemption

State the total dollar amount of securities distributed and the number of purchasers for each jurisdiction of Canada and foreign jurisdiction where a purchaser resides and for each exemption relied on in Canada for that distribution. However, if an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, include distributions to purchasers resident in that jurisdiction of Canada only.

This table requires a separate line item for: (i) each jurisdiction where a purchaser resides, (ii) each exemption relied on in the jurisdiction where a purchaser resides, if a purchaser resides in a jurisdiction of Canada, and (iii) each exemption relied on in Canada, if a purchaser resides in a foreign jurisdiction.

For jurisdictions within Canada, state the province or territory, otherwise state the country.

Province or country	Exemption relied on	Number of unique purchasers ^{2a}	Total amount (Canadian \$)
Total dollar amount of securities distributed			
Total number of unique purchasers^{2b}			

^{2a}In calculating the number of unique purchasers per row, count each purchaser only once. Joint purchasers may be counted as one purchaser.

^{2b}In calculating the total number of unique purchasers to which the issuer distributed securities, count each purchaser only once, regardless of whether the issuer distributed multiple types of securities to, and relied on multiple exemptions for, that purchaser.

g) Net proceeds to the investment fund by jurisdiction

If the issuer is an investment fund, provide the net proceeds to the investment fund for each jurisdiction of Canada and foreign jurisdiction where a purchaser resides.³ If an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, include net proceeds for that jurisdiction of Canada only. For jurisdictions within Canada, state the province or territory, otherwise state the country.

Province or country	Net proceeds (Canadian \$)
Total net proceeds to the investment fund	

³"Net proceeds" means the gross proceeds realized in the jurisdiction from the distributions for which the report is being filed, less the gross redemptions that occurred during the distribution period covered by the report.

h) Offering materials – This section applies only in Saskatchewan, Ontario, Québec, New Brunswick and Nova Scotia.

If a distribution has occurred in Saskatchewan, Ontario, Québec, New Brunswick or Nova Scotia, complete the table below by listing the offering materials that are required under the prospectus exemption relied on to be filed with or delivered to the securities regulatory authority or regulator in those jurisdictions.

In Ontario, if the offering materials listed in the table are required to be filed with or delivered to the Ontario Securities Commission (OSC), attach an electronic version of the offering materials that have not been previously filed with or delivered to the OSC.

	Description	Date of document or other material (YYYY-MM-DD)	Previously filed with or delivered to regulator? (Y/N)	Date previously filed or delivered (YYYY-MM-DD)
1.				
2.				
3.				

ITEM 8 – COMPENSATION INFORMATION

Provide information for each person (as defined in NI 45-106) to whom the issuer directly provides, or will provide, any compensation in connection with the distribution. **Complete additional copies of this page if more than one person was, or will be, compensated.**

Indicate whether any compensation was paid, or will be paid, in connection with the distribution.

No

Yes

If yes, indicate number of persons compensated.

a) Name of person compensated and registration status

Indicate whether the person compensated is a registrant.

No

Yes

If the person compensated is an individual, provide the name of the individual.

Full legal name of individual

Family name

First given name

Secondary given names

If the person compensated is not an individual, provide the following information.

Full legal name of non-individual

Firm NRD number

(if applicable)

Indicate whether the person compensated facilitated the distribution through a funding portal or an internet-based portal.

No

Yes

b) Business contact information

If a firm NRD number is not provided in Item 8(a), provide the business contact information of the person being compensated.

Street address

Municipality

Province/State

Country

Postal code/Zip code

Email address

Telephone number

c) Relationship to issuer or investment fund manager

Indicate the person's relationship with the issuer or investment fund manager (select all that apply). Refer to the meaning of "connected" in Part B(2) of the Instructions and the meaning of "control" in section 1.4 of NI 45-106 for the purposes of completing this section.

Connected with the issuer or investment fund manager

Insider of the issuer (other than an investment fund)

Director or officer of the investment fund or investment fund manager

Employee of the issuer or investment fund manager

None of the above

d) Compensation details

Provide details of all compensation paid, or to be paid, to the person identified in Item 8(a) in connection with the distribution. Provide all amounts in Canadian dollars. Include cash commissions, securities-based compensation, gifts, discounts or other compensation. Do not report payments for services incidental to the distribution, such as clerical, printing, legal or accounting services. An issuer is not required to ask for details about, or report on, internal allocation arrangements with the directors, officers or employees of a non-individual compensated by the issuer.

Cash commissions paid

Value of all securities distributed as compensation⁴

Security codes

Security code 1			Security code 2			Security code 3		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Describe terms of warrants, options or other rights

Other compensation⁵

Describe

Total compensation paid

Check box if the person will or may receive any deferred compensation (describe the terms below)

⁴Provide the aggregate value of all securities distributed as compensation, excluding options, warrants or other rights exercisable to acquire additional securities of the issuer. Indicate the security codes for all securities distributed as compensation, including options, warrants or other rights exercisable to acquire additional securities of the issuer.

⁵Do not include deferred compensation.

ITEM 9 – DIRECTORS, EXECUTIVE OFFICERS AND PROMOTERS OF THE ISSUER

If the issuer is an investment fund, do not complete Item 9. Proceed to Item 10.

Indicate whether the issuer is any of the following (select all that applyselect the one that applies – if more than one applies, select only one).

Reporting issuer in any jurisdiction of Canada

Foreign public issuer

Wholly owned subsidiary of a reporting issuer in any jurisdiction of Canada⁶

Provide name of reporting issuer

Wholly owned subsidiary of a foreign public issuer⁶

Provide name of foreign public issuer

Issuer distributing only eligible foreign securities ~~only~~ and the distribution is to permitted clients only⁷

If the issuer is at least one of the above, do not complete Item 9(a) – (c). Proceed to Item 10.

⁶An issuer is a wholly owned subsidiary of a reporting issuer or a foreign public issuer if all of the issuer's outstanding voting securities, other than securities that are required by law to be owned by its directors, are beneficially owned by the reporting issuer or the foreign public issuer, respectively.

⁷Check this box if it applies to the current distribution even if the issuer made previous distributions of other types of securities to non-permitted clients. Refer to the definitions of "eligible foreign security" and "permitted client" in Part B(1) of the Instructions.

If the issuer is none of the above, check this box and complete Item 9(a) – (c).

a) Directors, executive officers and promoters of the issuer

Provide the following information for each director, executive officer and promoter of the issuer. For locations within Canada, state the province or territory, otherwise state the country. For "Relationship to issuer", "D" – Director, "O" – Executive Officer, "P" – Promoter.

Organization or company name	Family name	First given name	Secondary given names	Business location of non-individual or residential jurisdiction of individual	Relationship to issuer (select all that apply)		
				Province or country	D	O	P

b) Promoter information

If the promoter listed above is not an individual, provide the following information for each director and executive officer of the promoter. For locations within Canada, state the province or territory, otherwise state the country. For "Relationship to promoter", "D" – Director, "O" – Executive Officer.

Organization or company name	Family name	First given name	Secondary given names	Residential jurisdiction of individual	Relationship to promoter (select one or both if applicable)	
				Province or country	D	O

c) Residential address of each individual

Complete Schedule 2 of this form providing the full residential address for each individual listed in Item 9(a) and (b) and attach to the completed report. Schedule 2 also requires information to be provided about control persons.

ITEM 10 – CERTIFICATION

Provide the following certification and business contact information of an officer ~~or~~ director or agent of the issuer or underwriter. If the issuer or underwriter is not a company, an individual who performs functions similar to that of a director or officer may certify the report. For example, if the issuer is a trust, the report may be certified by the issuer's trustee. If the issuer is an investment fund, a director or officer of the investment fund manager (or, if the investment fund manager is not a company, an individual who performs similar functions) may certify the report if the director or officer has been authorized to do so by the investment fund.

The certification may ~~not~~ be delegated, but only to an agent ~~or other individual preparing the report on behalf~~ that has been authorized by an officer or director of the issuer or underwriter ~~to prepare and certify the report on behalf of the issuer or underwriter. If the report is being certified by an agent on behalf of the issuer or underwriter, provide the applicable information for the agent in the boxes below.~~

If the individual completing and filing the report is different from the individual certifying the report, provide ~~their~~ the name and contact details for the individual completing and filing the report in Item 11.

The signature on the report must be in typed form rather than handwritten form. The report may include an electronic signature provided the name of the signatory is also in typed form.

IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT

Securities legislation requires an issuer or underwriter that makes a distribution of securities under certain prospectus exemptions to file a completed report of exempt distribution.

By completing the information below, I certify on behalf of the issuer/underwriter/investment fund manager, to the securities regulatory authority or regulator ~~that~~, as applicable, that I have reviewed this report and to my knowledge, having exercised reasonable diligence, the information provided in this report is true and, to the extent required, complete.

- ~~• I have read and understand this report; and~~
- ~~• all of the information provided in this report is true.~~

Name of issuer/underwriter/
investment fund
manager/agent

Full legal name

--	--	--

Family name

First given name

Secondary given names

Title

~~Name of issuer/underwriter/
investment fund manager~~

Telephone number

Email address

Signature

Date

--	--	--

YYYY

MM

DD

ITEM 11 – CONTACT PERSON

Provide the following business contact information for the individual that the securities regulatory authority or regulator may contact with any questions regarding the contents of this report, if different than the individual certifying the report in Item 10.

Same as individual certifying the report

Full legal name

--	--	--

Family name

First given name

Secondary given names

Title

Name of company

Telephone number

Email address

Notice – Collection and use of personal information

The personal information required under this form is collected on behalf of and used by the securities regulatory authority or regulator under the authority granted in securities legislation for the purposes of the administration and enforcement of the securities legislation.

If you have any questions about the collection and use of this information, contact the securities regulatory authority or regulator in the local jurisdiction(s) where the report is filed, at the address(es) listed at the end of this form.

The attached Schedules 1 and 2 may contain personal information of individuals and details of the distribution(s). The information in Schedules 1 and 2 will not be placed on the public file of any securities regulatory authority or regulator. However, freedom of information legislation may require the securities regulatory authority or regulator to make this information available if requested.

By signing this report, the issuer/underwriter confirms that each individual listed in Schedule 1 or 2 of the report who is resident in a jurisdiction of Canada:

- a) has been notified by the issuer/underwriter of the delivery to the securities regulatory authority or regulator of the information pertaining to the individual as set out in Schedule 1 or 2, that this information is being collected by the securities regulatory authority or regulator under the authority granted in securities legislation, that this information is being collected for the purposes of the administration and enforcement of the securities legislation of the local jurisdiction, and of the title, business address and business telephone number of the public official in the local jurisdiction, as set out in this form, who can answer questions about the security regulatory authority's or regulator's indirect collection of the information, and
- b) has authorized the indirect collection of the information by the securities regulatory authority or regulator.

SCHEDULE 1 TO FORM 45-106F1 (CONFIDENTIAL PURCHASER INFORMATION)

Schedule 1 must be filed in the format of an Excel spreadsheet in a form acceptable to the securities regulatory authority or regulator.

The information in this schedule will not be placed on the public file of any securities regulatory authority or regulator. However, freedom of information legislation may require the securities regulatory authority or regulator to make this information available if requested.

a) General information (*provide only once*)

1. Name of issuer
2. Certification date (YYYY-MM-DD)

Provide the following information for each purchaser that participated in the distribution. For each purchaser, create separate entries for each distribution date, security type and exemption relied on for the distribution.

b) Legal name of purchaser

If two or more individuals have purchased a security as joint purchasers, provide information for each purchaser under the columns for family name, first given name and secondary given names, if applicable, and separate the individuals' names with an ampersand. For example, if Jane Jones and Robert Smith are joint purchasers, indicate "Jones & Smith" in the family name column.

1. Family name
2. First given name
3. Secondary given names (*if applicable*)
4. Full legal name of non-individual (*if applicable*)

c) Contact information of purchaser

1. Residential street address
2. Municipality
3. Province/State
4. Postal code/Zip code
5. Country
6. Telephone number
7. Email address (*if available*)

d) Details of securities purchased

1. Date of distribution (YYYY-MM-DD)
2. Number of securities
3. Security code
4. Amount paid (Canadian \$)

e) Details of exemption relied on

1. Rule, section and subsection number
2. If relying on section 2.3 [*Accredited investor*] of NI 45-106, provide the paragraph number in the definition of "accredited investor" in section 1.1 of NI 45-106 that applies to the purchaser. (~~select only one~~select only one – if the purchaser is a permitted client that is not an individual, "NIPC" can be selected instead of the paragraph number)
3. If relying on section 2.5 [*Family, friends and business associates*] of NI 45-106, provide:
 - a. the paragraph number in subsection 2.5(1) that applies to the purchaser (*select only one*); and
 - b. if relying on paragraphs 2.5(1)(b) to (i), provide:
 - i. the name of the director, executive officer, control person, or founder of the issuer or affiliate of the issuer claiming a relationship to the purchaser. (*Note: if Item 9(a) has been completed, the name of the director, executive officer or control person must be consistent with the name provided in Item 9 and Schedule 2.*)
 - ii. the position of the director, executive officer, control person, or founder of the issuer or affiliate of the issuer claiming a relationship to the purchaser.
4. If relying on subsection 2.9(2) or, in Alberta, New Brunswick, Nova Scotia, Ontario, Québec, or Saskatchewan, subsection 2.9(2.1) [*Offering memorandum*] of NI 45-106 and the purchaser is an eligible investor, provide the paragraph number in the definition of "eligible investor" in section 1.1 of NI 45-106 that applies to the purchaser. (*select only one*)

f) Other information

Paragraphs f)1. and f)2. do not apply if any of the following apply:

(a) the issuer is a foreign public issuer;

(b) the issuer is a wholly owned subsidiary of a foreign public issuer;

(c) the issuer is distributing only eligible foreign securities and the distribution is to permitted clients only.¹

1. Is the purchaser a registrant? (Y/N)
2. Is the purchaser an insider of the issuer? (Y/N) *(not applicable if the issuer is an investment fund)*
3. Full legal name of person compensated for distribution to purchaser. If ~~the~~ a person compensated is a registered firm, provide the firm NRD number only. *(Note: the ~~name~~ names must be consistent with ~~name~~ the names of the ~~person~~ persons compensated as provided in Item 8.)*

INSTRUCTIONS FOR SCHEDULE 1

Any securities issued as payment for commissions or finder's fees must be disclosed in Item 8 of the report, not in Schedule 1.

Details of exemption relied on – When identifying the exemption the issuer relied on for the distribution to each purchaser, refer to the rule, statute or instrument in which the exemption is provided and identify the specific section and, if applicable, subsection or paragraph. For example, if the issuer is relying on an exemption in a National Instrument, refer to the number of the National Instrument, and the subsection or paragraph number of the specific provision. If the issuer is relying on an exemption in a local blanket order, refer to the blanket order by number.

For exemptions that require the purchaser to meet certain characteristics, such as the exemption in section 2.3 [*Accredited investor*], section 2.5 [*Family, friends and business associates*] or subsection 2.9(2) or, in Alberta, New Brunswick, Nova Scotia, Ontario, Québec, or Saskatchewan, subsection 2.9(2.1) [*Offering memorandum*] of NI 45-106, provide the specific paragraph in the definition of those terms that applies to each purchaser.

Reports filed under paragraph 6.1(1)(j) [TSX Venture Exchange offering] of NI 45-106 – For reports filed under paragraph 6.1(1)(j) [TSX Venture Exchange offering] of NI 45-106, Schedule 1 ~~needs to~~ must list the total number of purchasers by jurisdiction only, and is not required to include the name, residential address, telephone number or email address of the purchasers.

¹ In Ontario, the substance of the blacklined italicized text was already incorporated in an Ontario-only amendment that came into force on July 29, 2016. The relief reflected in this italicized text was also previously provided in other CSA jurisdictions through blanket orders. Identical relief is now proposed for all CSA jurisdictions.

SCHEDULE 2 TO FORM 45-106F1 (CONFIDENTIAL DIRECTOR, EXECUTIVE OFFICER, PROMOTER AND CONTROL PERSON INFORMATION)

Schedule 2 must be filed in the format of an Excel spreadsheet in a form acceptable to the securities regulatory authority or regulator.

Complete the following only if Item 9(a) is required to be completed. **This schedule also requires information to be provided about control persons of the issuer at the time of the distribution.**

The information in this schedule will not be placed on the public file of any securities regulatory authority or regulator. However, freedom of information legislation may require the securities regulatory authority or regulator to make this information available if requested.

a) General information (*provide only once*)

1. Name of issuer
2. Certification date (YYYY-MM-DD)

b) Business contact information of Chief Executive Officer (*if not provided in Item 10 or 11 of report*)

1. Email address
2. Telephone number

c) Residential address of directors, executive officers, promoters and control persons of the issuer

Provide the following information for each individual who is a director, executive officer, promoter or control person of the issuer at the time of the distribution. If the promoter or control person is not an individual, provide the following information for each director and executive officer of the promoter and control person. (Note: names of directors, executive officers and promoters must be consistent with the information in Item 9 of the report, if required to be provided.)

1. Family name
2. First given name
3. Secondary given names
4. Residential street address
5. Municipality
6. Province/State
7. Postal code/Zip code
8. Country
9. Indicate whether the individual is a control person, or a director and/or executive officer of a control person (*if applicable*)

d) Non-individual control persons (*if applicable*)

If the control person is not an individual, provide the following information. For locations within Canada, state the province or territory, otherwise state the country.

1. Organization or company name
2. Province or country of business location

Questions:

Refer any questions to:

Alberta Securities Commission

Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082

[Public official contact regarding indirect collection of information: FOIP Coordinator](#)

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: inquiriesFOI-privacy@bcsc.bc.ca

[Public official contact regarding indirect collection of information: FOI Inquiries](#)

The Manitoba Securities Commission

500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2548/2561
Toll free in Manitoba: 1-800-655-5244
Facsimile: (204) 945-0330

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Financial and Consumer Services Commission (New Brunswick)

85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcnb.ca

[Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer](#)

Government of Newfoundland and Labrador Financial Services Regulation Division

P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187

[Public official contact regarding indirect collection of information: Superintendent of Securities](#)

Government of the Northwest Territories

Office of the Superintendent of Securities
P.O. Box 1320
Yellowknife, Northwest Territories X1A 2L9
Attention: Deputy Superintendent, Legal & Enforcement
Telephone: (867) 920-8984/767-9305
Facsimile: (867) 873-0243

Government of Nunavut

Department of Justice
Legal Registries Division
P.O. Box 1000, Station 570
1st Floor, Brown Building
Iqaluit, Nunavut X0A 0H0
Telephone: (867) 975-6590
Facsimile: (867) 975-6594

Ontario Securities Commission

20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8314
Toll free in Canada: 1-877-785-1555
Facsimile: (416) 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information:
Inquiries Officer

Prince Edward Island Securities Office

95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283

Autorité des marchés financiers

800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337 or 1-877-525-0337
Facsimile: (514) 873-6155 (For filing purposes only)
Facsimile: (514) 864-6381 (For privacy requests only)
Email: financementdesocietes@lautorite.qc.ca (For corporate finance issuers); fonds_dinvestissement@lautorite.qc.ca (For investment fund issuers)

Financial and Consumer Affairs Authority of Saskatchewan

Suite 601 – 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5879
Facsimile: (306) 787-5899

Government of Yukon

Department of Community Services
Law Centre, 3rd Floor
2130 Second Avenue
Whitehorse, Yukon Y1A 5H6
Telephone: (867) 667-5314
Facsimile: (867) 393-6251

[Public official contact regarding indirect collection of information: Superintendent of Securities](#)

Nova Scotia Securities Commission

Suite 400, 5251 Duke Street

Duke Tower

P.O. Box 458

Halifax, Nova Scotia B3J 2P8

Telephone: ~~(902)~~-424-7768

Facsimile: ~~(902)~~-424-4625

[Public official contact regarding indirect collection of information: Executive Director](#)

Government of Nunavut

Department of Justice

Legal Registries Division

P.O. Box 1000, Station 570

1st Floor, Brown Building

Iqaluit, Nunavut X0A 0H0

Telephone: 867-975-6590

Facsimile: 867-975-6594

[Public official contact regarding indirect collection of information: Superintendent of Securities](#)

Ontario Securities Commission

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Toronto, Ontario M5H 3S8

Telephone: 416-593-8314

Toll free in Canada: 1-877-785-1555

Facsimile: 416-593-8122

Email: exemptmarketfilings@osc.gov.on.ca

[Public official contact regarding indirect collection of information: Inquiries Officer](#)

Prince Edward Island Securities Office

95 Rochford Street, 4th Floor Shaw Building

P.O. Box 2000

Charlottetown, Prince Edward Island C1A 7N8

Telephone: 902-368-4569

Facsimile: 902-368-5283

[Public official contact regarding indirect collection of information: Superintendent of Securities](#)

Autorité des marchés financiers

800, rue du Square-Victoria, 22e étage

C.P. 246, tour de la Bourse

Montréal, Québec H4Z 1G3

Telephone: 514-395-0337 or 1-877-525-0337

Facsimile: 514-873-6155 (For filing purposes only)

Facsimile: 514-864-6381 (For privacy requests only)

Email: financementdesocietes@lautorite.qc.ca (For corporate finance issuers); fonds_dinvestissement@lautorite.qc.ca (For investment fund issuers)

[Public official contact regarding indirect collection of information: Corporate Secretary](#)

Financial and Consumer Affairs Authority of Saskatchewan

Suite 601 - 1919 Saskatchewan Drive

Regina, Saskatchewan S4P 4H2

Telephone: 306-787-5842

Facsimile: 306-787-5899

[Public official contact regarding indirect collection of information: Director](#)

[Office of the Superintendent of Securities](#)

[Government of Yukon](#)

[Department of Community Services](#)

[307 Black Street, 1st Floor](#)

[P.O. Box 2703, C-6](#)

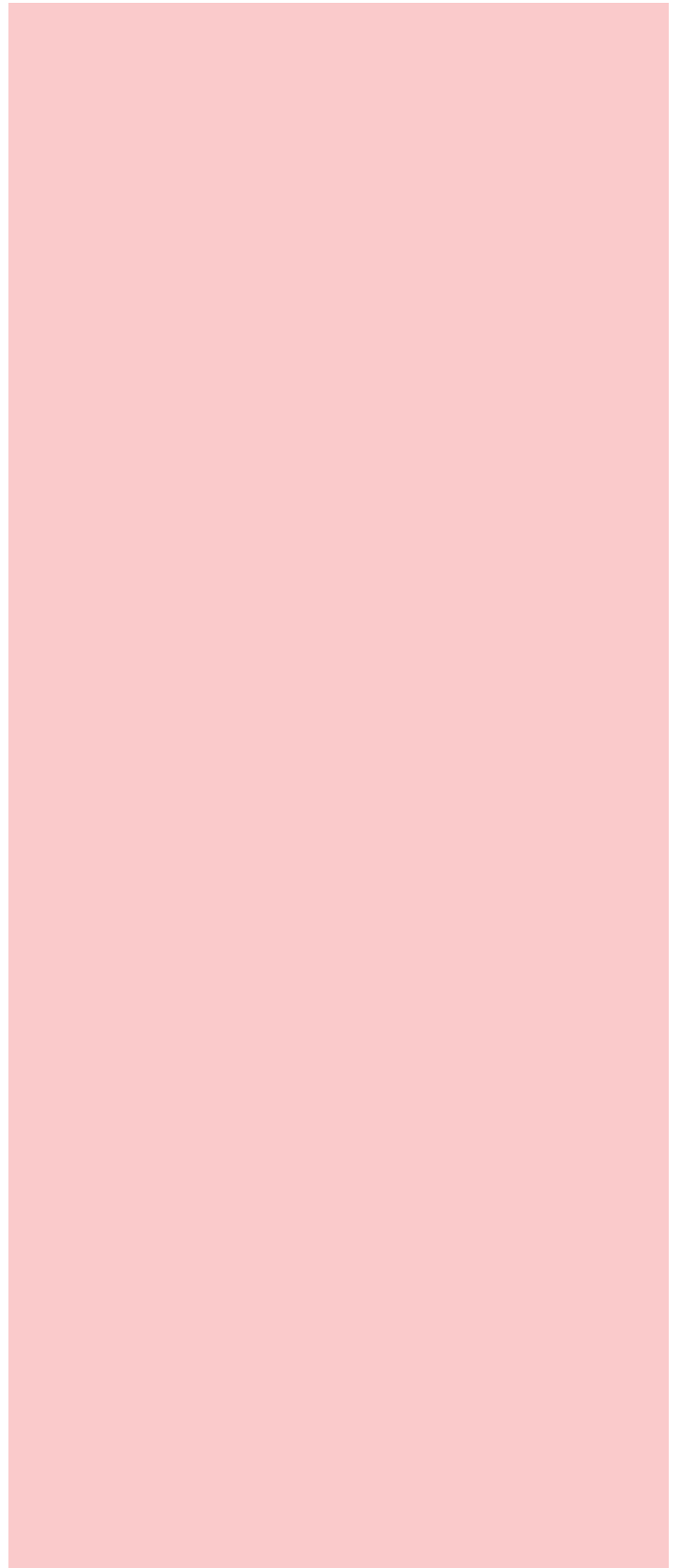
[Whitehorse, Yukon Y1A 2C6](#)

[Telephone: 867-667-5466](#)

[Facsimile: 867-393-6251](#)

[Email: \[securities@gov.yk.ca\]\(mailto:securities@gov.yk.ca\)](#)

[Public official contact regarding indirect collection of information: Superintendent of Securities](#)



ANNEX F

LOCAL MATTERS

1. Ontario-only Amendments

In addition to the Rule Amendments described in the main body of this Notice, the OSC has made consequential amendments to OSC Rule 72-503 *Distributions Outside Canada* (**OSC Rule 72-503**) relating to Form 72-503F *Report of Distributions Outside Canada* (the **Ontario-only Amendments**). The Ontario-only Amendments are in Schedule 1 of this Annex and align OSC Rule 72-503 with the amendments to NI 45-106 and certain parts of Form 72-503F with the amendments to the Report. An unnecessary reference to section 2.2 of OSC Rule 72-503 is also deleted.

As set out in Schedule 2 of this Annex, the OSC is also adopting a conforming change to Companion Policy 72-503 *Distributions Outside Canada* (**72-503CP**).

2. Notice of OSC Approval

On June 12, 2018, the OSC approved the Rule Amendments and the Ontario-only Amendments. Also on that day, the OSC adopted the changes to 45-106CP and 72-503CP.

3. Delivery to the Minister

The Rule Amendments and Ontario-only Amendments were delivered to the Minister of Finance on July 19, 2018. The Minister may approve or reject the Rule Amendments and Ontario Amendments or return them for further consideration. If the Minister approves the Rule Amendments and Ontario Amendments or does not take any further action by September 17, 2018, the Rule Amendments and Ontario-only Amendments will come into force on October 5, 2018. The change to 45-106CP and 72-503CP would also take effect on October 5, 2018.

Schedule 1 to Annex F

LOCAL RULE AMENDMENTS

1. **Ontario Securities Commission Rule 72-503 Distributions Outside Canada is amended by this Instrument.**

2. **Part 4 is amended by adding the following section:**

Distributions by more than one issuer of a single security

4.4 An issuer is not required to file a report of trade under section 4.1 for a distribution of a security if a report has been filed by another issuer for the distribution of the same security.

3. **Form 72-503F Report of Distributions Outside Canada is amended**

(a) **by replacing the table under the heading “Instructions:” with the following:**

Security code	Security type
BND	Bonds
CER	Certificates (<i>including pass-through certificates, trust certificates</i>)
CMS	Common shares
CVD	Convertible debentures
CVN	Convertible notes
CVP	Convertible preferred shares
DCT	Digital coins or tokens
DEB	Debentures
DRS	Depository receipts (<i>such as American or Global depository receipts/shares</i>)
FTS	Flow-through shares
FTU	Flow-through units
LPU	Limited partnership units and limited partnership interests (<i>including capital commitments</i>)
MTG	Mortgages (<i>other than syndicated mortgages</i>)
NOT	Notes (<i>include all types of notes except convertible notes</i>)
OPT	Options
PRS	Preferred shares
RTS	Rights
SMG	Syndicated mortgages
SUB	Subscription receipts
UBS	Units of bundled securities (<i>such as a unit consisting of a common share and a warrant</i>)
UNT	Units (<i>exclude units of bundled securities, include trust units and mutual fund units</i>)
WNT	Warrants (<i>including special warrants</i>)
OTH	Other securities not included above (<i>if selected, provide details of security type in Item 7d</i>)

Distributions by more than one issuer of a single security: If two or more issuers distributed a single security, provide the full legal name(s) of the co-issuer(s) in section 1c) other than the issuer named in section 1a).

(b) **in section 1, by adding the following:**

c) Full legal name(s) of co-issuer(s) (if applicable)

- (c) **in section 2, under the row entitled “Types of securities distributed”, by deleting “2.2.”;**
 - (d) **in section 2, under the row entitled “Details of rights and convertible/exchangeable securities”, by replacing “Security code” in the first column with “Convertible/exchangeable security code”;**
 - (e) **in section 5, by adding “If the report is being certified by an agent on behalf of the issuer, provide the applicable information for the agent in the boxes below.” immediately following “The certification may be delegated, but only to an agent that has been authorized by an officer or director of the issuer to prepare and certify the report on behalf of the issuer.”;**
4. This Instrument comes into force on October 5, 2018.

Schedule 2 to Annex F

LOCAL CHANGE TO COMPANION POLICY 72-503 *DISTRIBUTIONS OUTSIDE CANADA*

The Ontario Securities Commission is adopting a change to Part 4 of Companion Policy 72-503 *Distributions Outside Canada*. The change comes into effect on the implementation of the Ontario-only Amendments and is shown below by way of blackline.

PART 4 FORM 72-503F

Issuers are required to file the information required by Form 72-503F *Report of Distributions Outside Canada* (the **Form**) electronically through the Commission's Electronic Filing Portal. The electronic filing requirement applies to all issuers that are subject to the Form's disclosure requirements. Please see OSC Rule 11-501 *Electronic Delivery of Documents to the Ontario Securities Commission* for further information.

In certain circumstances, two or more issuers distribute a single security. In these circumstances, only one Form is required to be filed for the distribution, which may be completed and filed by any one of the co-issuers.

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



Canadian Securities
Administrators

Autorités canadiennes
en valeurs mobilières

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

First Published April 26, 2012;
Revised June 25, 2015, April 7, 2016, September 29, 2016 and July 19, 2018

July 19, 2018

Purpose

Issuers and underwriters that rely on certain prospectus exemptions to distribute securities are required to file a report of exempt distribution on Form 45-106F1 *Report of Exempt Distribution* (the **report**) within a prescribed timeframe set out in National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**).

Staff (staff or we) of the Canadian Securities Administrators (**CSA**) have prepared this revised Staff Notice (this Notice) to assist issuers, underwriters and their advisors in preparing and filing reports.

This Notice replaces a prior version of this notice issued on September 29, 2016.

This Notice includes the following documents:

- Annex 1 – Tips for Completing and Filing the Report
- Annex 2 – Checklist of Certain Information Requirements in the Report
- Annex 3 – Frequently Asked Questions
- Annex 4 – Transition to the 2016 Report
- Annex 5 – Contact Information of Public Officials regarding Indirect Collection of Personal Information

Background to this Notice

We may from time to time reissue this Notice to respond to additional questions or concerns raised about the completion and filing of reports. The following table sets out the history of this Notice.

Date	Development
July 19, 2018	To further address concerns expressed by foreign dealers conducting offerings into Canada and Canadian institutional investors, on July 19, 2018, the CSA made amendments to the report to provide greater clarity and flexibility regarding the certification requirement and to streamline certain information requirements. We are reissuing this Notice in light of these amendments and to provide further clarity on certain existing requirements. Provided all necessary ministerial approvals are obtained, the amendments will come into force on October 5, 2018.
September 29, 2016	<p>In spring and summer 2016, staff became aware of concerns expressed by foreign dealers conducting offerings into Canada, as well as Canadian institutional investors, about the certification requirements in the report and other related issues. In certain instances, Canadian institutional investors were being excluded from participating in foreign offerings into Canada through certain foreign dealers as a result of a perceived change in the risk of personal liability in the report, as well as the more extensive information required in the report.</p> <p>We reissued this Notice in September 2016 to provide:</p> <ul style="list-style-type: none"> • clarification regarding the certification of the report, • guidance on the reasonable steps the underwriter filing the report should undertake to obtain and confirm the required information regarding the issuer, • guidance on the procedures that an issuer or underwriter could implement in order to reasonably confirm that a purchaser meets the conditions for a particular exemption, • guidance on the increased flexibility for completing Schedule 1 for purchasers in certain circumstances who may qualify under more than one paragraph of the definition of “accredited investor”, and • guidance on disclosure of an issuer’s North American Industry Classification Standard (NAICS) code that corresponds to the issuer’s primary business activity where there is ambiguity on the appropriate code.
April 7, 2016	<p>In June 2016, the CSA introduced a new harmonized version of the report set out in Form 45-106F1 <i>Report of Exempt Distribution</i> (i.e. the report, or also referred to in Annex 4 as the 2016 Report). Both investment fund issuers and non-investment fund issuers that distribute securities under certain prospectus exemptions are required to file the report, which replaced both the prior version of Form 45-106F1 <i>Report of Exempt Distribution</i> and Form 45-106F6 <i>British Columbia Report of Exempt Distribution</i> (together, the Prior Reports).</p> <p>We reissued this Notice in April 2016 to reflect the adoption of the report, to provide guidance on the new information requirements set out in the report, and to assist filers to transition to the report.</p>
June 25, 2015	This Notice was revised in June 2015 primarily to reflect the introduction of certain new prospectus exemptions in Ontario.
April 26, 2012	Staff first published this Notice in April 2012 to highlight compliance issues identified in some reports filed. This Notice provided guidance to issuers, underwriters and their advisors for preparing and filing reports.

Annexes to Notice

Annex 1 – Tips for Completing and Filing the Report

Annex 2 – Checklist of Certain Information Requirements in the Report

Annex 3 – Frequently Asked Questions

Annex 4 – Transition to the 2016 Report

Annex 5 – Contact Information of Public Officials regarding Indirect Collection of Personal Information

Questions

Please refer your questions to any of the following:

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ANNEX 1
Tips for Completing and Filing the Report

The following are tips to assist issuers, underwriters and advisors in completing and filing the report.

1. File the report on time

If the issuer is relying on an exemption from the prospectus requirement that requires a report to be filed, the filers must file the report in each jurisdiction of Canada where the distribution occurred. The deadline for filing the report is generally 10 days after the distribution. If filing a report for distributions occurring on multiple dates, such distributions must occur within a 10-day period and the filer must file the report no later than 10 days after the first distribution date.

Pursuant to section 6.2(2) of NI 45-106, investment fund issuers relying on certain prospectus exemptions have the option of filing the report on an annual basis, within 30 days of the end of the calendar year. This option is only available for investment fund issuers distributing securities in reliance on the following prospectus exemptions in NI 45-106:

- section 2.3 [*Accredited investor*]¹
- section 2.10 [*Minimum amount investment*]
- section 2.19 [*Additional investment in investment funds*]

2. Pay the required fees

Filers must pay the applicable fee in each jurisdiction of Canada in which the report is filed. In order to determine the applicable fee in a particular jurisdiction of Canada, consult the securities legislation of that jurisdiction.

Filing fees payable in a particular jurisdiction are not affected by identifying all purchasers in a single report.

3. Complete the issuer information

Item 5 requires certain information about the issuer distributing the securities, where the issuer is not an investment fund.

Where an underwriter is filing the report, the underwriter should take reasonable steps to obtain and confirm the information regarding the issuer set out in Item 5. These reasonable steps may include:

- reviewing the offering document prepared in connection with the distribution of securities,
- reviewing the issuer's public continuous disclosure record, where available,
- reviewing information provided by the issuer's or the underwriter's legal counsel, and
- making inquiries of the issuer.

4. Include a complete list of purchasers in the report

Filers must ensure that Item 7(f) and Schedule 1 include all purchasers that participated in the distribution.

If an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, the filer is required to provide information in the report about purchasers resident in that jurisdiction of Canada only. See Question 12 in Annex 3 for further guidance on issuers located outside of Canada.

If an issuer makes a distribution in more than one jurisdiction of Canada, the filer may complete a single report identifying all purchasers, and file that report in each jurisdiction of Canada in which the distribution occurs.

¹ This option is also available for investment fund issuers distributing securities in reliance on section 73.3 of the *Securities Act* (Ontario) [*Accredited investor*].

5. Ensure the information provided in the report and schedules is true and complete

Filers should verify that the information included in the report and schedules is true and, to the extent required, complete. In particular, filers should verify the following:

- The information provided in Item 7 about the distribution date, number and type of securities distributed, total dollar amount of securities distributed, number of unique purchasers in each jurisdiction and prospectus exemptions relied on, must reconcile with the information provided in Schedule 1.
- The identities of persons compensated provided in Item 8 must reconcile with the information provided in Schedule 1 about the persons compensated for each purchaser.
- Ensure that all appropriate columns in Schedule 1 that relate to use of the following prospectus exemptions are completed:
 - section 2.3 [*Accredited investor*],²
 - section 2.5 [*Friends, family and business associates*], or
 - subsection 2.9(2) or 2.9(2.1) [*Offering memorandum*] and the purchaser is an "eligible investor".
- The information about directors, executive officers and promoters provided in Item 9 must reconcile with the information provided in Schedule 2.

6. Correctly identify the total number of unique purchasers

The table in Item 7(f) requires the total number of unique purchasers to which the issuer distributed securities. To determine the total number of unique purchasers, the filer should count each purchaser only once, regardless of whether the issuer distributed different types of securities to that purchaser, on different dates, and/or relied on multiple prospectus exemptions for such distributions. See Question 15 in Annex 3 for further guidance on counting unique purchasers.

However, filers must list a purchaser multiple times on Schedule 1 if the issuer has distributed different types of securities to that purchaser, or has distributed securities to that purchaser on different dates.

7. Ensure the purchase price of the securities distributed is correct

If an issuer is relying on the prospectus exemption in section 2.10 [*Minimum amount investment*] of NI 45-106 for distributions to a purchaser, the purchase price paid by that purchaser must be at least \$150,000 (among other conditions), and the purchase price provided in Item 7 and Schedule 1 must be at least that minimum amount. An issuer is not permitted to distribute securities under this prospectus exemption to a purchaser that is an individual, or to multiple purchasers acting in concert or as a "syndicate" in order to pool separate purchases and reach the \$150,000 minimum.

8. Ensure that a valid prospectus exemption is available

Not all prospectus exemptions are available in all jurisdictions. An issuer should ensure that a valid prospectus exemption is available for a distribution to each purchaser.

Section 1.9 of Companion Policy 45-106CP *Prospectus Exemptions (45-106CP)* describes procedures that an issuer (or seller) could implement in order to reasonably confirm that the purchaser meets the conditions for a particular exemption. Some examples of these steps include:

- establishing policies and procedures to confirm that all parties acting on behalf of the issuer (or seller) understand the conditions that must be satisfied to rely on the exemption, and
- obtaining information that confirms the purchaser meets the criteria in the exemption.

Whether the steps taken are reasonable will depend on the particular facts and circumstances of the purchaser, the offering and the exemption being relied on. For certain purchasers, such as Canadian financial institutions, Schedule III banks and pension funds, it may not be necessary for the issuer (or seller) to reconfirm the purchaser's status for each distribution to that purchaser.

² In Ontario, the accredited investor exemption is set out under subsection 73.3(2) of the *Securities Act* (Ontario).

9. Disclose all compensation paid in connection with the distribution

A filer must complete Item 8 for each person to whom the issuer directly provides, or will provide, any compensation in connection with the distribution. Compensation includes cash commissions, securities-based compensation, gifts, discounts or other compensation of a similar nature, paid in connection with a distribution of securities, regardless of the term used to describe the payment. For example, we consider a brokerage fee or finance fee to be compensation in connection with a distribution.

Compensation does not include payments for services incidental to the distribution, such as clerical, printing, legal or accounting services.

Item 8 and Schedule 1 do not require details about internal allocation arrangements with the directors, officers or employees of an entity compensated by the issuer.

In completing Item 8, where the person compensated is a non-individual with an NRD number, the filer should report the entity's NRD number. A filer may refer to the CSA's National Registration Search tool to determine if the entity has an NRD number. Registered firms and firms relying on the "international dealer exemption" or the "international adviser exemption" (as set out in section 8.18 and in section 8.26, respectively, of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*) have been assigned an NRD number.

In completing Schedule 1, where the person compensated is an individual and is not associated with an entity that has an NRD number, the filer should report the individual by the 'family name'; 'first given name' and 'secondary given names' (i.e., Smith; John Allen). A semi-colon should be used to separate the 'family name' from the 'first given name'.

10. Date and certify the report

The report must be certified by the issuer or the underwriter, or by an agent that has been authorized by an officer or director of the issuer or underwriter to do so on behalf of the issuer or underwriter. Item 10 of the report must include the date of the report and the name and signature of the individual signing the report for and on behalf of the issuer or underwriter.

If the report is certified by an issuer or underwriter, this individual must be a director or officer of a corporate issuer or underwriter or, in other cases, an individual who performs functions similar to that of a director or officer (as determined by the issuer or underwriter). For example, if the issuer is a trust, the report may be signed by the issuer's trustee on behalf of the trust. If the issuer is an investment fund, a director or officer of the investment fund manager (or, if the investment fund manager is not a company, an individual who performs similar functions) may sign the report on behalf of the investment fund if the director or officer has been authorized to do so by the investment fund.

The certification date should be recorded at the top of Schedule 1 and, if applicable, Schedule 2.

See Question 22 in Annex 3 for further guidance on the certification of the report.

ANNEX 2
Checklist of Certain Information Requirements in the Report

The checklist below is designed to assist filers in gathering certain of the required information to complete the report.

All issuers	<ul style="list-style-type: none"> <input type="checkbox"/> Most recent previous legal name (if issuer's name has changed in last 12 months) <input type="checkbox"/> Website of issuer (if issuer has one) and underwriter (if underwriter has one and is not a registrant) <input type="checkbox"/> Legal entity identifier (if issuer has one) <input type="checkbox"/> Firm NRD number for underwriter <input type="checkbox"/> CUSIP numbers of securities distributed (if applicable) <input type="checkbox"/> Details about the distribution (number of purchasers and total amount raised) by jurisdiction and prospectus exemption relied on <input type="checkbox"/> List of (and if required to be filed with or delivered to the Ontario Securities Commission, electronic copies of) all offering materials required to be filed with or delivered to the securities regulatory authority or regulator for distributions in Saskatchewan, Ontario, Québec, New Brunswick or Nova Scotia <input type="checkbox"/> NRD number of registrant compensated (if applicable) <input type="checkbox"/> Whether person compensated facilitated distribution through funding portal or internet-based portal <input type="checkbox"/> Description of terms of any deferred compensation <input type="checkbox"/> Relationship of person compensated to issuer or investment fund manager (connected with issuer or investment fund manager/insider/director or officer/employee/none of the above) <p>Schedule 1 (non-public)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Email address of purchaser (if provided by purchaser) <input type="checkbox"/> Specific prospectus exemption relied on to distribute securities to each purchaser³ <input type="checkbox"/> Identification of whether purchaser is a registrant or insider⁴ <input type="checkbox"/> Name of person compensated for the distribution for each purchaser
Non-investment fund issuers	<ul style="list-style-type: none"> <input type="checkbox"/> NAICS industry code⁵ <input type="checkbox"/> Stage of operations for issuers in mining industry (exploration/development/production) <input type="checkbox"/> Areas of asset holdings for issuers involved in investment activities (mortgages/real estate/commercial/business debt/ consumer debt/private companies/cryptoassets) <input type="checkbox"/> Number of employees (within a range) <input type="checkbox"/> SEDAR profile number (if issuer has one) <p>If issuer does not have a SEDAR profile number:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Date of formation <input type="checkbox"/> Financial year-end <input type="checkbox"/> Jurisdictions of Canada where reporting

³ Refer to question 21.1 in Annex 3 for additional guidance.

⁴ Filers are not required to disclose whether a purchaser is a registrant or an insider of the issuer if any of the following apply:

- (a) the issuer is a foreign public issuer;
- (b) the issuer is a wholly owned subsidiary of a foreign public issuer;
- (c) the issuer is distributing only eligible foreign securities and the distribution is to permitted clients only.

⁵ Refer to question 7 in Annex 3 for additional guidance.

	<ul style="list-style-type: none"> <input type="checkbox"/> CUSIP number (if issuer has one) <input type="checkbox"/> Name of the exchange on which the issuer's equity securities primarily trade <input type="checkbox"/> Size of assets (within a range)
<p>Investment fund issuers</p>	<ul style="list-style-type: none"> <input type="checkbox"/> NRD number of investment fund manager <input type="checkbox"/> Website of investment fund manager (if investment fund manager does not have a firm NRD number and has a website) <input type="checkbox"/> Type of investment fund (money market/equity/fixed income/balanced/alternative strategies/cryptoasset/other) <input type="checkbox"/> Date of formation <input type="checkbox"/> Financial year-end <input type="checkbox"/> Jurisdictions of Canada where reporting <input type="checkbox"/> CUSIP number (if issuer has one) <input type="checkbox"/> Name of the exchange on which the investment fund's securities primarily trade <input type="checkbox"/> Net asset value (within a range) and date of calculation <input type="checkbox"/> Net proceeds by jurisdiction
<p>Issuers that are not any of the following:</p> <ul style="list-style-type: none"> • investment fund issuers • reporting issuers and their wholly owned subsidiaries • foreign public issuers and their wholly owned subsidiaries • issuers distributing only eligible foreign securities and the distribution is to permitted clients only 	<ul style="list-style-type: none"> <input type="checkbox"/> Names, titles and locations of directors, executives officers and promoters <ul style="list-style-type: none"> <input type="checkbox"/> If a promoter is not an individual, this information is also required for the directors and executive officers of the promoter <p>Schedule 2 (non-public)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Business email address and telephone number of issuer's CEO <input type="checkbox"/> Residential addresses of directors, executives officers, promoters and control persons that are individuals <ul style="list-style-type: none"> <input type="checkbox"/> If a promoter or control person is not an individual, this information is required for the directors and executive officers of the promoter and control person. <input type="checkbox"/> If control person is not an individual: <ul style="list-style-type: none"> <input type="checkbox"/> Organization or company name <input type="checkbox"/> Province or country of business location

ANNEX 3
Frequently Asked Questions

Filing the report

1. An issuer whose head office is in Alberta distributes securities to a purchaser resident in Saskatchewan. Where is the issuer required to file the report?

The issuer must file a report with the Alberta Securities Commission and with the Financial and Consumer Affairs Authority of Saskatchewan.

The issuer must file a report in each jurisdiction where the distribution occurred. To determine if a distribution has occurred in one or more jurisdictions of Canada, consult applicable securities legislation, securities directions and case law.

For example:

- In Alberta, an issuer should consult Alberta Securities Commission Policy 45-601 *Distributions Outside Alberta*.
- In British Columbia, an issuer should consult BC Interpretation Note 72-702 *Distribution of Securities to Persons Outside British Columbia*.
- In New Brunswick, an issuer should consult Companion Policy to Local Rule 72-501 *Distributions of Securities to Persons Outside New Brunswick*.
- In Québec, an issuer should consult *Avis du personnel de l'Autorité des marchés financiers – Règlement 45-106 sur les dispenses de prospectus et d'inscription: Questions fréquemment posées*.

In all cases, a distribution occurs when a distribution is made to a purchaser resident in that jurisdiction. In most cases, a distribution includes a distribution made by an issuer whose head office is in that jurisdiction (or, in the case of an investment fund, an investment fund whose manager's head office is in that jurisdiction), to purchasers resident outside that jurisdiction. A distribution may also occur in a jurisdiction of Canada if the issuer has a significant connection to that jurisdiction.

If an issuer is uncertain as to whether a distribution has occurred in a jurisdiction of Canada, the issuer should file the report in that jurisdiction.

2. How does a filer file a report for a distribution to purchasers in every CSA jurisdiction?

Filers are required to file the report electronically in all CSA jurisdictions, except certain foreign issuers when filing on SEDAR. The British Columbia Securities Commission (**BCSC**) has developed a web-based filing system on eServices to accommodate the structured data format of the report. Filers filing in British Columbia and Ontario will file the report with the BCSC and Ontario Securities Commission (**OSC**) by completing an electronic form on the BCSC's eServices and the OSC's Electronic Filing Portal, respectively.

In all CSA jurisdictions other than British Columbia and Ontario, filers, except certain foreign issuers, must file the report on SEDAR in accordance with National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)*. Both the BCSC's eServices and the OSC's Electronic Filing Portal will generate an electronic copy of the completed report, which filers can then file on SEDAR, if required.

Schedule 1 and Schedule 2 of the report must be filed in .xlsx format using the Excel templates adopted and published by the CSA. The Excel templates are available on the website of each CSA member and at the links below.

- [Schedule 1 template](#)⁶
- [Schedule 2 template](#)⁷

Filers must not manipulate, rename or delete the tabs in the templates, and must not modify the content, formatting or columns of the templates. We may reject modified templates and require them to be refiled using the approved templates.

⁶ http://www.securities-administrators.ca/uploadedFiles/Schedule_1_Form_45-106F1_En.xlsx

⁷ http://www.securities-administrators.ca/uploadedFiles/Schedule_2_Form_45-106F1_En.xlsx

3. [intentionally deleted]

4. **Is there a transition period available for investment fund issuers that file reports annually?**

Yes, there is a transition period which allows an investment fund issuer filing annually to file either the Prior Report or the report for distributions that occur before January 1, 2017. For distributions that occur on or after January 1, 2017, all investment fund issuers filing annually must file the report.

Investment funds that file annually are no longer required to file annual reports within 30 days of their financial year-end. Beginning on June 30, 2016, all investment fund issuers filing annually must file within 30 days after the end of the calendar year. This means that all investment funds filing annually will be required to file by January 30, 2017 for distributions that occur before January 1, 2017 (that have not been previously reported).

To provide further clarity on the transition period, please see the examples in Table 2 in Annex 4.

4.1 **The section in the report under the heading “Notice – Collection and use of personal information” requires the filer to confirm that each individual listed in Schedules 1 and 2 was notified about certain information, including the title of the public official in the local jurisdiction who can answer questions about the security regulatory authority’s or regulator’s indirect collection of personal information. Where can I find the titles of these public officials?**

Please see Annex 5 for the contact information and title of the public official in each local jurisdiction who can answer questions regarding the indirect collection of personal information. This information can also be found in the report and on the CSA’s website.

4.2 **How do I report co-issuer distributions?**

If two or more issuers distributed a single security, only one report of exempt distribution is required to be filed for the distribution. The report may be completed and filed by any one of the co-issuers.

Provide the full legal name of the co-issuer completing and filing the report in the ‘Full legal name’ field at the top of Item 3.

The full legal name(s) of the *other* co-issuer(s) should be provided in the ‘Full legal name(s) of co-issuer(s)’ field at the end of Item 3.

Names and identifiers

5. **What information should be provided for individuals under family name, first given name and secondary given names in the report?⁸**

Family name refers to the individual’s last name or surname.

First given name refers to the first name of an individual, used to identify the person from other members of a family, all of whom usually share the same family name.

Secondary given names, often referred to as middle names, refer to all given names of an individual, other than their first given name and family name.

The ordering of family and given names can vary among cultures. Indicate the ‘family name’, ‘first given name’ and ‘secondary given names’ in the appropriate field in the report regardless of the order in which they may be given or traditionally used.

If an individual has only a single legal name, this name should be recorded as the ‘family name’ and “N/A” should be entered for ‘first given name’ and ‘secondary given names’.

Do not include aliases, nicknames, preferred names, initials or short forms of full names in the name fields of the report.

⁸ Names of individuals are required to be provided in Item 8(a), Items 9(a) and (b), Item 10, Item 11, Schedule 1 and Schedule 2.

Avoid entering account numbers, account types, “in trust” references or other unnecessary information within the name fields. Enter only the legal name of the beneficial owner. See Question 20 below for further details.

If two or more individuals have purchased a security as joint purchasers, complete the Schedule 1 Excel template by providing information for each purchaser under the columns for family name, first given name and secondary given names, if applicable, and separating the individuals’ names with an ampersand. For example, if Jane Jones and Robert Smith are joint purchasers, indicate “Jones & Smith” in the family name column, and “Jane & Robert” in the first given name column of the Schedule 1 Excel template. Joint purchasers may be counted as one purchaser for the purposes of Item 7(f).

6. What is a legal entity identifier (LEI)? Is it necessary to obtain an LEI to complete Item 3 of the report?

An LEI is a globally recognized 20-character alphanumeric code used to identify entities that enter into financial transactions. If an issuer already has an LEI, the filer must provide the LEI in Item 3. If an issuer does not have an LEI, it is not necessary to obtain one to complete the report.

7. How does the filer determine an issuer’s North American Industry Classification Standard (NAICS) code?

NAICS was developed to classify the domestic activities of businesses within North America, and also covers a wide range of industries that exist outside of North America.

If the issuer has already identified a NAICS code for its business, and the filer is the issuer, then it should use that previously identified code. For example, Canadian businesses that file tax returns with the Canada Revenue Agency should use the same NAICS code that they report on those forms.

If the issuer has not already identified a NAICS code, or if the filer is an underwriter and has not been able to obtain the NAICS code previously identified by the issuer, the filer should use [Statistics Canada’s NAICS search tool](#)⁹ to find a NAICS code that is appropriate for the issuer. An alternative is the [US Census Bureau’s NAICS search tool](#).¹⁰

[Editor’s Note: The previous two paragraphs were corrected online on July 20, 2018.]

The online search tools listed above allow the filer to enter keywords that describe the issuer’s business, and generate a list of primary business activities containing that keyword and the corresponding NAICS codes. If more than one NAICS code may apply to an issuer, the filer should use its reasonable judgment to choose the one that most closely describes the issuer’s primary business activity. Alternatively, the filer may browse a list of NAICS market sectors to find the more detailed industry level descriptions and the appropriate 6-digit code that, in the filer’s reasonable judgment, most closely matches the issuer’s primary business activity.

Below are some examples of NAICS codes to consider:

Description of Issuer	Keywords searched	Possible NAICS Codes to consider
ABC-ABS Inc. is structured as a special purpose financial vehicle organized for the securitization of pools of receivables and the issuance of marketable fixed-income securities (asset-backed securities)	“special purpose vehicle” or “securitization”	526981 – Securitization vehicles
ABC Minerals operates as a mining and metals company worldwide. It produces copper, nickel, gold, zinc, platinum-group elements and pyrite.	“zinc” or “copper” or “nickel” or “gold”	212233 – Copper-zinc ore mining 212232 – Nickel-copper ore mining 212220 – Gold and silver ore mining
ABC LP is a private equity fund that invests in a portfolio of private companies. The fund will typically acquire a controlling or substantial minority interest in a portfolio of companies.	“investment firm” or “portfolio companies”	526989 – All other miscellaneous funds and financial vehicles 523920 – Portfolio management

⁹ <http://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVD&TVD=380372>

¹⁰ <http://www.census.gov/eos/www/naics/index.html>

Issuer information

- 8. The issuer distributing securities was formed in 2002 by the completion of a plan of arrangement. Does Item 5(e) of the report require the date(s) of incorporation of the companies that completed the plan of arrangement, or the date of the completion of the plan of arrangement?**

In this example, the filer is not required to provide the incorporation dates of any predecessor entities in Item 5(e), only the date that the issuer was formed by the completion of the plan of arrangement in 2002.

- 9. How does a filer determine the number of employees for Item 5(b) of the report?**

Employees are individuals that are employed directly by the issuer and on the issuer's payroll, including full and part-time employees.

- 9.1 What steps should be taken by an underwriter filing a report to obtain the information in Item 5 of the report?**

Where an underwriter is filing the report, the underwriter should take reasonable steps to obtain and confirm the information regarding the issuer set out in Item 5. These reasonable steps may include:

- reviewing the offering document prepared in connection with the distribution of securities,
- reviewing the issuer's public continuous disclosure record, where available,
- reviewing information provided by the issuer's or the underwriter's legal counsel, and
- making inquiries of the issuer.

- 9.2 What is meant by the term "cryptoassets" in Item 5(a) of the report?**

Cryptoassets include, for example, cryptocurrencies, digital coins or tokens, derivatives linked to cryptoassets and operations to mine cryptoassets. An issuer whose primary business is to invest all or substantially all of its assets in the above noted cryptoassets should check off the corresponding checkbox in item 5(a) of the report.

Investment fund issuer information

- 10. What do the different investment fund types in Item 6(b) of the report refer to?**

In Item 6(b), an investment fund issuer must select the investment fund type that most accurately describes the issuer based on the following:

- Money Market – An investment fund that invests in cash, cash equivalents and/or short term debt securities, such as government bonds and treasury bills.
- Equity – An investment fund that invests primarily in equity securities of other issuers.
- Fixed Income – An investment fund that invests primarily in fixed income (debt) securities.
- Balanced – An investment fund that invests primarily in a balanced combination of fixed income and equity securities.
- Alternative Strategies – An investment fund that primarily adopts alternative investment strategies, such as short selling, leverage or the use of derivatives, or that invests primarily in alternative asset classes, such as real estate or commodities.
- Cryptoasset – An investment fund that invests primarily in cryptoassets, which include for example, cryptocurrencies, digital coins or tokens, or derivatives linked to cryptoassets.
- Other – An investment fund that cannot be classified under one of the above investment fund types. Include a short description of the type of investment fund in the box provided.

11. When would an investment fund issuer be considered to be primarily invested in other investment funds under Item 6(b) of the report?

An investment fund is generally considered a 'fund of funds' if a majority of its assets are invested in other funds, under normal market conditions. One factor to consider in determining whether an investment fund issuer is a 'fund of funds' is whether its investment objectives specifically state this as a strategy.

Distribution details

12. What does "located outside of Canada" mean in Item 7 of the report?

The onus is on an issuer and its counsel to determine where the issuer is located for the purposes of determining where a distribution has occurred, including whether an issuer is located in a jurisdiction of Canada.

The determination is based on the facts and circumstances of each particular distribution. The issuer should consider the following factors:

- where the issuer's mind and management are primarily located, which may be determined by the location of the issuer's head office or the residences of the issuer's key officers and directors,
- where the issuer's operations are conducted,
- where the issuer administers its business,
- whether any acts in furtherance of a distribution have occurred in a jurisdiction, including active advertisements or solicitations, negotiations, underwriting activities or investor relations activities, and
- where the issuer is incorporated or organized.

The above are examples of the types of factors that an issuer should consider in determining whether it is making a distribution from a jurisdiction, but it is not an exhaustive list.

13. What dates should be provided as the distribution date under Item 7(b) of the report?

If the report is being filed for securities distributed only on a single distribution date, provide this distribution date in Item 7(b) as both the start date and end date. For example, if the report is being filed for securities distributed only on July 1, 2016, provide July 1, 2016 as both the start date and end date.

If the report is being filed for securities distributed on more than one distribution date, in Item 7(b) provide the date of the earliest distribution as the start date and provide the date of the last distribution as the end date. A single report can be filed for distributions occurring on multiple dates only if such distributions occur within a 10-day period and the report is filed no later than 10 days after the first distribution date (other than investment funds that file reports on an annual basis).

For example:

- If the report is being filed for securities distributed on July 1, July 4, July 5 and July 7, 2016, in Item 7(b) provide July 1, 2016 as the start date and July 7, 2016 as the end date.
- If the report is being filed for an investment fund issuer that files annually and has distributed securities on a continuous basis from January 1, 2017 to December 31, 2017, in Item 7(b) provide January 1, 2017 as the start date and December 31, 2017 as the end date.

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: This page was corrected online on July 25, 2018 by deleting a title 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.

15. How does a filer determine the number of unique purchasers for Item 7(f) of the report?

For the total number of unique purchasers, each purchaser should only be counted once, regardless of whether the issuer distributed different types of securities to that purchaser, distributed securities on different dates to that purchaser and/or relied on multiple prospectus exemptions for such distributions.

As an example, an issuer located in Alberta distributes (at \$10/debenture, \$10/common share):

- 100 debentures to Purchaser A in Alberta in reliance on the accredited investor prospectus exemption
- 100 common shares to Purchaser A in Alberta in reliance on the offering memorandum prospectus exemption
- 100 common shares to Purchaser B in Alberta in reliance on the accredited investor prospectus exemption
- 100 common shares to Purchaser C in Ontario in reliance on the family, friends and business associates prospectus exemption
- 100 debentures to Purchaser D in France in reliance on the accredited investor prospectus exemption

In this example, there are a total of 4 unique purchasers.

The table in Item 7(f) requires a separate line item for:

- each jurisdiction where a purchaser resides,
- each exemption relied on in the jurisdiction where a purchaser resides, if a purchaser resides in a jurisdiction of Canada, and
- each exemption relied on in Canada, if a purchaser resides in a foreign jurisdiction.

Complete the table as follows:

Province or country	Exemption relied on	Number of unique purchasers ^{2a}	Total amount (Canadian \$)
Alberta	Accredited investor (NI 45-106 s.2.3)	2	2,000
Alberta	Offering memorandum (NI 45-106 s.2.9(2.1))	1	1,000
Ontario	Family, friends and business associates (NI 45-106 s.2.5)	1	1,000
France	Accredited investor (NI 45-106 s.2.3)	1	1,000
Total dollar amount of securities distributed			5,000
Total number of unique purchasers^{2b}		4	

In Schedule 1, create a separate entry for each distribution date, security type and exemption relied on for the distribution to each purchaser. In the example above, this means there must be two separate entries for Purchaser A in Schedule 1: one entry for the distribution of 100 debentures in reliance on the accredited investor prospectus exemption, and a second entry for the distribution of 100 common shares in reliance on the offering memorandum prospectus exemption.

16. Are marketing materials required to be listed under Item 7(h) of the report?

Yes, if the securities legislation of Saskatchewan, Ontario, Québec, New Brunswick and Nova Scotia requires marketing materials to be filed with or delivered to the securities regulatory authority or regulator in connection with the distribution under the exemption relied on.

Item 7(h) requires filers to list and provide certain details about offering materials that are required under the exemption relied on to be filed with or delivered to the securities regulatory authority or regulator in connection with the distribution in these jurisdictions. This is a reporting requirement only; the report does not impose any new requirement to deliver or file offering materials.

If marketing materials are required to be filed or delivered under the prospectus exemption relied on for the distribution, the filer must list such materials in Item 7(h). For example, if an issuer makes a distribution to purchasers in Ontario in reliance on the offering memorandum exemption under section 2.9 of NI 45-106, the filer must list marketing materials that are required to be incorporated or deemed to be incorporated by reference into the offering memorandum.

In Ontario only, if the offering materials listed in Item 7(h) are required to be filed with or delivered to the OSC, electronic versions of those offering materials are to be attached to and submitted electronically with the report on the OSC's Electronic Filing Portal (if not previously filed with or delivered to the OSC).

Compensation information

17. How does an issuer report compensation paid to two dealers in connection with the distribution?

Item 8 of the report must be completed separately for each dealer to whom the issuer provides compensation in connection with the distribution. In completing Schedule 1, where the person compensated is an individual, the filer should report the individual by the 'family name'; 'first given name' and 'secondary given names' (i.e., Smith; John Allen). A semi-colon should be used to separate the 'family name' from the 'first given name'. Where the person compensated is an entity, the full legal name of the entity should be reported.

In section f(3) of Schedule 1, the filer must indicate which of the two dealers received compensation in connection with the distribution to each purchaser by indicating the firm NRD number of the dealer, or the dealer's full legal name if not a registered firm. The firm NRD number or name must be consistent with the information provided in Item 8. If neither of the two dealers received compensation in connection with the distribution to a particular purchaser, then section f(3) of Schedule 1 should be left blank for that purchaser.

As noted in the instructions to Item 8(d), the report does not require disclosure of details about internal allocation arrangements with the directors, officers or employees of entities compensated by the issuer. This information is also not required in Schedule 1.

17.1 How do I find out whether a person compensated has an NRD number?

A filer may refer to the CSA's National Registration Search tool to check whether an entity to which the issuer is paying compensation in connection with a distribution has a Firm NRD number.

Registered firms and firms relying on the "international dealer exemption" or the "international adviser exemption" (as set out in section 8.18 and in section 8.26, respectively, of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*) have been assigned a Firm NRD number.

18. The issuer entered into a referral arrangement pursuant to which it pays an ongoing annual referral fee in cash to a third party for so long as the purchaser holds the securities distributed. Is the issuer required to disclose the ongoing referral fee in the report? Is the issuer required to do so each year for so long as it pays the referral fee?

If the referral fee is paid in cash in connection with a distribution, the filer must report the referral fee in Item 8(d) of the report, by checking the box that indicates a person is receiving deferred compensation in connection with the distribution and describing the terms of the referral arrangement in the box provided.

The filer is not required to report the referral fee every year. If no distributions were made in a particular year that give rise to referral fees being paid, then the referral fee is not required to be reported that year.

18.1 How should an issuer report deferred compensation shares?

Where an issuer agrees to distribute deferred shares to a person as compensation, the filer should not include the deferred compensation in the "Total Compensation Paid" section of item 8(d). However, the filer should check the box at the end of item 8(d) indicating a person will or may receive deferred compensation in connection with the distribution, and should describe the terms of deferred compensation in the box provided.

For example, if an issuer issues securities and agrees to pay a person the following compensation:

- 100 shares on the distribution date, and
- 300 shares to be issued over the course of 3 months following the distribution date, with 100 shares issued each month.

The filer should report the 100 shares issued on the distribution date by completing the "Value of all securities distributed as compensation" and "Security codes" boxes in item 8(d) of the report. The filer should also check the box at the bottom of item 8(d) indicating that a person is receiving deferred compensation and should describe that a total of 300 shares will or may be issued over the course of the 3 months following the distribution, with 100 shares issued each month.

Each time that the issuer distributes 100 deferred bonus shares to the person following the distribution (that is, 100 shares per month), the issuer must ensure that it has a prospectus exemption for that distribution and consider whether relying on that exemption triggers the requirement to file a new report.

19. What do the terms "funding portal" and "internet-based portal" refer to in Item 8(a) of the report?

These terms generally refer to an intermediary that provides an online platform for issuers to offer and sell securities to investors. These include funding portals as defined under Multilateral Instrument 45-108 *Crowdfunding*.

Purchaser information

20. The issuer sold shares to a purchaser that instructed that the shares be registered in the name of its investment adviser. What name is the filer required to disclose in Schedule 1 of the report?

All references to a purchaser in the report are to the beneficial owner of the securities (with the exception of fully managed accounts described below). In this example, the filer should provide the name of the beneficial owner as the purchaser in Schedule 1. The investment adviser in this example is the registered, not the beneficial, owner.

Similarly, if a trust or personal holding corporation purchases securities from an issuer, the trust or corporation is the beneficial owner. The names of the trust beneficiaries or shareholders of the holding corporation are not required.

Beneficial owner information is not required in Schedule 1 where a trust company, trust corporation, or registered adviser is deemed to be purchasing the securities as principal on behalf of a fully managed account and the issuer is relying on the exemption described in paragraph (p) or (q) of the definition of “accredited investor” in section 1.1 of NI 45-106 to issue the securities. In that case, only the name of the trust company, trust corporation or registered adviser should be provided in Schedule 1.

21. The filer does not have a purchaser’s email address. What is the filer required to disclose in section c(7) of Schedule 1 of the report?

If the purchaser has not provided an email address to the filer, or the purchaser does not have an email address, the filer may leave section c(7) of Schedule 1 blank for that purchaser.

21.1 Certain purchasers may qualify as an accredited investor under more than one paragraph of the definition of “accredited investor”. It may not always be clear to the filer which paragraph the purchaser qualifies under for the purpose of a particular distribution. For example, trust companies, trust corporations, registered advisers and registered dealers may be purchasing securities as principal for their own account, and/or may be deemed to be purchasing securities as principal on behalf of a fully managed account. In these circumstances, which paragraph of the definition of “accredited investor” should the filer select when completing Schedule 1?

If a purchaser is a trust company or a trust corporation, the filer can select paragraphs “(a) and/or (p)” of the definition of “accredited investor” for that purchaser when completing Schedule 1 if the trust company or trust corporation is:

- purchasing as principal for its own account and qualifies as an accredited investor under paragraph (a) of that definition, and/or
- deemed to be purchasing as principal on behalf of a fully managed account and qualifies as an accredited investor under paragraph (p) of that definition.
- If a purchaser is a registered adviser or registered dealer, the filer can select paragraphs “(d) and/or (q)” for that purchaser when completing Schedule 1 if the registered adviser or registered dealer is:
 - purchasing as principal for its own account and qualifies as an accredited investor under paragraph (d) of that definition, and/or
 - deemed to be purchasing as principal on behalf of a fully managed account and qualifies as an accredited investor under paragraph (q) of that definition.

The Schedule 1 Excel template includes these options for filers to select.

21.2 What steps are sellers expected to take to verify a purchaser’s status?

The seller of securities is responsible for determining whether the terms and conditions of the prospectus exemption are met. Sellers are reminded of the guidance set out in section 1.9 of 45-106CP regarding their responsibility for compliance and verifying purchaser status. In particular, paragraph 1.9(4) of 45-106CP describes procedures that a seller could implement in order to reasonably confirm that the purchaser meets the conditions for a particular exemption. Some examples of these steps include:

- establishing policies and procedures to confirm that all parties acting on behalf of the seller understand the conditions that must be satisfied to rely on the exemption, and
- obtaining information that confirms the purchaser meets the criteria in the exemption.

Whether the types of steps are reasonable will depend on the particular facts and circumstances of the purchaser, the offering and the exemption being relied on. For certain purchasers, such as Canadian financial institutions, Schedule III banks and pension funds, it may not be necessary for the seller to reconfirm the purchaser’s status for each distribution to that purchaser.

Certification

22. Who must certify the report?

The certification in item 10 of the report must be provided by a director or officer of the issuer or underwriter filing the report, or by an agent that has been authorized by an officer or director of the issuer or underwriter to prepare and certify the report on behalf of the issuer or underwriter. Refer to item 10 in Annex 1 for guidance on how to date and certify the report.

In signing the certification, the director, officer or agent certifying the report is doing so on behalf of the issuer or underwriter.

Securities legislation of a jurisdiction in which the report is filed may impose liability on any person that makes a statement in the report that, in a material respect and at the time and in light of the circumstances under which it is made, is misleading or untrue or does not state a fact that is required to be stated or that is necessary to make the statement not misleading. Securities legislation may also impose liability on any director or officer of an issuer or underwriter who authorizes, permits or acquiesces in the filing of such a report, including the individual signing the report for and on behalf of the filer. Such legislation may also provide a defence to liability based on the person or company's knowledge after exercising reasonable diligence. The potential personal liability of directors and officers of the filer is determined by applicable securities legislation and case law.

**ANNEX 4
Transition to the 2016 Report**

This Annex provides further guidance on whether the Prior Report or the 2016 Report should be filed.

Issuers other than investment funds filing annually

All issuers and underwriters, other than investment fund issuers filing reports annually, must use the 2016 Report for distributions that occur on or after June 30, 2016. If an issuer completes a distribution before June 30, 2016, and the deadline to file the report occurs after June 30, 2016, the filer must file the Prior Report. If an issuer completes multiple distributions on dates that occur within a 10-day period beginning before and ending after June 30, 2016, the filer may file either the Prior Report or the 2016 Report to report such distributions.

Please see the examples in Table 1 below for further clarity on the report that should be filed.

TABLE 1: FILING THE 2016 REPORT			
	Distribution period covered by report	Filing deadline¹¹	Report required
Issuer 1	June 20, 2016 to June 29, 2016	June 30, 2016	Prior Report
Issuer 2	June 21, 2016 to June 30, 2016	July 1, 2016	Prior Report <u>or</u> 2016 Report
Issuer 3	June 27, 2016	July 7, 2016	Prior Report
Issuer 4	June 28, 2016 to July 1, 2016	July 8, 2016	Prior Report <u>or</u> 2016 Report
Issuer 5	June 30, 2016 to July 8, 2016	July 10, 2016 ¹²	2016 Report
Issuer 6	July 4, 2016	July 14, 2016	2016 Report
Issuer 7	July 5, 2016 to July 14, 2016	July 15, 2016	2016 Report

Investment fund issuers that file annually

Investment funds relying on certain prospectus exemptions may file reports of exempt distribution annually, within 30 days after the end of the calendar year. We have provided a transition period to allow investment fund issuers that file annually to file either the Prior Report or the 2016 Report for distributions that occur before January 1, 2017. For distributions that occur on or after January 1, 2017, all investment fund issuers filing annually must file the 2016 Report.

¹¹ The report must be filed no later than 10 days after the first distribution in the report.

¹² If the filing deadline falls on a Saturday, Sunday or another day when the CSA member with which the report being filed is closed, the deadline is the next day on which the CSA member is open.

Please see the examples in Table 2 for further clarity on the report that should be filed.

TABLE 2: TRANSITION PERIOD FOR INVESTMENT FUND ISSUERS THAT REPORT ANNUALLY							
	Financial year-end	2016		2017		2018	
		Filing deadline	Report required	Filing deadline	Report required	Filing deadline	Report required
Investment Fund Issuer 1	Dec 31	Jan 30, 2016	Prior Report – For distributions completed between Jan 1, 2015 and Dec 31, 2015	Jan 30, 2017	Prior Report <u>or</u> 2016 Report – For distributions completed between Jan 1, 2016 and Dec 31, 2016	Jan 30, 2018	2016 Report – For distributions completed between Jan 1, 2017 and Dec 31, 2017
Investment Fund Issuer 2	Apr 30	May 30, 2016	Prior Report – For distributions completed between May 1, 2015 and Apr 30, 2016	Jan 30, 2017	Prior Report <u>or</u> 2016 Report – For distributions completed between May 1, 2016 and Dec 31, 2016	Jan 30, 2018	2016 Report – For distributions completed between Jan 1, 2017 and Dec 31, 2017
Investment Fund Issuer 3	May 31	Jun 30, 2016	Prior Report – For distributions completed between Jun 1, 2015 and May 31, 2016	Jan 30, 2017	Prior Report <u>or</u> 2016 Report – For distributions completed between Jun 1, 2016 and Dec 31, 2016	Jan 30, 2018	2016 Report – For distributions completed between Jan 1, 2017 and Dec 31, 2017
Investment Fund Issuer 4	Jun 30	N/A	N/A	Jan 30, 2017	Prior Report <u>or</u> 2016 Report – For distributions completed between Jul, 1 2015 and Dec 31, 2016	Jan 30, 2018	2016 Report – For distributions completed between Jan 1, 2017 and Dec 31, 2017
Investment Fund Issuer 5	Sept 30	N/A	N/A	Jan 30, 2017	Prior Report <u>or</u> 2016 Report – For distributions completed between Oct 1, 2015 and Dec 31, 2016	Jan 30, 2018	2016 Report – For distributions completed between Jan 1, 2017 and Dec 31, 2017

ANNEX 5
Contact Information of Public Officials regarding Indirect Collection of Personal Information

Alberta Securities Commission

Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: 403-297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: 403-297-2082
Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: 604-899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: 604-899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information: FOI Inquiries

The Manitoba Securities Commission

500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: 204-945-2561
Toll free in Manitoba: 1-800-655-5244
Facsimile: 204-945-0330
Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)

85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: 506-658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: 506-658-3059
Email: info@fcnb.ca
Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador

Financial Services Regulation Division

P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: 709-729-4189
Facsimile: 709-729-6187
Public official contact regarding indirect collection of information: Superintendent of Securities

Government of the Northwest Territories

Office of the Superintendent of Securities

P.O. Box 1320
Yellowknife, Northwest Territories X1A 2L9
Telephone: 867-767-9305
Facsimile: 867-873-0243
Public official contact regarding indirect collection of information: Superintendent of Securities

Nova Scotia Securities Commission

Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: 902-424-7768
Facsimile: 902-424-4625
Public official contact regarding indirect collection of information: Executive Director

Government of Nunavut

Department of Justice

Legal Registries Division
P.O. Box 1000, Station 570
1st Floor, Brown Building
Iqaluit, Nunavut X0A 0H0
Telephone: 867-975-6590
Facsimile: 867-975-6594
Public official contact regarding indirect collection of information: Superintendent of Securities

Ontario Securities Commission

20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: 416-593- 8314
Toll free in Canada: 1-877-785-1555
Facsimile: 416-593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information: Inquiries Officer

Prince Edward Island Securities Office

95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: 902-368-4569
Facsimile: 902-368-5283
Public official contact regarding indirect collection of information: Superintendent of Securities

Autorité des marchés financiers

800, rue du Square-Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: 514-395-0337 or 1-877-525-0337
Facsimile: 514-873-6155 (For filing purposes only)
Facsimile: 514-864-6381 (For privacy requests only)
Email: financementdesocietes@lautorite.qc.ca (For corporate finance issuers); fonds_dinvestissement@lautorite.qc.ca (For investment fund issuers)
Public official contact regarding indirect collection of information: Corporate Secretary

Financial and Consumer Affairs Authority of Saskatchewan

Suite 601 – 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: 306-787-5842
Facsimile: 306-787-5899
Public official contact regarding indirect collection of information: Director

Office of the Superintendent of Securities

Government of Yukon

Department of Community Services

307 Black Street, 1st Floor
P.O. Box 2703, C-6
Whitehorse, Yukon Y1A 2C6
Telephone: 867-667-5466
Facsimile: 867-393-6251
Email: securities@gov.yk.ca
Public official contact regarding indirect collection of information: Superintendent of Securities

1.1.3 Notice of IOSCO Enhanced Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information

**IOSCO ENHANCED MULTILATERAL MEMORANDUM OF UNDERSTANDING CONCERNING
CONSULTATION AND COOPERATION ON THE EXCHANGE OF INFORMATION**

The Ontario Securities Commission has recently entered into the IOSCO Enhanced Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (the "IOSCO Enhanced MMoU") as a signatory to Appendix A.1.

The IOSCO Enhanced MMoU will foster greater cross-border enforcement cooperation and mutual assistance among securities regulators, enabling them to respond to the risks and challenges posed by globalization and advances in technology. The IOSCO Enhanced MMoU expands on the forms of assistance available under the IOSCO Multilateral Memorandum of Understanding (the "IOSCO MMoU"), for which the OSC was granted ministerial approval on December 5, 2002. The IOSCO Enhanced MMoU was established to ensure continued effectiveness of securities regulators in safeguarding market integrity and stability, protecting investors and deterring misconduct and fraud in the capital markets.

The IOSCO Enhanced MMoU is subject to the approval of the Minister of Finance, and was delivered to the Minister of Finance on July 12, 2018.

Questions may be referred to:

John Humphreys
Senior Investigation Counsel
Enforcement
E-mail: jhumphreys@osc.gov.on.ca

Ashok Menen
Investigation Counsel
Enforcement
Tel: 416-596-4299
E-mail: amenen@osc.gov.on.ca

Andrew Schrumm
Advisor
Office of Domestic and International Affairs
Tel: 416-593-8335
E-mail: aschrumm@osc.gov.on.ca

2016

ENHANCED MULTILATERAL MEMORANDUM OF UNDERSTANDING
CONCERNING CONSULTATION AND COOPERATION
AND THE EXCHANGE OF INFORMATION



INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSIONS

PREAMBLE

In 2002, IOSCO established its first Multilateral Memorandum of Understanding (“2002 MMoU”) to serve and support its objectives of protecting investors and ensuring that markets are fair, efficient and transparent. The 2002 MMoU has become the global benchmark for international cooperation in the enforcement of securities and derivatives laws and regulations; yet, as technology and society evolve, enforcement and cooperation among securities regulators must also evolve.

Since the 2002 MMoU was established, there has been a significant increase in globalisation and the interconnectedness of financial markets, as well as advancements in technology that have changed the way that the securities and derivatives industry operates and how violations of securities and derivatives laws occur. The lessons of the global financial crisis, and the experience gained by the signatories to the 2002 MMoU have made clear that it is critical to enhance information sharing and cooperation between IOSCO members: to keep pace with technological, societal and market developments; to bolster deterrence; and to ensure that IOSCO continues to meet its objectives.

For these reasons, IOSCO has now established this Enhanced Multilateral Memorandum of Understanding (“Enhanced MMoU”) with the expectation that its signatories will, by availing themselves of new forms of assistance and providing each other with the Fullest Assistance Permissible, increase the effectiveness of their investigations and the enforcement of their jurisdiction’s Laws and Regulations, whilst recognising the rights and privileges afforded to Persons in their respective jurisdictions.

ARTICLE 1: DEFINITIONS

For the purposes of this Enhanced MMoU:

- (1) “Authority” or “Authorities” means, respectively, a regulator or regulators listed in Appendix A.1 or A.2 (as relevant).
- (2) “Fullest Assistance Permissible” means any form of assistance whether or not expressly referred to in this Enhanced MMoU, that falls within the competence of the Authorities to provide to one another.
- (3) “Information” includes, but is not limited to data, documents, metadata, recordings, images, in any form, and all data compilations that serve to identify, locate or link any such materials, such as file inventories, folders, and lists.
- (4) “Laws and Regulations” mean the provisions of the laws of the jurisdictions of the Authorities, the regulations promulgated thereunder, and other regulatory requirements, that fall within the competence of the Authorities as securities and derivatives regulators, including but not limited to the following:
 - a. Misconduct including insider dealing and trading, market manipulation, misrepresentation or omission of material information, dissemination of misleading information and other fraudulent or manipulative practices or devices and attempts to commit such violations, including solicitation practices, mis-selling, handling of investor funds and customer orders;
 - b. the registration, issuance, purchase, offer, or sale of securities and derivatives and other financial instruments, filing and reporting requirements, and the maintaining of accurate books and records related thereto;
 - c. market intermediaries, including investment and trading advisers, collective investment schemes, brokers, dealers, transfer agents, associated or affiliated Persons, and other market participants who are required to be licensed or registered or exempt therefrom; and
 - d. markets, exchanges, clearing and settlement entities, and financial market infrastructures, where applicable.
- (5) “Person” means a natural or legal person or other entity including, but not limited to a corporation, a partnership or other arrangement such as a trust.
- (6) “Requested Authority” means an Authority to whom a request for assistance is made under this Enhanced MMoU.
- (7) “Requesting Authority” means an Authority making a request for assistance under this Enhanced MMoU.

ARTICLE 2: MUTUAL ASSISTANCE AND THE EXCHANGE OF INFORMATION

(1) General Principles regarding Mutual Assistance and the Exchange of Information

- (a) This Enhanced MMoU sets forth the Authorities' intent with regard to mutual assistance and the exchange of information for the purpose of enforcing and securing compliance with the respective Laws and Regulations of the Authorities. The provisions of this Enhanced MMoU are not intended to create legally binding obligations or supersede the laws and regulations applicable in the jurisdictions of each Authority.
- (b) The Authorities represent that no domestic secrecy or blocking laws or regulations should prevent the collection or provision of the information set forth in Article 3(2), and 3(3) as applicable, to the Requesting Authority.
- (c) This Enhanced MMoU does not authorize an Authority to take, or prohibit an Authority from taking measures other than those identified herein to obtain information.
- (d) Each Authority represents that where the assistance of a third party authority within their jurisdiction is necessary for the provision of assistance falling within the scope of this Enhanced MMoU, there is a process or instrument that provides for assistance to be given without undue delay and that provides for such authority to maintain the confidentiality of the request.
- (e) This Enhanced MMoU does not confer upon any Person not an Authority, the right or ability, directly or indirectly to obtain, suppress or exclude any information or to challenge the execution of a request for assistance under this Enhanced MMoU.
- (f) The Authorities recognize the importance and desirability of providing the Fullest Assistance Permissible and exchanging Information for the purpose of investigating suspected violations of, securing compliance with, and enforcing the Laws and Regulations applicable in their respective jurisdictions.
- (g) A request for assistance may be denied by the Requested Authority:
 - (i) where the request would require the Requested Authority to act in a manner that would violate any applicable law or regulation in its jurisdiction;
 - (ii) where a criminal proceeding has already been initiated in the jurisdiction of the Requested Authority based upon the same facts and against the same Persons, or the same Persons have already been the subject of final punitive sanctions on the same charges by the competent authorities of the jurisdiction of the Requested Authority, unless the Requesting Authority can demonstrate that the relief or sanctions sought in any proceedings initiated by the Requesting Authority would not be of the same nature or duplicative of any relief or sanctions obtained in the jurisdiction of the Requested Authority;
 - (iii) where the request is not made in accordance with the provisions of this Enhanced MMoU; or
 - (iv) on grounds of public or national interest.

- (2) Where a request for assistance is denied, the Requested Authority will first consult with the Requesting Authority and will notify the Requesting Authority of the denial in writing and provide explanations as to why it is unable to provide the assistance requested.

ARTICLE 3: SCOPE OF ASSISTANCE

- (1) The Authorities will provide each other with the Fullest Assistance Permissible to investigate suspected violations of, ensure compliance with and enforce their respective Laws and Regulations.
- (2) The assistance available under this Enhanced MMoU includes, but is not limited to:
 - (a) providing Information held in the files of the Requested Authority regarding the matters set forth in the request for assistance;

- (b) obtaining and providing Information from any Persons regarding the matters set forth in the request for assistance, including, but not limited to:
 - (i) Information sufficient to reconstruct all orders (whether or not executed) and transactions involving securities, derivatives and other financial instruments, including records of all funds or assets transferred into and out of bank, brokerage or other financial accounts relating to these transactions;
 - (ii) Information that identifies, for each transaction: the beneficial owner and controller; the account holder; the Persons conducting the transaction; the amount purchased or sold; the time of the transaction; the price of the transaction; and any Persons involved in the transaction;
 - (iii) Information that identifies or traces funds, or assets into which those funds are converted;
 - (iv) Information that identifies Persons who beneficially own or control Persons within the jurisdiction of the Requested Authority;
 - (v) Auditing Information including, but not limited to, audit work papers, communications and other Information relating to the audit or review of financial statements; and
 - (c) Compelling a Person's physical attendance to take or, where permissible, compel that Person's statement or testimony under oath, regarding the matters set forth in the request for assistance, in accordance with the rights and privileges afforded by the laws and regulations applicable in the jurisdiction of the Requested Authority;
 - (d) Where permissible, requiring or requesting the freeze or sequestration of funds or assets located in the Requested Authority's jurisdiction. Where such assistance is not available, informing the Requesting Authority about the relevant funds or assets located in the Requested Authority's jurisdiction, and to the fullest extent possible assisting the Requesting Authority with the use of legal procedures and other means to freeze or sequester those funds or assets.
- (3) In addition to the assistance available under Article 3(2) above, the assistance available under this Enhanced MMoU includes, but is not limited to, the following enhanced powers in respect of which authorities listed on Appendix A.1 are competent to provide assistance:
- (i) Subscriber records held or maintained by telephone service providers who are located within the jurisdiction of the Requested Authority, that identify subscribers (name and address), payment details and incoming and outgoing communications with date, time, duration and identification of phone numbers from which communications are made or received;
 - (ii) Subscriber records held or maintained by internet service providers, and other electronic communication providers, who are located within the jurisdiction of the Requested Authority, that identify subscribers (name and address), payment details, length of service, type of service utilized, network addresses, and session times\dates and durations; and
 - (iii) Recordings of telephone conversations or other electronic communications held or maintained by Persons regulated by the Requested Authority.
- (4) Assistance will not be denied based on the fact that the type of conduct described in the request for assistance would not be a violation of the Laws and Regulations of the Requested Authority.

ARTICLE 4: REQUESTS FOR ASSISTANCE

- (1) Requests for assistance will be made in writing in substantially the form set out in Appendix C, and may be transmitted in a mutually agreed format and by a mutually agreed means reflecting the confidentiality of the request.
- (2) Requests for assistance will include:
 - (a) a description of the facts underlying the matter that is the subject of the request, and the purpose for which the assistance is sought;

- (b) a description of the assistance sought and why the Information sought will be of assistance;
 - (c) any Information known to, or in the possession of, the Requesting Authority that might assist the Requested Authority in identifying either the Persons believed to possess the Information sought or the places from where such Information may be obtained;
 - (d) an indication of any special precautions that the Requested Authority should take in collecting the Information sought due to, for example, investigatory considerations;
 - (e) an explanation of the reasons for any deadlines or timing considerations relevant to the execution of the request; and
 - (f) a description of the Laws and Regulations that may have been violated and that relate to the subject matter of the request.
- (3) In urgent circumstances, requests for assistance may be effected orally, or by any other means such as a short emailed request, provided such request for assistance is subsequently confirmed in writing, consistent with Article 4(2).

ARTICLE 5: EXECUTION OF REQUESTS FOR ASSISTANCE

- (1) Upon request, the Requested Authority will, in a timely manner, taking into account the complexity and nature of the assistance sought by the Requesting Authority and any particular timing considerations noted by the Requesting Authority in its request:
- (a) provide Information held in its files;
 - (b) require the production of Information requested by the Requesting Authority from: (i) any Person designated by the Requesting Authority, or (ii) any other Person who may possess the requested Information;
 - (c) obtain and provide other Information relevant to the request; and
 - (d) compel the physical attendance of a Person to take, or where permissible, compel that Person's statement or testimony under oath, regarding the matters set forth in the request for assistance, in accordance with the rights and privileges afforded by the laws and regulations applicable in the jurisdiction of the Requested Authority.
- (2) Unless otherwise provided for under the Laws and Regulations of the Requested Authority, the Requesting and Requested Authorities will discuss the procedures and the persons responsible for the taking or receiving of Information requested under this Enhanced MMoU. Information will otherwise be gathered in accordance with the procedures applicable in the jurisdiction of the Requested Authority and by persons designated by the Requested Authority. Both Authorities will discuss any particular legal requirements and/or impediments in their respective jurisdictions.
- (3) The Requested Authority will send an acknowledgement of receipt of the request for assistance no later than seven (7) working days after its receipt, including the contact details of a designated contact person.
- (4) No later than seven (7) working days after receiving a request for a status report by the Requesting Authority, the Requested Authority will provide to the Requesting Authority an update as to the progress of efforts to secure the assistance requested and of when it expects to be in a position to provide the assistance requested.
- (5) Where permissible under the Laws and Regulations of the Requested Authority, a representative of the Requesting Authority may be present at the taking of statements and testimony and may participate in the questioning.
- (6) Responses to requests for assistance will be made in writing, and may be transmitted in a mutually agreed upon format and by a mutually agreed means, reflecting the confidentiality of the request and the Information shared.
- (7) In urgent circumstances, the response to requests for assistance may be effected orally, or by any other means such as an emailed response, provided such communication is subsequently confirmed in writing.

ARTICLE 6: PERMISSIBLE USES OF INFORMATION

- (1) The Requesting Authority may use non-public Information furnished in response to a request for assistance under this Enhanced MMoU solely for:
 - (a) the purposes set forth in the request for assistance, including investigating suspected violations of, ensuring compliance with and enforcing the Laws and Regulations related to the request; and
 - (b) a purpose within the general framework of the use stated in the request for assistance, including conducting a civil or administrative enforcement proceeding, assisting in a self-regulatory organization's surveillance or enforcement activities (insofar as that organization is involved in the supervision of conduct that is the subject of the request), assisting in a criminal investigation or prosecution, or conducting any investigation or any enforcement proceeding, which may or may not be public, as authorized by the Laws and Regulations of the Requesting Authority, for any general charge applicable to the violation of the provision specified in the request, subject to any applicable restrictions on the use of testimony/statements obtained under Article 3(2)(c).
- (2) If a Requesting Authority intends to use Information furnished under this Enhanced MMoU for any purpose other than those stated in Article 6(1), it must obtain the written consent of the Requested Authority before doing so.

ARTICLE 7: CONFIDENTIALITY

- (1) Each Authority will keep confidential requests, responses, referrals and related communications made to it under this Enhanced MMoU, the contents of such communications, and any matters arising in connection with such communications, including consultations between or among the Authorities, and unsolicited assistance. However, the Requested Authority may disclose the fact that a Requesting Authority has made a request with the written consent of the Requesting Authority.
- (2) The Authorities will not disclose non-public Information, including the confidential information described in Article 7.1. above, received under this Enhanced MMoU, except as contemplated herein or in response to a legally enforceable demand that the non-public Information be disclosed. In the event of a legally enforceable demand, the Authority which receives the demand will notify the other Authority prior to complying with the demand, and will assert such appropriate legal exemptions or privileges with respect to the Information as may be available. Each Authority will use its best efforts to protect the confidentiality of non-public Information received under this Enhanced MMoU.
- (3) Prior to providing Information to a self-regulatory organization in accordance with Article 6(1)(b), the Requesting Authority will ensure that the self-regulatory organization is able to, and will comply on an ongoing basis with the confidentiality and use provisions set forth in this Enhanced MMoU.

ARTICLE 8: CONSULTATION REGARDING ASSISTANCE AND THE EXCHANGE OF INFORMATION

- (1) The Authorities will consult periodically with each other regarding this Enhanced MMoU about matters of common concern with a view to improving the operation of the Enhanced MMoU and resolving any issues that may arise. In particular, the Authorities will consult in the event of:
 - (a) a significant change in market or business conditions or in legislation where such change is relevant to the operation of this Enhanced MMoU;
 - (b) a demonstrated change in the willingness or ability of an Authority to meet the provisions of this Enhanced MMoU as relevant to such Authority's status as a signatory to Appendix A.1 or Appendix A.2; and
 - (c) any other circumstance that makes it necessary or appropriate to consult, amend or extend this Enhanced MMoU in order to achieve its purposes.
- (2) The Authorities will consult with one another in matters relating to specific requests made, or unsolicited assistance provided, pursuant to this Enhanced MMoU (for example, where a request may be denied, or if it appears that responding to a request will involve a substantial cost).
- (3) The Authorities will define the terms herein in accordance with the relevant laws and regulations of the jurisdiction of the Requesting Authority unless such definition would require the Requested Authority to exceed its legal authority or otherwise be prohibited by the laws and regulations applicable in the jurisdiction of the

Requested Authority. In such cases, the Requesting Authority and Requested Authority will consult and provide feedback when requested.

ARTICLE 9: UNSOLICITED ASSISTANCE

Each Authority will make all reasonable efforts to provide, without prior request, the other Authorities with any Information that that Authority considers is likely to be of assistance to those other Authorities in investigating suspected violations of, securing compliance with, or enforcing, the Laws and Regulations applicable in their jurisdiction, and such Information may be used for any of those purposes.

ARTICLE 10: FINAL PROVISIONS

(1) An Authority may be listed on Appendix A.1 or A.2 in accordance with the procedures set forth in Appendix B. Authorities listed on Appendix A.2 may make a further application to be listed on Appendix A.1 and removed from Appendix A.2 in accordance with the procedures set forth in Appendix B.

(2) Date of commencement

Cooperation in accordance with this Enhanced Memorandum of Understanding will begin on the date of its signing by the Authorities. The Enhanced Memorandum of Understanding will be effective as to additional Authorities as of the date of that Authority's signing of Appendix A1 or A2.

(3) Amendments to the Enhanced MMoU

This Enhanced MMoU can be amended, varied or terminated pursuant to the procedures set forth in Appendix B.

(4) Termination of the Participation of an Authority

(a) An Authority may terminate its participation in this Enhanced MMoU, or transfer from Appendix A.1 to Appendix A.2, at any time by giving at least 30 days' prior written notice to each other Authority.

(b) If, in accordance with the procedures set forth in this Enhanced MMoU, the Chairmen of the IOSCO Board, the Growth and Emerging Markets Committee and the Monitoring Group (the "Decision-Making Group") determine, following notice and opportunity to be heard, that there has been a demonstrated change in the willingness or ability of an Authority to meet the provisions of this Enhanced MMoU, as set forth in Article 8(1)(b), the Decision-Making Group may, after consultation with the Chairman of the relevant Regional Committee, terminate that Authority's participation in this Enhanced MMoU or transfer the Authority from Appendix A.1 to Appendix A.2, subject to a possible review by the IOSCO Board.

(c) In the event that an Authority decides to terminate its participation in this Enhanced MMoU, cooperation and assistance in accordance with this Enhanced MMoU will continue until the expiration of 30 days after that Authority gives written notice to the other Authorities of its intention to discontinue cooperation and assistance hereunder. If any Authority gives a termination notice, cooperation and assistance in accordance with this Enhanced MMoU will continue with respect to all requests for assistance that were made, or Information provided pursuant to this Enhanced MMoU before the effective date of notification (as indicated in the notice but no earlier than the date the notice is sent) until the Requesting Authority terminates the matter for which assistance was requested.

(d) In the event of the termination of an Authority's participation in the Enhanced MMoU, the use and confidentiality provisions set forth herein will continue to apply.

APPENDIX A.1

List of signatories to the powers referred to in Article 3(2) and (3).

APPENDIX A.2

List of signatories to the powers referred to in Article 3(2).

[Editor's Note: IOSCO member authorities may become signatories to the IOSCO Enhanced MMoU upon acceptance by the IOSCO Decision Making Group. The complete list of signatories maintained by IOSCO is available at: [http://www.iosco.org/about/?subSection=emmou&subSection1=signatories.](http://www.iosco.org/about/?subSection=emmou&subSection1=signatories)]

APPENDIX B

Procedures to Apply to Become a Signatory under the 2016 Enhanced Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (known as the “EMMoU”)

Section 1. Application to Become a Signatory to the EMMoU

1.1 Eligible members: Governmental regulatory bodies that are Ordinary or Associate Members of IOSCO who are already signatories to the MMoU are eligible to make an application to become a signatory to the EMMoU, at any time. Members who are not already signatories to the MMoU must first or simultaneously make an application to the MMoU to become a signatory to the EMMoU. Applications must be submitted to the IOSCO Secretary General. In addition, non-members who are securities regulatory bodies and who wish to become IOSCO Ordinary Members are also eligible to make an application to become a signatory to the EMMoU simultaneously with, or subsequent to, their application to become a signatory to the MMoU, with actual signing contingent upon membership.

1.2 Application to the EMMoU only: An applicant who is already a signatory to the MMoU may apply to become a signatory to the EMMoU, or an applicant who is already a signatory to Appendix A.2 of the EMMoU may apply to become a signatory to Appendix A.1 of the EMMoU, by submitting an application that must provide a complete response to all relevant questions in the EMMoU Questionnaire contained in Section 4 of this Appendix B and copies of the applicant's supporting laws, rules and regulations as indicated in the questionnaire. Responses should identify and explain the applicant's legal authority to meet the specific provisions cited in the questionnaire.

1.3 Application to both the MMoU and the EMMoU: An applicant may apply, at the same time, to become a signatory to both the MMoU and the EMMoU by submitting (1) a complete response to the questionnaire for Appendix B of the MMoU, (2) a complete response for the relevant section of the EMMoU Questionnaire contained in Section 4 of this Appendix B, and (3) copies of the applicant's supporting laws, rules and regulations as indicated in the respective questionnaires. Responses should identify and explain the applicant's legal authority to meet the specific provisions cited in the questionnaires.

1.4 Verification of applications: The Screening Group, with administrative support provided by the Secretary General, will verify questionnaire responses utilizing existing Screening Group verification teams, which include members with substantial expertise in enforcement of securities and derivatives laws, as well as expertise in cross-border information sharing. The Screening Group may establish additional verification teams or adjust the composition of the verification teams, as necessary. The Screening Group has discretion to invite other IOSCO members to participate in the verification teams.

1.5 The verification of the questionnaire will be limited to verification that the questionnaire responses accurately reflect the legal authority of the applicant to comply with the relevant EMMoU provisions based on the laws, rules and regulations cited in the responses and any supplemental information provided by the applicant. Based on a verification team's review of an applicant's questionnaire responses and any follow-up communications with the applicant, it will make a recommendation to the Screening Group concerning the applicant's ability to comply with each relevant EMMoU provision.

1.6 Screening Group recommendations: The Screening Group will make recommendations concerning its verification of an applicant's responses to a decision making group comprised of the Chairpersons of the IOSCO Board, the Growth and Emerging Markets Committee and the MMoU Monitoring Group (the “Decision Making Group” also known as the “Committee of Chairs”). Prior to making any negative recommendation on an application, the Screening Group will notify the applicant in writing, identifying the specific EMMoU provisions for which the Screening Group has determined the applicant lacks legal authority. The applicant will have an opportunity, upon request, to be heard by the Screening Group.

1.7 Decision Making Group decision: The Decision Making Group, after consultation with the Chairperson of the relevant Regional Committee, will decide whether to accept or reject an application to become a signatory to the EMMoU, or whether to accept or reject an application to transfer from Appendix A.2 to Appendix A.1 of the EMMoU, based on the Screening Group's recommendations.

1.8 Decision Making Group acceptance: Upon an affirmative decision by the Decision Making Group of an applicant's legal authority to meet all of the relevant requirements of the EMMoU, the applicant will be invited by IOSCO to become a signatory to Appendix A.1 or Appendix A.2 of the EMMoU, as appropriate.

1.9 Decision Making Group rejection: Prior to making any negative decision, the Decision Making Group will notify the applicant in writing, identifying the specific EMMoU provisions for which it has been determined the applicant lacks legal authority. The applicant will have an opportunity, upon request, to be heard by the Decision Making Group.

1.10 Signatories: Signatories means a signatory to the EMMoU which is either a signatory to Appendix A.1 or A.2 (known as the “Signatories”). Appendix A.1 to the EMMoU will contain the names of the Signatories that hold all of the EMMoU powers contained in Article 3 of the EMMoU and the date each Authority signed. Appendix A.2 to the EMMoU will contain the names of

the Signatories that hold all of the EMMoU powers contained in Article 3 of the EMMoU, except those contained in Article 3(3) of the EMMoU, and the date each Authority signed. The IOSCO Secretary General will maintain and update Appendix A.1 and Appendix A.2 of the EMMoU, including the date each Authority became a signatory to the relevant appendix. The responses of all Signatories provided in support of their applications will be posted on the IOSCO members-only website.

1.11 Review of Decision Making Group: Decisions of the Decision Making Group shall be made under the authority of the IOSCO Board. However, an applicant who is dissatisfied with the decision of the Decision Making Group may request, by written notice to the Secretary General, that the decision be reviewed by the IOSCO Board. Within thirty days following the receipt of such request, the Secretary General will refer the request to the next meeting of the IOSCO Board to be held. The request shall be accompanied by such material and be dealt with under such procedures as the IOSCO Board may from time to time decide. The IOSCO Board may confirm the original decision of the Decision Making Group or may substitute a new decision or otherwise deal with the request as it considers fit.

1.12 Any applicant who has not been successful in becoming a signatory to the EMMoU, or in transferring from Appendix A.2 to Appendix A.1 to the EMMoU, may re-apply to become a signatory or to transfer, in accordance with the procedures in Section 2, once it obtains the legal authority that the Screening Group determined the applicant lacked in its prior application(s).

Section 2. Reapplication to Become a Signatory to the EMMoU

2.1 After obtaining the legal authority identified as lacking during the application to become a signatory under Section 1, a member may again apply to become a signatory to the EMMoU, or to transfer from Appendix A.2 to Appendix A.1 to the EMMoU, by submitting an updated response to all the relevant questions in the EMMoU Questionnaire contained in Section 4 of this Appendix B, identifying changes to the legal authority previously identified as lacking and confirming the continued accuracy of all other information previously submitted.

2.2 A re-application under Section 2.1 will be subject to the same review and verification process described in Section 1. In the event that review and verification determine the applicant meets all of the requirements, then the applicant will be invited by IOSCO to become a signatory and to sign Appendix A.1 or Appendix A.2 of the EMMoU, as appropriate. The updated response provided in support of the application will be posted on the IOSCO members-only website.

Section 3. Monitoring of the Operation of the EMMoU

3.1 Updating responses: In order to ensure the effective monitoring of the operation of the EMMoU, Signatories will update their responses to the EMMoU Questionnaire posted on the IOSCO members-only website, as appropriate.

3.2 Periodic consultations: The EMMoU, in Article 8(1), provides for periodic consultation about certain significant, enumerated matters of common concern to the Signatories, respectively, with a view to improving their operation. Such consultations will be conducted by the Signatories within the MMoU Monitoring Group ("Monitoring Group"), with administrative support provided by the Secretary General. Matters that are relevant to both the MMoU and the EMMoU will be discussed in the MMoU Monitoring Group. The MMoU Monitoring Group may also discuss matters of sole relevance to the EMMoU; however, only the Signatories to the EMMoU within the Monitoring Group may vote on such matters. The Monitoring Group may, in consultation with the IOSCO Board, establish further separate procedures to facilitate periodic consultations regarding the EMMoU, as appropriate. Such procedures will include written notice to the Signatories of the issues to be considered during consultations, and an opportunity to be heard and respond. The Monitoring Group may obtain the assistance of other IOSCO bodies, including the Screening Group, in performing its consultation and recommendation functions.

3.3 Demonstrated change in willingness or ability to comply: The Signatories to the Monitoring Group have discretion to consider and recommend a range of possible options to encourage compliance in the event that a signatory to the EMMoU demonstrates a change in its willingness or ability to meet the standards of the relevant provisions of the EMMoU. Recommendations might include: full peer review of an EMMoU signatory that may not be in compliance; providing a period of time for the EMMoU signatory to comply; public notice of non-compliance; suspension from participation in the EMMoU; transfer from Appendix A.1 of the EMMoU to Appendix A.2 of the EMMoU; or termination from participation in the EMMoU, as provided in Article 10(4)(b) of the EMMoU.

3.4 Recommendations to Decision Making Group: If further action is necessary as a result of such consultations, the Monitoring Group will forward its recommendation to the Decision Making Group. The Decision Making Group will consider the Monitoring Group's recommendations and, where appropriate, take action. Prior to making any negative determination on such a Monitoring Group recommendation, the Decision Making Group, after consultation with the Chairperson of the relevant Regional Committee, will notify the EMMoU signatory in writing, identifying the specific standards or provisions of the EMMoU which the Monitoring Group has determined the signatory is either unwilling or unable to meet. The signatory will have an opportunity, upon request, to be heard by the Decision Making Group.

3.5 Decision Making Group determinations: If the Decision Making Group determines, following notice and an opportunity to be heard, that there has been a demonstrated change in the willingness or ability of a signatory to the EMMoU to meet the relevant provisions of the EMMoU as provided in Article 8(1)(b) of the EMMoU, the Decision Making Group will notify the signatory of the determination and provide the signatory with a written explanation of the determination. The Decision Making Group will establish procedures to provide the signatory with an opportunity, upon request, to be heard and seek review of the determination. Upon a final determination, the Decision Making Group will decide whether to accept or reject the recommendation of the Monitoring Group, to take other action to encourage the signatory's compliance with the EMMoU, or where appropriate, to transfer a signatory from Appendix A.1 of the EMMoU to Appendix A.2 of the EMMoU, or to terminate the signatory's participation in the EMMoU as provided in Article 10(4)(b) of the EMMoU.

3.6 Review of Decision Making Group: Decisions of the Decision Making Group shall be made under the authority of the IOSCO Board. In case of a decision of a transfer from Appendix A.1 of the EMMoU to Appendix A.2 of the EMMoU or termination of participation in the EMMoU, if dissatisfied with the decision of the Decision Making Group, the member who is the subject of that decision may request, by written notice to the Secretary General, that the decision be reviewed by the IOSCO Board. Within thirty days following the receipt of such request, the Secretary General will refer the request to the next meeting of the IOSCO Board to be held. The request shall be accompanied by such material and be dealt with under such procedures as the IOSCO Board may from time to time decide. The IOSCO Board may confirm the original decision of the Decision Making Group or may substitute a new decision or otherwise deal with the request as it considers fit.

3.7 Amendments: Any decision involving an amendment to the EMMoU requires a unanimous decision by the Signatories.

Section 4. Questionnaire

GENERAL INSTRUCTIONS:

The responses and the accompanying material (including laws, rules and regulations) should be provided in English.

Being a signatory to the MMoU is a requirement to signing the EMMoU. If you are not already a signatory to the MMoU, you must submit a separate application for the MMoU prior to or simultaneously with your EMMoU application. The EMMoU Questionnaire asks only for information indicating your ability to comply with the provisions of the EMMoU.

Your current MMoU/EMMoU signatory status and the EMMoU appendix to which you are applying determine which questionnaires and which questions you should complete. The table below provides guidance as to which questionnaires and which questions are required:

Current Status:	Submitting an application to become:	Complete responses must be provided to the following:
Non-members who are securities regulatory bodies who wish to become IOSCO Ordinary Members	Signatory to the MMoU (may only sign after being accepted as an IOSCO member)	Appendix B to the MMoU
	Signatory to the MMoU and Appendix A.1 to the EMMoU (may only sign after being accepted as an IOSCO member)	Appendix B to the MMoU and each question in the EMMoU Questionnaire below
	Signatory to the MMoU and Appendix A.2 to the EMMoU (may only sign after being accepted as an IOSCO member)	Appendix B to the MMoU and each question in the EMMoU Questionnaire below except those marked "Article 3(3) only"
Eligible member that is neither a signatory to the MMoU nor the EMMoU	Signatory to the MMoU	Appendix B to the MMoU
	Signatory to the MMoU and Appendix A.1 to the EMMoU	Appendix B to the MMoU and each question in the EMMoU Questionnaire below
	Signatory to the MMoU and Appendix A.2 to the EMMoU	Appendix B to the MMoU and each question in the EMMoU Questionnaire below except those marked "Article 3(3) only"
Signatory to the MMoU	Signatory to Appendix A.1 to the EMMoU	Each question in the EMMoU Questionnaire below

Current Status:	Submitting an application to become:	Complete responses must be provided to the following:
	Signatory to Appendix A.2 to the EMMoU	Each question in the EMMoU Questionnaire below except those marked "Article 3(3) only"
Signatory to the MMoU and Appendix A.2 to the EMMoU	Signatory to Appendix A.1 to the EMMoU	Only those questions in the EMMoU Questionnaire below that are marked "Article 3(3) only"

In each case, please provide copies of the laws, rules and regulations that support your responses.

Responses to the questionnaire should be sent to the IOSCO Secretary General. Completed questionnaires will be reviewed by the Screening Group in a manner authorized by IOSCO.

* * * * *

EMMOU QUESTIONNAIRE:

Applicants to Appendix A.1 of the EMMoU who are not already signatories to Appendix A.2 must provide complete responses to each question below. Applicants to Appendix A.2 of the EMMoU must provide complete responses to each question below except those questions identified as "Article 3(3) only." Applicants to Appendix A.1 of the EMMoU who are already signatories to Appendix A.2 must provide complete responses only to those questions identified as "Article 3(3) only".

Question 1 Please identify and explain the general or specific provisions of your laws, rules and regulations (and provide copies of these provisions) that enable you, or a separate governmental body in your jurisdiction, to provide the following assistance from any Persons regarding the matters set forth in the request for assistance, including, but not limited to:

- 1.1 Obtaining Information sufficient to reconstruct all orders (whether or not executed) and transactions involving securities, derivatives and other financial instruments, including records of all funds or assets transferred into and out of bank, brokerage or other financial accounts relating to these transactions;

(as required by Article 3(2)(b)(i) of the EMMoU)
- 1.2 Obtaining Information that identifies or traces funds, or assets into which those funds are converted;

(as required by Article 3(2)(b)(iii) of the EMMoU)
- 1.3 Obtaining auditing information including, but not limited to, audit work papers, communications and other information relating to the audit or review of financial statements;

(as required by Article 3(2)(b)(v) of the EMMoU)
- 1.4 Where permissible, (a) requiring or requesting the freeze or sequestration of funds or assets located in your jurisdiction, or, if such assistance is not available, (b) informing the authority requesting assistance about the relevant funds or assets located in your jurisdiction and, to the fullest extent possible, assist with the use of legal procedures and other means to freeze or sequester those funds or assets;

(as required by Article 3(2)(d) of the EMMoU)
- 1.5 **Article 3(3) only:** Obtaining subscriber records held or maintained by telephone service providers who are located within your jurisdiction that identify subscribers (name and address), payment details and incoming and outgoing communications with date, time, duration and identification of phone numbers from which communications are made or received; and

(as required by Article 3(3)(i) of the EMMoU)

- 1.6 **Article 3(3) only:** Obtaining subscriber records held or maintained by internet service providers, and other electronic communication providers, who are located within your jurisdiction, that identify subscribers (name and address), payment details, length of service, type of service utilized, network addresses, and session times/dates and durations;

(as required by Article 3(3)(ii) of the EMMoU)

- 1.7 **Article 3(3) only:** Obtaining recordings of telephone conversations or other electronic communications held or maintained by Persons regulated by you.

(as required by Article 3(3)(iii) of the EMMoU)

Question 2 Please identify and explain the general or specific provision of your laws, rules and regulations (and provide copies of these provisions) that enable you to compel the physical attendance to take or, where permissible, compel and provide the statement or testimony under oath of, a natural person or representative of a legal person or other entity including, but not limited to, a corporation, a partnership or other arrangement such as a trust, regarding the matters set forth in the request for assistance, in accordance with the rights and privileges afforded by the laws and regulations applicable in your jurisdiction;

(as required by Article 3(2)(c) of the EMMoU)

Question 3 Please identify and explain the general or specific provisions of your laws, rules and regulations (and provide copies of these provisions) that enable you to provide to foreign authorities:

- 3.1 Information to reconstruct all orders as described in 1.1, above;
- 3.2 Information to trace funds as described in 1.2, above;
- 3.3 Audit work papers as described in 1.3, above;
- 3.4 Asset freeze assistance as described in 1.4(a) or asset freeze guidance as described in 1.4(b), above;
- 3.5 **Article 3(3) only:** Telephone subscriber records as described in 1.5, above; and
- 3.6 **Article 3(3) only:** Internet Service Provider records as described in 1.6, above;
- 3.7 **Article 3(3) only:** Recordings held by registered entities as described in 1.7, above;
- 3.8 Compelled physical attendance for statement or testimony under oath as described in 2 above.

Question 4 Please identify and explain the general or specific provisions of your laws, rules and regulations (and provide copies of these provisions) that enable you to provide the information and documents and other assistance referenced in Questions 1 and 2 above, as applicable, to foreign authorities in response to requests concerning the following:

- 4.1 Misconduct including insider dealing and trading, market manipulation, misrepresentation or omission of material information, dissemination of misleading information and other fraudulent or manipulative practices or devices and attempts to commit such violations, including solicitation practices, mis-selling, handling of investor funds and customer orders;
- 4.2 The registration, issuance, purchase, offer, or sale of securities and derivatives and other financial instruments, filing and reporting requirements, and the maintaining of accurate books and records related thereto;
- 4.3 Market intermediaries, including investment and trading advisers, collective investment schemes, brokers, dealers, transfer agents, associated or affiliated Persons, and other market participants who are required to be licensed or registered or exempt therefrom; and
- 4.4 Markets, exchanges, clearing and settlement entities, and financial market infrastructures, where applicable.

(as required by Article 1(4) of the EMMoU)

Question 5 Please identify and explain the general or specific provisions of your laws, rules and regulations (and provide copies of these provisions) that enable you to provide assistance referenced in Question 4 above to a foreign authority, regardless of whether you have an independent interest in the matter.

(as required by Article 3 of the EMMoU)

Question 6 Please identify and explain the general or specific provisions of your laws, rules and regulations (and provide copies of these provisions) that require maintenance of the following Information (including the period of time for which such information or documents are required to be maintained).

6.1 Information to reconstruct all orders as described in 1.1, above; and

6.2 Information to trace funds as described in 1.2, above.

(as required by Article 3(2) of the EMMoU)

Question 7 Please identify and explain (and provide copies of) any domestic secrecy or blocking laws, rules or regulations that relate to the collection for, or provision to, foreign authorities of:

7.1 Information to reconstruct all orders as described in 1.1, above;

7.2 Information to trace funds as described in 1.2, above;

7.3 Audit work papers as described in 1.3, above;

7.4 Asset freeze guidance as described in 1.4, above;

7.5 **Article 3(3) only:** Telephone subscriber records as described in 1.5, above; and

7.6 **Article 3(3) only:** Internet Service Provider records as described in 1.6, above;

7.7 **Article 3(3) only:** Recordings held by registered entities as described in 1.7, above;

7.8 Compelled attendance for testimony as described in 2 above;

(as required by Article 2(1)(b) of the EMMoU)

Question 8 Please identify and explain (and provide copies of) any specific or general provisions of your laws, rules and regulations which restrict or limit the following uses by foreign authorities of the information or assistance identified in 1.1 – 1.4 and 2, 1.5 - 1.7 if applicable, and provided by you to another authority:

8.1 for the purpose of ensuring compliance with (including investigation of potential violations of) laws and regulations related to:

(a) Misconduct as described in 4.1 above;

(b) Registration, issuance, purchase, offer, or sale, etc. as described in 4.2 above;

(c) Market intermediaries as described in 4.3 above; and

(d) Markets, exchanges, clearing and settlement entities, and financial market infrastructures as described in 4.4 above.

(as required by Article 1(4) of the EMMoU)

8.2 for the purpose of conducting a civil or administrative enforcement proceeding, assisting in a self-regulatory organization's surveillance or enforcement activities or assisting in a criminal prosecution.

(as required by Article 6(1) of the EMMoU)

Question 9 Please identify and explain (and provide copies of) any general or specific provisions of your laws, rules and regulations that provide for the confidentiality of:

9.1 requests for assistance made to you by foreign authorities, the contents of such requests, any matters arising under such requests, including consultations between or among the authorities, and unsolicited assistance;

(as required by Article 7(1) of the EMMoU)

and

9.2 documents and information received from foreign authorities.

(as required by Article 7(2) of the EMMoU)

* * END OF QUESTIONNAIRE * *

APPENDIX C

FORM FOR DRAFTING REQUESTS FOR INFORMATION
<p>This request is being made pursuant to the provisions of the IOSCO Enhanced MMOU concerning consultation and cooperation and the exchange of information.</p>
<p>Background:</p>
<p>Description of the facts underlying the matter or investigation (Article 4(2)(a)), including, but not limited to:</p> <ul style="list-style-type: none"> • The entities/individuals involved and whether regulated or not by the Requesting Authority and/or Requested Authority (if known); • The type of scheme; • The location of investors; • The location of affected markets and whether regulated or not by the Requesting Authority and/or Requested Authority (if known); • The timeframe of the suspected misconduct; • The nature of the suspected misconduct; • The location of assets; and • A chronology of relevant events.
<p>Description of the information needed or assistance sought (e.g., account opening documents, periodic account statements, trade confirmations, etc.) (Article 4) including, but not limited to:</p> <ul style="list-style-type: none"> • Time period for which documents should be gathered; and • Information useful for identifying the relevant documents (e.g., account number, name, email address, address, date of birth of account holder, names of entities believed to control the accounts).
<p>Description of information that might be of assistance to the Requested Authority in fulfilling the request (Article 4(2)(c)), including, but not limited to:</p> <ul style="list-style-type: none"> • Sources of information (e.g., regulated individuals and entities, investors, knowledgeable insiders); • Information useful for identifying the individual(s) from whom statements are needed (e.g., name, address, telephone number, email address); and • Preferred form in which information should be gathered (e.g. video recording, audio recording, file in original format, transcript).
<p>Description of the purpose for which the information or assistance is sought (Article 4(2)(a) and (b)).</p>
<p>Laws and regulations:</p>
<p>Description of the securities or derivatives laws that may have been violated (Article 4(2)(f)), including:</p> <ul style="list-style-type: none"> • A brief description of the provisions; and • An explanation of how the activities being investigated may have constituted, or are otherwise related to, violations of such provisions.
<p>Execution</p>
<p>Desired time for response, including an explanation of any special timing considerations (Article 4(2)(e)).</p>
<p>Explanation of any special interview considerations (Article 4(2)(d)) including, but not limited to:</p> <ul style="list-style-type: none"> • Whether compulsion is specifically requested or not; • Whether an oath is requested; • Whether the Requesting Authority has any particular legal requirements/impediments that should be taken into consideration; • Whether the Requesting Authority seeks to participate in an interview; and • Language considerations.

Explanation of any other special precautions that should be taken in the collection of the information sought (4(2)(d)).
Description of the uses for which consent is sought under Article 6(2).
Dates of previous requests in the same matter.
Preferred manner in which information is to be transmitted (e.g., telephone, courier, secure e- mail, pdf, file transfer protocol site.)
Other
Contact information of Requesting Authority including, at a minimum: <ul style="list-style-type: none">• Name of contact and Position;• Telephone number; and• E-mail address;• Address.
Other relevant information.

1.1.4 CSA Staff Notice 51-355 Continuous Disclosure Review Program Activities for the fiscal years ended March 31, 2018 and March 31, 2017



**CSA Staff Notice 51-355 Continuous Disclosure Review Program Activities
for the fiscal years ended March 31, 2018 and March 31, 2017**

July 19, 2018

Introduction

As announced on July 27, 2017, the Canadian Securities Administrators (**CSA**) will now publish the CSA Staff Notice (**Notice**) detailing the results of the Continuous Disclosure Review Program (**CD Review Program**) on a biennial instead of an annual basis.

This Notice contains the results of the reviews conducted by the CSA within the scope of their CD Review Program. The goal of the program is to improve the completeness, quality and timeliness of continuous disclosure provided by reporting issuers¹ (**issuers**) in Canada. This program was established to assess the compliance of continuous disclosure (**CD**) documents and to help issuers understand and comply with their obligations under the CD rules so that investors receive high quality disclosure.

In this Notice, we summarize the results of the CD Review Program for the fiscal year ended March 31, 2018 (**fiscal 2018**) and the fiscal year ended March 31, 2017 (**fiscal 2017**). Appendix A - *Financial Statement, MD&A and Other Regulatory Deficiencies* (**Appendix A**) includes information about areas where common deficiencies were noted, with examples in certain instances, to help issuers address these deficiencies and to illustrate best practices.

For further details on the CD Review Program, see CSA Staff Notice 51-312 (revised) *Harmonized Continuous Disclosure Review Program*.

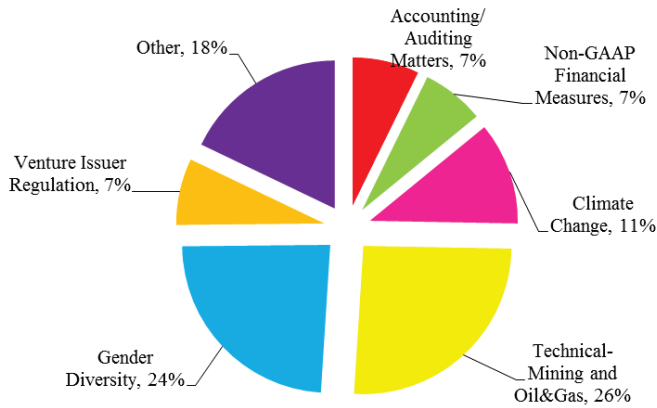
Results for Fiscal 2018 and Fiscal 2017

Issuers selected for a CD review (full or issue-oriented review (**IOR**)) are identified using a risk-based and outcomes-focused approach using both qualitative and quantitative criteria. IORs may be based on a specific accounting, legal or regulatory issue, an emerging issue or industry, implementation of recent rules or on matters where we believe there may be a heightened risk of investor harm. A review may also stem from general monitoring of our issuers through news releases, media articles, complaints and other sources.

During fiscal 2018, a total of 840 CD reviews (fiscal 2017 – 1,014 CD reviews) were conducted with IORs consisting of 81% of the total (fiscal 2017 – 80%). The nature of an IOR will impact the time spent and outcome obtained from the review. The following are some of the IORs conducted by one or more jurisdictions:

¹ In this Notice “issuers” means those reporting issuers contemplated in National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**).

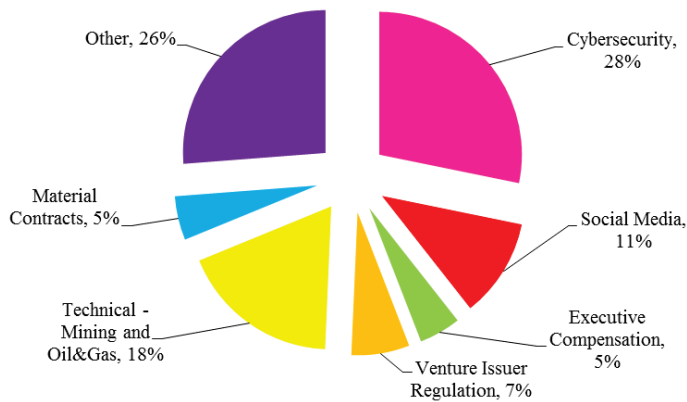
Issue-Oriented Reviews Fiscal 2018



The “Other” category includes, but is not limited to, reviews of:

- Emerging industries (including cryptocurrencies and cannabis)
- Certification of disclosure
- Social media
- News releases
- Public complaints

Issue-Oriented Reviews Fiscal 2017



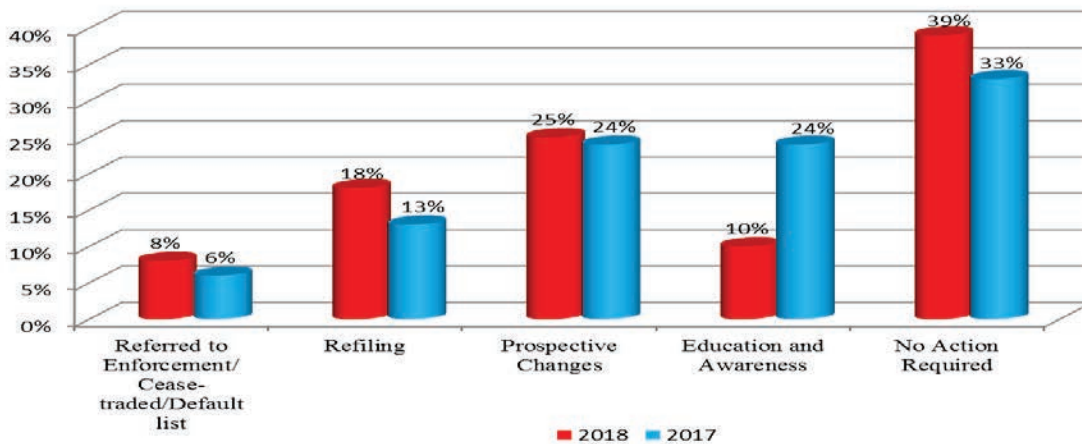
The “Other” category includes, but is not limited to, reviews of:

- Gender diversity
- Corporate governance
- Financial statement/MD&A
- Change of auditor notice
- Public complaints

CD Outcomes for Fiscal 2018 and Fiscal 2017

In fiscal 2018, 51% (fiscal 2017 – 43%) of our review outcomes required issuers to take action to improve and/or amend their disclosure or resulted in the issuer being referred to enforcement, cease traded or placed on the default list.

Review Outcomes for Fiscal 2018 and 2017



We classify the outcomes of the full reviews and IORs into five categories as described in Appendix B – *Categories of Outcomes*. Some CD reviews may generate more than one category of outcome. For example, an issuer may have been required to refile certain documents and also make certain changes on a prospective basis.

Given our risk-based approach noted above, the outcomes on a year to year basis may vary and cannot be interpreted as an emerging trend. The issues as well as the issuers reviewed each year might be different. In fiscal 2018 we continued to see substantive outcomes being obtained as a result of our reviews as noted in the categories of refilings and referred to enforcement/default list/cease traded.

We have highlighted below some of the deficiencies that we have encountered during our CD reviews in fiscal 2018 and 2017. We have discussed some of these deficiencies in further detail in Appendix A to this Notice.

- **Financial Statements:** compliance with recognition, measurement and disclosure requirements in International Financial Reporting Standards (**IFRS**), which included, but was not limited to, statement of cash flows, fair value measurements, disclosure of accounting policies, accounting for business combinations, revenue recognition, related party transactions and significant judgements and estimates.
- **Management's Discussion and Analysis (MD&A):** compliance with Form 51-102F1 of NI 51-102 (**Form 51-102F1**), which included, but was not limited to, non-GAAP financial measures, discussion of operations including disaggregation of investment portfolios, additional information about concentrated investments, liquidity, related party transactions and forward looking information.
- **Other Regulatory Requirements:** compliance with other regulatory matters, which included, but was not limited to, mining technical reports, gender diversity disclosure, executive compensation disclosure, climate change, unbalanced and misleading social media posts, filing of previously unfiled documents, such as material contracts, and clarifying news releases or material change reports to address concerns around unbalanced or insufficient disclosure.

Results by Jurisdiction

All CSA jurisdictions participate in the CD review program and some local jurisdictions may publish staff notices and reports communicating results and findings of the CD reviews conducted in their jurisdictions. Refer to the individual regulator's website for copies of these notices and reports:

- www.bcsc.bc.ca
- www.albertasecurities.com
- www.osc.gov.on.ca
- www.lautorite.qc.ca

APPENDIX A

FINANCIAL STATEMENT, MD&A AND OTHER REGULATORY DEFICIENCIES

Our CD reviews identified a number of financial statement, MD&A and other regulatory deficiencies that resulted in issuers enhancing their disclosure and/or refileing their CD documents. To help issuers better understand and comply with their CD obligations, we present the key observations from our reviews. The hot buttons section includes observations along with considerations for issuers including the relevant authoritative guidance. We have also included in some instances, examples of deficient disclosure contrasted against more robust entity-specific disclosure or a more in-depth explanation of the matters we observed.

Issuers must ensure that their CD record complies with all relevant securities legislation. The volume of disclosure filed does not necessarily equate to full compliance.

The following observations are provided for illustrative purposes only. This is not an exhaustive list and does not represent all the requirements that could apply to a particular issuer's situation.

FINANCIAL STATEMENT DEFICIENCIES

HOT BUTTONS

	OBSERVATIONS	CONSIDERATIONS
FINANCIAL STATEMENTS		
Statement of Cash Flows	<ul style="list-style-type: none"> ❖ Some issuers incorrectly classify cash flows as investing or financing activities on the statement of cash flows when they should be classifying them as operating activities. ❖ Some issuers reclassify items on the statement of cash flows without disclosing the reasons for the reclassification. 	<ul style="list-style-type: none"> ❖ Cash flows from operating activities is often an important metric for issuers and stakeholders as it may provide an indication of the financial health of the issuer. Classifying items of an operating nature in investing or financing activities may present a misleading picture of the issuer's operations. ❖ Cash flows that are primarily derived from the principal revenue-producing activities of the issuer should be classified as cash flows from operating activities. ❖ For example, financial institutions should classify cash advances or loans as operating activities. For rental companies, payments to acquire assets held for rental and the cash receipts from rents and the subsequent sales of such assets should be classified as cash flows from operating activities. ❖ If an entity changes the presentation or classification of items in its financial statements in a period, it should reclassify comparative amounts unless reclassification is impracticable. ❖ When an entity reclassifies comparative amounts, it should disclose: (1) the nature of the reclassification; (2) the amount of each item or class of items that is reclassified; and (3) the reason for the reclassification. <p>Reference: IAS 1 Presentation of Financial Statements paragraph 41; IAS 7 Statement of Cash Flows paragraphs 14 and 15.</p>

	OBSERVATIONS	CONSIDERATIONS
<p>Fair Value Measurements – Level 3</p>	<ul style="list-style-type: none"> ❖ Some issuers do not provide sufficient disclosure of the valuation techniques, processes and policies used in the fair value measurements categorized within Level 3 of the fair value hierarchy. ❖ In addition, some issuers do not provide disclosure of quantitative information about the significant unobservable inputs used in the fair value measurement categorized within Level 3, and are not providing a narrative description of the sensitivity of the fair value measurement to changes in those unobservable inputs. 	<ul style="list-style-type: none"> ❖ Fair value disclosures help users of financial statements assess the techniques and inputs used to develop the fair value measurements. ❖ For fair value measurements categorized within Level 3 of the fair value hierarchy, issuers must describe the valuation technique(s) and the inputs used in the fair value measurement. Disclosure of quantitative information about the significant unobservable inputs used in the fair value measurement may also be required. Generally, where issuers simply provide a list of the inputs, we ask issuers to quantify those inputs. ❖ Issuers must also provide a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs if the change results in a significantly higher or lower fair value measurement. If a change in one or more of the unobservable inputs to reflect reasonably possible alternative assumptions would change fair value significantly, issuers should state that fact and disclose the effect of those changes quantitatively. ❖ For example, in the cannabis industry, issuers must account for biological assets at fair value less costs to sell. We are of the view that these are Level 3 fair value measurements and are subject to all the disclosure requirements noted above as well as the other requirements in IFRS 13. <p>Reference: IFRS 13 Fair Value Measurement paragraphs 91, 93(d), 93(g) and 93(h).</p>
<p>Adoption of New Accounting Policies</p>	<ul style="list-style-type: none"> ❖ Some issuers do not provide sufficient qualitative and quantitative disclosures regarding the possible impact that the initial adoption of an IFRS standard is expected to have on its financial statements in the period of initial application. ❖ Some issuers provide general disclosures about the new IFRS standard without providing entity-specific effects the new IFRS standard will have on the issuer. 	<ul style="list-style-type: none"> ❖ Issuers should provide progressively more detailed qualitative and quantitative information in their filings about the expected effect a new IFRS standard will have on their financial statements as they progress in their implementation efforts and the effective dates approach. This is particularly important if the new IFRS standard is expected to have a material impact. ❖ If the quantitative impact cannot yet be reasonably estimated, issuers should consider providing additional qualitative information to enable users to understand the expected impact on future financial statements, including the anticipated directional impact of applying the new IFRS standard. ❖ If the impact of adopting a new IFRS standard is not expected to be material, issuers should disclose this fact.

	OBSERVATIONS	CONSIDERATIONS
		<ul style="list-style-type: none"> ❖ IFRS 16 <i>Leases</i> is effective for years beginning on or after January 1, 2019, and we remind issuers to provide the required disclosure for this upcoming standard in their CD documents during the fiscal year. <p>Reference: IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, paragraphs 28, 30 and 31; Item 1.13 of Form 51-102F1.</p>

MD&A DEFICIENCIES

HOT BUTTONS

	OBSERVATIONS	CONSIDERATIONS
MD&A		
<p>Investment Entities/Non-Investment Entities that Record Investments at Fair Value</p>	<ul style="list-style-type: none"> ❖ We continue to see investment entities (IEs) and non-investment entities (NIEs) record investments at fair value, that do not provide sufficient qualitative and quantitative information about their investments. ❖ Some IEs and NIEs with a portfolio of investments do not provide sufficient disaggregation of the investment portfolio in their annual and interim financial statements and MD&A. 	<ul style="list-style-type: none"> ❖ Where a significant concentration exists in the issuer's investment portfolio, we expect the issuer to provide sufficient disclosure about the material investments in the portfolio to enable investors to evaluate the performance, operations and risks of the investee. ❖ Information about a material investee is particularly important when the investee is private and disclosure is not otherwise available to investors. ❖ At a minimum, we may request issuers to provide summary financial information about a material investee company in the MD&A including a discussion of those results. ❖ If an IE's operations are dependent on a single investment, we may also have similar policy concerns and request standalone financial statements of the investee company as contemplated by National Policy 41-201 <i>Income Trust and Other Indirect Offerings (NP 41-201)</i>. ❖ We note that these issues may also be raised at the time of the issuer's prospectus. As such, we encourage issuers to pre-file and consult with staff in these circumstances. ❖ The investment portfolio should be presented with sufficient disaggregation and transparency to allow an investor to understand the key characteristics of the portfolio composition including the associated risks and the drivers of any change in fair value. ❖ Given the nature of an IE's business and the importance of understanding the investment portfolio, we believe this objective is best met by disclosing a statement of investment portfolio.

	OBSERVATIONS	CONSIDERATIONS
		<p>Reference: Item 1.2, 1.4 of Form 51-102F1; Multilateral Staff Notice 51-349 Report on the Review of Investment Entities and Guide for Disclosure Improvements; IFRS 10 Consolidated Financial Statements.</p>
<p>Non-GAAP financial measures (NGM) – real estate industry</p>	<ul style="list-style-type: none"> ❖ Several real estate issuers do not provide adequate transparency about the various adjustments made in arriving at NGMs, such as adjusted funds from operations (AFFO), particularly when the adjustments are management estimates. For example, adjustments for maintenance capital expenditures are often not explained in sufficient detail. ❖ Some issuers with equity-accounted joint ventures include in the MD&A a full set of non-GAAP financial statements, creating a NGM for each financial statement line item. This effectively unwinds the equity method of accounting required by IFRS 11 (non-GAAP pro rata financial results). Some issuers also focus the discussion in the MD&A on these non-GAAP pro-rata financial results, with little to no discussion of the comparable GAAP results, thereby creating prominence concerns. 	<ul style="list-style-type: none"> ❖ Issuers should ensure that all adjustments made as part of the reconciliation to the most directly comparable GAAP measure are consistent with the purpose of the NGM and sufficiently explain why and how the adjustment was determined. ❖ If the issuer adjusts for maintenance capital expenditures using a reserve, the issuer should provide disclosure including the method used to determine the reserve, why that method was chosen and why it is appropriate. It should also disclose how the reserve compares to actual expenditures and why management’s estimate is more relevant than the actual capital expenditures. ❖ Issuers should ensure they identify the non-GAAP pro-rata financial results as NGMs, and label them in a way that distinguishes them from the comparable GAAP financial statement line items, in order to not be misleading. ❖ Issuers should ensure the narrative discussion in the MD&A is not solely focused on the non-GAAP results. The GAAP discussion should be presented with equal or greater prominence. <p>Reference: CSA Staff Notice 52-329, Distribution Disclosures and Non-GAAP Financial Measures in the Real Estate Industry; CSA Staff Notice 52-306(Revised) Non-GAAP Financial Measures (CSA SN 52-306); NP 41-201.</p>
<p>Discussion of Operations - Disclosure of Capital Spending & Milestones</p>	<ul style="list-style-type: none"> ❖ We continue to see issuers disclose or announce significant projects that are in the early stages of development, but fail to disclose sufficient information about the project. This deficiency is often observed with issuers who had a change of business and/or are in emerging industries. 	<ul style="list-style-type: none"> ❖ In order to meet the requirements of the MD&A and provide investors with sufficient information, issuers should disclose the following: <ul style="list-style-type: none"> • <i>Overall plan for the project and/or business:</i> This should include a discussion of both current and long-term plans. The disclosure should be robust and include a discussion of the key milestones and what specific events need to occur for the issuer to meet those milestones. • <i>Project Timeline:</i> The expected timeline of the project must be clearly disclosed, including the issuer’s progress compared to the timeline and the date at which it expects to

	OBSERVATIONS	CONSIDERATIONS
		<p>begin generating revenues.</p> <ul style="list-style-type: none"> • <i>Budget:</i> The estimated total expenditures related to the project, expenditures to date, expected timing of remaining expenditures and how the issuer anticipates funding the remaining expenditures. • <i>Regulatory and licensing requirements:</i> A discussion of license(s) and regulatory approval(s) the issuer must obtain. The discussion should include the anticipated timeline and expenditures associated with obtaining the license/regulatory approval and risks and associated impact if regulatory approval and licenses are not obtained. • <i>Updates:</i> The issuer must include an update on the status of the project in each MD&A, including any delays in the disclosed timeline and/or anticipated cost overruns. In addition, the MD&A must include a discussion of events and circumstances that occurred during the period that are reasonably likely to cause actual results to differ materially from material forward-looking information previously disclosed and the expected differences. <p>Reference: Items 1.4(d), 1.6(a) and 1.7(a)(iii) of Form 51-102F1 and section 5.8 of NI 51-102.</p>
<p>Related Party Transactions</p>	<ul style="list-style-type: none"> ❖ We continue to see issuers who fail to provide the required disclosures pertaining to related party transactions. In particular, we note that many issuers do not identify the related person or entity (e.g. naming a director and/or officer), and do not discuss the business purpose of the transaction. ❖ Some issuers disclose the recorded amount of the transaction but do not describe the measurement basis used. 	<ul style="list-style-type: none"> ❖ Issuers should identify the related person or entity. In addition to identifying the related party as the issuer’s president, chairman, CEO or CFO, issuers should disclose the name of a director and/or an officer, where it is necessary, to specifically identify the individual. ❖ Issuers should discuss the business purpose of the related party transaction. The discussion should be specific and include both qualitative and quantitative characteristics that are necessary for an understanding of the transaction’s business purpose and economic substance. For example, we often see consulting fees paid to related parties without an appropriate discussion of the nature and purpose of those fees. ❖ Issuers are required to describe the measurement basis used for recording the amount of related party transactions. However, issuers should refrain from disclosing that related party transactions

	OBSERVATIONS	CONSIDERATIONS
		<p>were recorded at the exchange amount, which is equivalent to fair value, unless such terms can be substantiated.</p> <p>Reference: Item 1.9 of Form 51-102F1.</p>

DISCLOSURE EXAMPLES

1. FORWARD-LOOKING INFORMATION

Forward-looking information (FLI) is disclosure regarding possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action and includes future-oriented financial information with respect to prospective financial performance, financial position or cash flows that is presented as a forecast or a projection. Many issuers disclose FLI in news releases, MD&A, prospectus filings, marketing materials, investor presentations or on their website. This FLI disclosure is subject to the requirements of Parts 4A and 4B of NI 51-102.

Some issuers disclose FLI for a period beyond the issuer’s next fiscal year end without providing reasonable and sufficient assumptions to support the FLI. Issuers must not disclose a financial outlook unless the financial outlook is based on assumptions that are reasonable in the circumstances. The FLI must be limited to a period for which the information in the financial outlook can be reasonably estimated. In many cases, that time period will not go beyond the end of the issuer’s next fiscal year. Where FLI is presented for multiple years and is not sufficiently supported by reasonable qualitative and quantitative assumptions, we may ask issuers to limit the disclosure of FLI to a shorter period (for example, one or two years), for which reasonable support exists. For investors to assess whether the assumptions underlying the issuer’s FLI are reasonable, the issuer should disclose those assumptions, both quantitatively and qualitatively. For example, an issuer projecting aggressive growth targets without the benefit of historical experience should be able to show (i) a reasonable basis for those targets, including the key drivers behind the projected growth with reference to specific plans and objectives that support the projected growth, and (ii) why management believes that each of the targets/FLI are reasonable.

Example of Deficient Disclosure – FLI in MD&A

An excerpt from an issuer’s MD&A:

Since starting operations in 2016, we have focused on growing the number of new stores, and have seen a substantial increase in the pace of store openings as of the most recent quarter (with 17 of the 20 new stores for fiscal 2017 opened in Q4 2017), leading to accelerated sales. New store openings, sales levels and net income for the last two fiscal years are shown below.

(in millions)	Year ended Dec 31, 2017	Year ended Dec 31, 2016
# new stores/locations	20	16
Sales	15.0	12.6
Net Income	(\$8.4)	(\$15.5)

Growth targets⁽¹⁾

We will aggressively pursue growth opportunities, and anticipate that we will increase our store count by 70 new stores in 2018, to reach 106 stores by end of fiscal 2018. We also anticipate that we will reach 256 stores by end of fiscal 2019, and 400 stores by end of fiscal 2020. By rapidly growing our store base, we expect to grow sales to \$500 million by the end of fiscal 2020. Management believes these growth targets are achievable, and is committed to pursuing new growth opportunities and partnerships.

⁽¹⁾ Certain disclosures, including the number of new stores and store count as well as future sales levels, represent forward-looking information within the meaning of securities legislation. Readers are urged to consider the risks, uncertainties and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such information. See “Forward-looking Statements” in this MD&A.

In the above example, the issuer presented FLI for the next three years which did not appear to be supported by reasonable assumptions given the historical performance of the issuer’s business. The issuer also failed to disclose the assumptions used to develop this FLI or the related material risk factors.

A better example of disclosure might be as follows:

Example of Robust Disclosure – FLI in MD&A

Growth targets⁽¹⁾

We will aggressively pursue growth opportunities, and anticipate that we will increase our store count by 70 new stores in 2018, to reach 106 stores by end of fiscal 2018, which corresponds to expected sales of \$50 to 80 million for fiscal 2018. We are focussed on expanding our number of stores in a responsible manner and using a reasoned growth strategy, targeting major urban centres which meet pre-defined population and income criteria.

Management believes this growth target is achievable based on the assumptions and factors disclosed below, and is committed to pursuing new growth opportunities and partnerships.

Assumptions:

- we have agreements, leases and planned launch dates in place for 40 of the 70 new store openings planned for 2018;
- we have substantially negotiated the terms for 15 of the 70 new store openings planned for 2018, but launch dates and locations are still being finalized;
- we are in active discussions with major retail partners for 15 of the 70 new store openings planned for 2018;
- we assume stores are opened evenly throughout the year, and generate on average approximately \$0.7- \$1.1 million in sales, depending on location.

⁽¹⁾ Certain disclosures, including the number of new stores and store count as well as future sales levels, represent forward-looking information within the meaning of securities legislation. Readers are urged to consider the risks, uncertainties and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such information. See “Forward-looking Statements” in this MD&A as well as “Material Risk Factors – FLI”.

In the example above, the financial outlook has been limited to a period of one fiscal year for which the information in the outlook can reasonably be estimated. The assumptions supporting the outlook are clearly disclosed, and are reasonable given the issuer’s limited operating history. The issuer has also disclosed (elsewhere in the MD&A) the material risk factors that could cause actual results to differ materially from the FLI disclosed.

2. NON-GAAP FINANCIAL MEASURES – USEFULNESS

NGMs are frequently used by issuers to supplement and explain changes in financial performance, cash flows or financial condition. When used and disclosed appropriately, NGMs can provide investors with additional insight. However, we are continuing to see an increased prevalence of NGMs where the stated purpose and usefulness of the measure is unclear and fails to align with the nature of the adjustments that are being made in the reconciliation. Without clear disclosure accompanying NGMs and the adjustments being made, there is the potential that investors may be confused or even misled.

Example of Deficient Disclosure – NGMs in MD&A

An excerpt from an issuer’s MD&A:

Adjusted operating income¹ provides investors with an indication of operating results between periods. It has been reconciled to operating income (loss) being the most directly comparable measure calculated in accordance with IFRS.

	2016	2015
Operating income (loss) ²	60	(70)
Add:		
Impairment expense	10	40
Inventory write-down	5	15
Depreciation	16	18
Adjusted operating income ¹	91	3

¹ Adjusted operating income does not have any standardized meaning as prescribed by IFRS and, therefore, is considered a non-GAAP financial measure and may not be comparable to similar measures presented by other issuers.

² Operating income (loss) is a line item presented on the issuer’s financial statements.

In the above example, the issuer has presented an operating performance measure however it has not clearly explained why this NGM provides useful information to investors. In addition, in calculating the NGM, the issuer made adjustments for impairment expense, inventory write-down and depreciation. Since the issuer has suggested the measure is a useful measure of operations, we believe these adjustments are inconsistent with that use since they are operational in nature.

When presenting NGMs, it may be misleading to present a NGM without an accompanying statement explaining why the NGM presents useful information to investors. This disclosure should be entity-specific and should clearly align with the nature and type of adjustments that are being included or excluded in the calculation of the NGM.

In addition, when multiple NGMs are disclosed for the same or similar purpose, issuers should carefully consider whether this will obscure the most directly comparable GAAP measure and if all NGMs are useful.

This discussion focused on one aspect of the NGM disclosure expectations. Issuers should ensure that they refer to all of the guidance set forth in CSA SN 52-306 in preparing their disclosure documents.

OTHER REGULATORY DISCLOSURE DEFICIENCIES

HOT BUTTONS

	OBSERVATIONS	CONSIDERATIONS
OTHER REGULATORY		
Statement of Executive Compensation – External Management Companies	<ul style="list-style-type: none"> ❖ Some issuers with executive management services provided by an external management company did not disclose the amounts paid to the named executive officers (NEOs) in the Summary Compensation Table (SCT). 	<ul style="list-style-type: none"> ❖ If an external management company employs or retains any NEO(s) or directors, the issuer must disclose compensation paid by the external management company to the individual that is attributable to the services they provided to the issuer directly or indirectly. ❖ It is not appropriate for an issuer to report a nil balance in the SCT for an NEO who is indirectly compensated by the issuer. ❖ In line with the objectives of the Form, in disclosing all compensation paid directly or indirectly by the issuer to each NEO, we are of the view that the issuer should disclose the portion of the management fee (% or \$) that the issuer believes relates to the compensation paid to the NEOs in instances where an issuer pays a management fee to an external management company that provides, among other things, NEO services to the issuer. <p>Reference: Items 1.3(1) and (4) of Form 51-102F6 Statement of Executive Compensation and items 1.3(1) and 2.2 of Form 51-102F6V Statement of Executive Compensation- Venture Issuers.</p>
Statement of Executive Compensation – Filing Deadline	<ul style="list-style-type: none"> ❖ Some issuers do not file the disclosure of executive compensation within the required filing deadline. 	<ul style="list-style-type: none"> ❖ Issuers must file the disclosure of executive compensation within 140 days after the end of their most recently completed financial year, or 180 days in the case of a venture issuer. ❖ To comply with this filing deadline, issuers can either include the information in their information circular, their annual information form (AIF) or file a standalone “Statement of Executive Compensation.”

	OBSERVATIONS	CONSIDERATIONS
		Reference: Section 9.3.1 of NI 51-102.
Non-GAAP Financial Measures on Issuers' Websites	<ul style="list-style-type: none"> ❖ Many issuers disclose NGMs in their corporate presentations, investor fact sheets, news releases, or on social media and give excessive prominence to the NGMs. In some instances, the most directly comparable measure specified, defined or determined under the issuer's GAAP is not presented or discussed, or is disclosed in a less prominent location, most often when the GAAP measure is less favourable. 	<ul style="list-style-type: none"> ❖ To avoid the potential to mislead investors when disclosing NGMs on websites, news releases or investor presentations, we remind issuers that the guidance in CSA SN 52-306 applies. ❖ NGMs should not be the primary focus of the issuer's website content or the key messaging conveyed to investors. Reference: CSA SN 52-306.
Social Media	<ul style="list-style-type: none"> ❖ Some issuers provide material information on social media sites before it is generally disclosed to all investors, which may constitute selective or early disclosure. ❖ Some issuers provide misleading or unbalanced information that may be inconsistent with information already posted on SEDAR or exceedingly promotional. 	<ul style="list-style-type: none"> ❖ Issuers should have a robust social media governance policy that specifies, amongst other things, who is authorized to post what type of information on which social media websites. ❖ Issuers should be mindful of commonly observed pitfalls in social media disclosure, such as FLI that is selectively disclosed on social media websites alone. ❖ In some cases, it may be difficult to provide balanced disclosure on social media due to length restrictions often inherent to social media posts. In these cases issuers should provide a link to additional information. Reference: CSA Staff Notice 51-348 Staff's Review of Social Media Used by Reporting Issuers.
Climate change-related disclosure	<ul style="list-style-type: none"> ❖ Many issuers across a wide range of industries could be materially impacted by climate change. Many of these issuers either provide boilerplate disclosure or fail to provide disclosures of climate change-related risks and opportunities. ❖ Many issuers disclose general climate risks but these risks are not sufficiently specific to the issuer and its operations or fail to disclose the potential impact resulting from climate change. 	<ul style="list-style-type: none"> ❖ The AIF must include disclosure of risk factors relating to the issuer and its business that would be likely to influence an investor's decision to purchase the issuer's securities. ❖ When assessing the materiality of climate change-related risks and impacts, issuers should consider a wide range of risks including physical (acute/chronic), regulatory, reputational and business model risks. ❖ In addition to disclosure in the AIF, the MD&A would also require a discussion and analysis of its operations, including commitments, events, risks or uncertainties that the issuer reasonably believes will materially affect its future performance. ❖ In order to provide useful information to investors, material climate change-related risks should provide specificity and additional quantitative discussion (e.g. the financial impact). ❖ The AIF should also include a description of the environmental policies fundamental

	OBSERVATIONS	CONSIDERATIONS
		<p>to the issuer's operations and the steps taken to implement them. When describing the policies, there should be sufficient information provided necessary for an understanding of the impact the policies may have on the operations.</p> <p>Reference: Item 5.2 of Form 51-102F2, Annual Information Form, Item 1.4(g) of Form 51-102F1 and CSA Staff Notice 51-333 Environmental Reporting Guidance.</p>
<p>Disclosure of Material Relationships</p>	<ul style="list-style-type: none"> ❖ Some issuers that disclosed significant transactions with a party with whom there was a familial or similar close relationship failed to disclose the relationship. 	<ul style="list-style-type: none"> ❖ Securities legislation in Canada generally prohibits omitting material facts or statements that are in a material respect necessary to prevent other statements made from being false or misleading in the circumstances in which they are made. ❖ When an issuer discloses a significant transaction and that transaction is with a party with whom the issuer or its principals has a familial or similar close relationship, the omission of that fact may be considered misleading or a misrepresentation. ❖ In these circumstances we may ask the issuer to provide qualitative and quantitative disclosure sufficient for an investor to understand the relationship and terms of the transaction. <p>Reference: General Requirements in Securities Legislation.</p>
<p>Change of auditor reporting package</p>	<ul style="list-style-type: none"> ❖ Some issuers file a letter from the predecessor auditor that is not in the required form (as part of their change of auditor reporting packages). In addition, the change in auditor reporting package is not filed within the required filing deadline. ❖ It is sometimes unclear from the predecessor or successor auditor's letter whether the auditor agrees or disagrees with the issuer's statements relating to a reportable event, as defined in NI 51-102. 	<ul style="list-style-type: none"> ❖ Issuers should ensure they file the letter from the predecessor auditor in the required form, rather than a resignation letter or other communication intended for the issuer only. We remind issuers that incorrect SEDAR filings may remain public. ❖ The issuer must file a change of auditor reporting package that includes the letter from the former auditor within 14 days after the date of auditor termination or resignation. If there is a delay between the termination or resignation of the former auditor and the appointment of the successor auditor, the issuer may have to file a separate change of auditor reporting package that includes the letter from the successor auditors upon auditor appointment. ❖ If there is a reportable event, the issuer must file a news release describing the information in the change of auditor reporting package. ❖ An auditor must report to the regulator or in Quebec, the securities regulatory authority, an issuer's non-compliance

	OBSERVATIONS	CONSIDERATIONS
		<p>with the change of auditor reporting requirements within three days of the issuer's required filing date.</p> <ul style="list-style-type: none"> ❖ When it is unclear from the auditor's letter whether they agree with the issuer's statements relating to a reportable event, we generally require the issuer to request and file a new letter from the auditor. <p>Reference: Section 4.11 of NI 51-102.</p>

DISCUSSION OF OTHER REGULATORY DEFICIENCIES

1. MINERAL PROJECT DISCLOSURE

National Instrument 43-101 *Standards of Disclosure for Mineral Projects (NI 43-101)* governs public disclosure of scientific and technical information about issuer's mining and mineral exploration projects including written documents, websites, and oral statements. Issuers must base their scientific and technical disclosure on information provided by a "qualified person" (QP), as defined in section 1.1 of NI 43-101. NI 43-101 also requires issuers file a "technical report", in a prescribed format, *Form 43-101F1 Technical Report (Technical Report)*, for significant corporate or mineral project milestones. The purpose of the Technical Report is to support disclosure of the issuer's exploration, development, and production activities with additional information to assist the public and analysts in making investment decisions and recommendations. In some circumstances, QPs authoring the Technical Report must be independent of the issuer and the mineral property.

During the course of our reviews over the past two fiscal years, we have observed some of the following deficiencies. Please note that this is not an exhaustive list.

HOT BUTTONS

	OBSERVATIONS	CONSIDERATIONS
MINERAL PROJECTS		
Technical Report Content	<ul style="list-style-type: none"> ❖ Some Technical Reports do not include adequate disclosure of important criteria the QP used to determine that the mineral resource has demonstrated reasonable prospects for eventual economic extraction. Specific examples include omission of the proposed mining method(s), metallurgical recovery factors, selected metal price(s) including justification for the selection, and the cut-off grade and how it was determined. ❖ Authors of some Technical Reports improperly use the provision to rely on other experts for legal, political, environmental, and tax matters. Also, authors of some Technical Reports disclose reliances on other QP's for scientific and technical information. 	<ul style="list-style-type: none"> ❖ The Technical Report requires sufficient discussion of the key assumptions, parameters, and methods used to estimate the mineral resource for a reasonably informed reader to understand the basis for the mineral resource estimate and how it was generated. Absent these disclosures, it may be unclear if the mineral resource meets the threshold required by the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for mineral resources. ❖ Item 3 of the Technical Report, Reliance on Other Experts, allows a limited disclaimer of responsibility for non-technical information concerning legal, political, environmental, or tax matters relevant to the mineral project by identifying the information source and the Technical Report section to which the disclaimer applies. ❖ A QP can supervise another QP's work, but the author of a Technical Report must accept responsibility for the disclosure. They cannot disclose that they are relying on another QP when they have accepted

	OBSERVATIONS	CONSIDERATIONS
	<ul style="list-style-type: none"> ❖ Some Technical Reports do not adequately describe specific procedures the QP undertook in verifying the data or provide the QP’s opinion on the adequacy of the data used in the Technical Report. 	<p>responsibility for that item in the Technical Report.</p> <ul style="list-style-type: none"> ❖ “Data verification” is a defined term and is not merely ensuring that assay results have been accurately transferred, for example, into a mineral resource estimation database. It encompasses all efforts by the QP to verify that the database is fit for purpose. ❖ A QP is required to disclose the steps they have taken to verify the data used in the Technical Report and the QP cannot rely on data verification completed by other QP’s in previous reports on behalf of other issuers. <p>Reference: Form 43-101F1, specifically Items 14 (a), Item 3, and Item 12; paragraph 6.4(1)(a), and section 1.1 of NI 43-101.</p>
<p>Preliminary Economic Assessments</p>	<ul style="list-style-type: none"> ❖ Some disclosure of the results of a preliminary economic assessment (PEA) after mineral reserves have been determined on a mineral property can be potentially misleading if the results have the effect of adding, combining, or integrating the PEA outcomes with the economic analysis, cash flows, production schedules, or mine life based on a pre-feasibility, feasibility study, or life of mine plan. 	<ul style="list-style-type: none"> ❖ “Preliminary economic assessment” is a defined term that means a study, other than a pre-feasibility or feasibility study that includes an economic analysis of the potential viability of mineral resources. ❖ An issuer must not disclose an economic analysis which includes inferred mineral resources. Despite this restriction, section 2.3(3) of NI 43-101 allows for such disclosure under certain requirements and prescribed cautionary language. Nevertheless, if results of a PEA are disclosed after mineral reserves on the same property, the PEA results must be reported as a separate analysis (i.e. Item 24 of the Technical Report) that is distinct from the results of the pre-feasibility or feasibility study used to demonstrate economic viability and support mineral reserves. <p>Reference: Sections 1.1, paragraph 2.3 (1) (b), section 2.3(3) of NI 43-101 and Item 24 of Form 43-101F1.</p>
<p>Disclosure of Historical Estimates</p>	<ul style="list-style-type: none"> ❖ Many issuers disclose historical estimates on their websites, in corporate presentations and other marketing documents but fail to provide information related to the estimate’s original source and date, fail to identify the estimate as historic and omit the required cautionary statements. In some cases, the historical estimate is used in a way that treats the estimate as a current mineral resource or reserve estimate. 	<ul style="list-style-type: none"> ❖ “Historical estimate” is a defined term, referring to an unverified estimate prepared before the issuer obtained an interest in the property. ❖ Section 2.4 of NI 43-101 provides disclosure requirements and prescribed cautionary language related to historical estimates. <p>Reference: Sections 1.1 and 2.4 of NI 43-101.</p>

APPENDIX B

CATEGORIES OF OUTCOMES

Referred to Enforcement/Cease-Traded/Default List

If the issuer has substantive CD deficiencies, we may add the issuer to our default list, issue a cease trade order and/or refer the issuer to enforcement.

Refiling

The issuer must amend and refile certain CD documents or must file a previously unfiled document.

Prospective Changes

The issuer is informed that certain changes or enhancements are required in its next filing as a result of deficiencies identified.

Education and Awareness

The issuer receives a proactive letter alerting it to certain disclosure enhancements that should be considered in its next filing or when staff of local jurisdictions publish staff notices and reports on a variety of continuous disclosure subject matters reflecting best practices and expectations.

No Action Required

The issuer does not need to make any changes or additional filings. The issuer could have been selected in order to monitor overall quality disclosure of a specific topic, observe trends and conduct research.

Questions – Please refer your questions to any of the following:

<p>Sonny Randhawa Deputy Director, Corporate Finance Ontario Securities Commission 416-204-4959 srandhawa@osc.gov.on.ca</p> <p>Christine Krikorian Senior Accountant, Corporate Finance Ontario Securities Commission 416-593-2313 ckrikorian@osc.gov.on.ca</p>	<p>Allan Lim Manager British Columbia Securities Commission 604-899-6780 alim@bcsc.bc.ca</p> <p>Sabina Chow Senior Securities Analyst British Columbia Securities Commission 604-899-6797 schow@bcsc.bc.ca</p>
<p>Cheryl McGillivray Manager, Corporate Finance Alberta Securities Commission 403-297-3307 cheryl.mcgillivray@asc.ca</p> <p>Rebecca Moen Securities Analyst Alberta Securities Commission 403-297-4846 rebecca.moen@asc.ca</p>	<p>Tony Herdzik Deputy Director, Corporate Finance Financial and Consumer Affairs Authority of Saskatchewan 306-787-5849 tony.herdzik@gov.sk.ca</p>
<p>Patrick Weeks Analyst, Corporate Finance Manitoba Securities Commission 204-945-3326 patrick.weeks@gov.mb.ca</p>	<p>Nadine Gamelin Senior Analyst, Continuous Disclosure Autorité des marchés financiers 514-395-0337, ext. 4417 nadine.gamelin@lautorite.qc.ca</p>
<p>John Paixao Compliance Officer Financial and Consumer Services Commission (New Brunswick) 506-643-7435 john.paixao@fcnb.ca</p>	<p>Junjie (Jack) Jiang Securities Analyst, Corporate Finance Nova Scotia Securities Commission 902-424-7059 jack.jiang@novascotia.ca</p>

1.5 Notices from the Office of the Secretary

1.5.1 Dennis L. Meharchand and Valt.X Holdings Inc.

FOR IMMEDIATE RELEASE
July 13, 2018

**DENNIS L. MEHARCHAND and
VALT.X HOLDINGS INC.**

TORONTO – The Commission issued an Order in the above named matter.

A copy of the Order dated July 13, 2018 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.5.2 Natural Bee Works Apiaries Inc. et al.

FOR IMMEDIATE RELEASE
July 16, 2018

**NATURAL BEE WORKS APIARIES INC.,
RINALDO LANDUCCI and
TAWLIA CHICKALO,
File No. 2018-40**

TORONTO – Take notice that the hearing in the above-named matter scheduled to be heard on July 19, 2018 at 10:00 a.m. will be heard on July 19, 2018 at noon.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.5.3 Wayne J. Berry

FOR IMMEDIATE RELEASE
July 17, 2018

WAYNE J. BERRY, File No. 2018-23

TORONTO – The Commission issued its Reasons and Decision and an Order pursuant to Subsections 127(1) and 127(10) of the *Securities Act* in the above noted matter.

A copy of the Reasons and Decision and the Order dated July 16, 2018 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.5.4 Donna Hutchinson et al.

FOR IMMEDIATE RELEASE
July 17, 2018

**DONNA HUTCHINSON,
CAMERON EDWARD CORNISH,
DAVID PAUL GEORGE SIDDEERS and
PATRICK JELF CARUSO**

TORONTO – The Commission issued an Order in the above named matter.

A copy of the Order dated July 17, 2018 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Credential Securities Inc. and Qtrade Securities Inc.

Headnote

NP 11-203– bulk transfer – amalgamation – amalgamation, a number of business locations and registrants, no third party, registrants are registered in multiple jurisdictions, amalgamation is not contrary to the public interest, no negative consequences, on the ability of the applicant to comply with all applicable regulatory requirements or satisfy their obligations to their client – NI 33-109 and CP 33-109.

Applicable Legislative Provisions

National Instrument 33-109 Registration Information, ss. 2.2, 2.3, 4.2, 7.1.
Form 33-109F3 Business Locations Other Than Head Office.
Companion Policy 33-109 Registration Information, s. 3.4.

Citation: 2018 BCSECCOM 200

June 27, 2018

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA AND ONTARIO

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
CREDENTIAL SECURITIES INC.
(CSI)

AND

QTRADE SECURITIES INC.
(QSI) (Collectively the "Filers")

DECISION

Background

- 1 The securities regulatory authority or regulator in each of British Columbia and Ontario has received an application from the Filers for a decision under the securities legislation of those jurisdictions (the Legislation) for relief from the requirements contained in sections 2.2, 2.3, 3.2 and 4.2 of National Instrument 33-109 *Registration Information* (NI 33-109) pursuant to section 7.1 of NI 33-109 to allow the bulk transfer (the Bulk Transfer) of the securities registration of all of the registered and permitted individuals of CSI and QSI (collectively, the Registrants) and all of the branches of CSI and QSI (collectively, the Locations) to Credential Qtrade Securities Inc., the entity resulting from the amalgamation of CSI and QSI, expected to occur on or about July 1, 2018 (the Exemption Sought).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

- (a) the British Columbia Securities Commission is the principal regulator for this application;
- (b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in each of the other provinces and territories of Canada, except for Québec (together with British Columbia and Ontario, the Jurisdictions); and
- (c) the decision with respect of the Exemption Sought is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario (the principal regulator and the regulator in Ontario being the "Decision Makers").

The Filers have made a separate application to the Autorité des marchés financiers for relief from section 11.1 of the *Derivatives Regulation* (Québec) pursuant to section 86 of the *Derivatives Act* (Québec) to allow the Bulk Transfer of CSI and QSI individuals registered under Québec derivatives legislation and all of the Locations from CSI and QSI to Credential Qtrade Securities Inc,

Interpretation

- 2 Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

- 3 This decision is based on the following facts represented by the Filers:

Credential Securities Inc. – Amalgamating Corporation

- 1 CSI is a corporation incorporated under the *Canada Business Corporations Act* (CBCA). Its head office is located at 1111 West Georgia Street, Suite 800, Vancouver, British Columbia, V6E 4T6.
- 2 CSI is registered under applicable Canadian securities laws as an investment dealer in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec, Saskatchewan and Yukon and as a derivatives dealer in Québec. CSI is also a dealer member of Investment Industry Regulatory Organization of Canada (IIROC). CSI's National Registration Database (NRD) number is 6190.
- 3 CSI is an affiliate and a wholly-owned subsidiary of Aviso Wealth Inc. (Aviso).
- 4 CSI has 331 registered and permitted individuals (collectively, the CSI Registrants).
- 5 CSI is not in default of any securities legislation in any of the Jurisdictions. Qtrade Securities Inc. – Amalgamating Corporation
- 6 QSI is a corporation incorporated under the CBCA. Its head office is located at One Bentall Centre, Suite 1920, 505 Burrard Street, Vancouver, British Columbia, V7X 1M6.
- 7 QSI is registered under applicable Canadian securities laws as an investment dealer in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec, Saskatchewan and Yukon and as a derivatives dealer in Québec. In addition, QSI is a dealer member of the Investment Industry Regulatory Organization of Canada IIROC. QSI's NRD number is 9860.
- 8 QSI is an affiliate and a wholly-owned subsidiary of Aviso.
- 9 QSI has 139 registered and permitted individuals (collectively, the QSI Registrants).
- 10 QSI is not in default of any securities legislation in any of the Jurisdictions.

The Proposed Amalgamation

- 11 As contemplated when Qtrade Canada Inc. (the former parent company of QSI), Credential Financial Inc. (the former parent company of CSI) and Northwest & Ethical Investments L.P. combined their businesses to form Aviso, CSI and QSI now wish to amalgamate (the Amalgamation).
- 12 The amalgamation of CSI and QSI will be a horizontal short-form amalgamation pursuant to section 184(2) of the CBCA.
- 13 The name of the amalgamated entity (the Amalgamated Corporation) will be Credential Qtrade Securities Inc. (with a French version Valeurs mobilières Credential Qtrade Inc.). The change of name of the Filers to Credential Qtrade Securities Inc. (with a French version Valeurs mobilières Credential Qtrade Inc.) will be effective on the Amalgamation Date.
- 14 The sole shareholder of the Amalgamated Corporation will be the same as the current sole shareholder of each entity (i.e. Aviso). Aviso will own all of the issued and outstanding common shares of the Amalgamated Corporation. As such the indirect control over both CSI and QSI will not change and will remain shared by Desjardins Financial Holding Inc. and CU CUMIS Wealth Holdings LP. CU CUMIS Wealth Holdings LP is a holding entity owned by The CUMIS Group Limited and Central 1 Credit Union, Credit Union Central Alberta Limited, Credit Union Central of Saskatchewan, Credit Union Central of Manitoba Limited and Atlantic Central.
- 15 The head office of the Amalgamated Corporation will be located at CSI's current head office which is 1111 West Georgia Street, Suite 800, Vancouver, British Columbia, V6E 4T6. Its NRD number will be the same as CSI's NRD number, which is 6190.
- 16 The Amalgamation is scheduled to occur on or about July 1, 2018 (the Amalgamation Date). The Amalgamation will not proceed without the prior non-objection or approval of IIROC, which shall be sought by means of a separate application.

Submissions by the Filers in support of the Exemption Sought

- 17 Subject to obtaining the Exemption Sought, no disruption in the services to be provided by the Amalgamated Corporation to clients is anticipated as a result of the Amalgamation.
- 18 The Exemption Sought will not have any negative consequences on the ability of CSI, QSI or the Amalgamated Corporation to comply with any applicable regulatory requirements or the ability to satisfy any obligations in respect of their respective clients.
- 19 Given the number of CSI Registrants and QSI Registrants (470 registrants in total) and the Locations to be transferred over from CSI and QSI to the Amalgamated Corporation on the Amalgamation Date, it would be unduly time consuming and difficult to transfer each of the CSI Registrants and QSI Registrants and Locations through the NRD in accordance with the requirements of NI 33-109, if the Exemption Sought is not granted.
- 20 Both Filers are registered in the same categories of registration in the same Jurisdictions, affording the opportunity to seamlessly transfer the CSI Registrants and QSI Registrants and Locations to the Amalgamated Corporation on the Amalgamation Date by way of Bulk Transfer and thereby ensuring that there is no interruption in registration.
- 21 At the time of the Bulk Transfer, all of the CSI Registrants and QSI Registrants will be the only registrants of the Amalgamated Corporation and the Locations will be the only branches of the Amalgamated Corporation. Accordingly, the transfer of registrations of the CSI Registrants and QSI Registrants and the Locations on the Amalgamation Date by means of Bulk Transfer can be implemented in a relatively simple manner without any significant disruption to the registrable activities of the CSI Registrants and QSI Registrants, the Locations, CSI, QSI or the Amalgamated Corporation, and will be easier to administer than having to transfer the registration of each of the CSI Registrants and QSI Registrants and Locations on an individual basis.
- 22 Allowing the Bulk Transfer of the CSI Registrants and QSI Registrants to occur on the Amalgamation Date will benefit (and have no detrimental impact on) the clients of the Filers by facilitating seamless service on the part of the CSI Registrants and QSI Registrants.
- 23 The Exemption Sought complies with the guidelines of, and the reasons for, a bulk transfer as set out in Section 3.4 of the Companion Policy to NI 33-109 and Appendix C thereto.

Decisions, Orders and Rulings

- 24 It would not be prejudicial to the public interest to grant the Exemption Sought.
- 25 The Amalgamated Corporation will assume the activities, risk management functions, obligations and liabilities of the Filers on the Amalgamation Date.
- 26 There are no third parties involved in the amalgamation of CSI and QSI to become the Amalgamated Corporation, other than external advisors that are assisting in the transaction.
- 27 The Filers have made all of the required payments to CGI Information Systems and Management Consultants Inc. and an NRD administrator has begun reviewing the transfer process, subject to approval of the Exemption Sought, in order to ensure a seamless Bulk Transfer.
- 28 Clients of the Filers will be receiving formal notice of the Amalgamation with their June 30, 2018 quarterly statements, which will be sent in mid-July.

Decision

- 4 Each of the Decision Makers is satisfied that the following decision meets the test set out in the Legislation for the Decision Makers to make the following decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that the Filers make acceptable arrangements with CGI Information Systems and Management Consultants Inc. in respect of the Bulk Transfer and that the Filers make these arrangements in advance of the Bulk Transfer.

“Michael Brady”
Acting Director, Capital Markets Regulation British Columbia Securities Commission

2.1.2 Hamilton Capital Partners Inc. and Hamilton Capital Canadian Bank Dynamic-Weight ETF

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – An ETF that invests in a portfolio consisting of the six largest Canadian banks in its investment objectives granted relief from the concentration restriction in NI 81-102.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.1(1), 19.1.

July 10, 2018

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
HAMILTON CAPITAL PARTNERS INC.
(the Filer)

AND

HAMILTON CAPITAL CANADIAN BANK DYNAMIC-WEIGHT ETF
(the ETF or HCB)

DECISION

Background

The principal regulator in Ontario has received an application from the Filer on behalf of the ETF for a decision under the securities legislation of Ontario (the **Legislation**) for exemptive relief (the **Exemption Sought**) relieving the ETF from subsection 2.1(1) of National Instrument 81-102 – *Investment Funds (NI 81-102)*, which prohibits a mutual fund from purchasing a security of an issuer, entering into a specified derivatives transaction or purchasing an index participation unit if, immediately after the transaction, more than 10% of the net assets of the mutual fund, taken at market value at the time of the transaction, would be invested in securities of any issuer (the **Concentration Restriction**).

Under National Policy 11-203 – *Process for Exemptive Relief Applications in Multiple Jurisdictions (NP 11-203)*:

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 – *Passport System (MI 11-102)* is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island, Northwest Territories, Nunavut and Yukon (together with Ontario, the **Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 – *Definitions*, NI 81-102 or in MI 11-102 have the same meaning if used in this decision, unless otherwise defined herein.

Representations

The decision is based on the following facts represented by the Filer:

1. The Filer is a corporation organized under the laws of Ontario with a head office in Toronto.
2. The Filer will be the trustee, portfolio manager and investment fund manager of the ETF.
3. The Filer is not in default of securities legislation in any of the Jurisdictions.
4. The Filer is registered as: (i) an investment fund manager in Ontario, Quebec and Newfoundland & Labrador; (ii) an exempt market dealer in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland & Labrador, Northwest Territories, Nova Scotia, Ontario, Prince Edward Island, Quebec and Saskatchewan; and (iii) a portfolio manager in Ontario.
5. The ETF will be an exchange traded mutual fund trust governed by the laws of Ontario and a reporting issuer under the laws of the Jurisdictions.
6. The ETF will be subject to NI 81-102, subject to any exemptions therefrom that may be granted by the securities regulatory authorities
7. The ETF will be subject to National Instrument 81-107 – *Independent Review Committee for Investment Funds*.
8. The Filer filed a preliminary long form prospectus in accordance with NI 41-101 on behalf of the ETF with the securities regulatory authority in each of the Jurisdictions on July 4, 2018.
9. Units of the ETF will (subject to satisfying the Toronto Stock Exchange (the **TSX**)’s original listing requirements) be listed on the TSX.
10. The investment objective of the ETF will be to generate long-term returns consisting of long-term capital growth as well as regular dividend income by investing in an equity portfolio of Canadian banks. HCB will employ a proprietary rules-based portfolio rebalancing methodology in an effort to improve the return potential of the ETF.
11. The Canadian banks to be invested by the ETF are: the Bank of Montreal, The Bank of Nova Scotia, Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank of Canada and The Toronto-Dominion Bank or in the event of a merger, acquisition or other significant corporate action or event of or affecting any such bank, the top six Canadian banks listed on the Toronto Stock Exchange or other recognized exchange in Canada by market capitalization. (each, a **Bank**, and collectively, the **Banks**).
12. The ETF will seek to achieve its investment objective by applying a dynamic re-weighting strategy to a portfolio of the six largest Canadian Banks. In determining the portfolio’s composition, the Filer, as portfolio adviser, will apply its own proprietary rules-based re-weighting strategy. On the last trading day of each calendar month (each an **HCB Rebalance Date**), the Filer will rebalance HCB’s portfolio such that three issuers are over-weighted and three issuers are under-weighted. For trading efficiency, an HCB Rebalance Date for a particular calendar month may be moved to the second last trading day of a calendar month or the first trading day of the following calendar month. The portfolio composition is determined based on the percent difference between each Bank’s stock price and its 50-day average price. On an HCB Rebalance Date: (i) the three issuers with the lowest percentage difference between their current trading price and their 50-day average price are “over-weighted” at approximately 26.5% each of HCB’s portfolio; and (ii) the three issuers with the highest percentage difference between their current trading price and their 50-day average price are “under-weighted” at approximately 6.5% each of HCB’s portfolio. Such portfolio weightings are maintained until the next HCB Rebalance Date, at which point the rebalancing process is repeated. In order to achieve its investment objective, and based on the investment strategy, the ETF wishes to be able to invest in a portfolio of Banks, such that immediately after a purchase, more than 10% of the ETF’s NAV may be invested in any one Bank for the purposes of determining compliance with the Concentration Restriction. HCB may also, from time to time, hold cash and cash equivalents or other money market instruments in order to meet its current obligations.
13. The investment objective and investment strategy of the ETF, as well as the risk factors associated therewith, including concentration risk, will be disclosed in the prospectus of the ETF, as may be amended and renewed from time to time (the **Prospectus**).
14. The common shares of the Banks are listed on the TSX.

Decisions, Orders and Rulings

15. The Banks are among the largest public issuers in Canada. The common shares of the Banks are some of the most liquid equity securities listed on the TSX and are less likely to be subject to liquidity concerns than the securities of other issuers.
16. The liquidity of the common shares of the Banks is evidenced by the markets for options in connection therewith. A liquid market for options on the common shares of the Banks is provided by the Montreal Exchange.
17. Given the proposed composition of the ETF's portfolio, it would be impossible for the ETF to achieve its investment objective and pursue its investment strategy without obtaining relief from the Concentration Restriction.
18. The units of the ETF will be highly liquid securities, as designated brokers act as intermediaries between investors and the ETF, standing in the market with bid and ask prices for the units of the ETF to maintain a liquid market for the units of the ETF.
19. The majority of trading in units of the ETF will occur in the secondary market.
20. If required to facilitate distributions or pay expenses of the ETF, securities of each Bank will be sold pro-rata across the ETF's portfolio according to their relative market values at the time of such sale.
21. Future subscriptions for ETF securities, if any, will be used to acquire securities of each Bank up to the same weights as the Bank securities exist in the ETF's portfolio, based on their relative market values at the time of such subscription.
22. As the ETF will not invest in securities other than securities of the Banks and the names of the Banks to be invested in will be listed in the ETF's Prospectus and tied to its investment objective, unitholders of the ETFs will be fully aware of the risks involved with an investment in the securities of the ETF.
23. The investment objective and investment strategy of the ETF, as well as the risk factors associated therewith, including concentration risk, will be disclosed in the Prospectus of the ETF.
24. The Exemption Sought is sought to permit the ETF to purchase common shares of the Banks or enter into specified derivative transactions in connection therewith such that, immediately after the transaction more than 10% of its NAV would be invested in common shares of one or more Banks for the purposes of determining compliance with the Concentration Restriction.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator is that the Exemption Sought is granted, provided that:

- (a) the investment in the Banks is made in accordance with the ETF's investment objectives and investment strategies;
- (b) the ETF's investment strategies disclose that the ETF will invest in the Banks in the stated fixed percentages described at paragraph 12 of this Decision;
- (c) the ETF's investment strategies disclose that the ETF's portfolio will be rebalanced monthly;
- (d) the ETF includes in its final Prospectus (i) disclosure regarding this decision under the heading "Exemptions and Approvals" and (ii) a risk factor regarding the concentration of the ETF's investments in the Banks and the risks associated therewith.

"Darren McKall"
Manager
Investment Funds & Structured Products Branch
Ontario Securities Commission

2.1.3 BSR Real Estate Investment Trust

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from provisions in section 8.4 of National Instrument 51-102 Continuous Disclosure Obligations (NI 51-102) permitting the filer to include alternative financial disclosure in the business acquisition report pursuant to section 13.1 of NI 51-102 – filer acquired four properties for which it cannot obtain certain historical financial information – missing financial information is not material.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, ss. 8.4, 13.1.

July 9, 2018

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)**

AND

**IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS**

AND

**IN THE MATTER OF
BSR REAL ESTATE INVESTMENT TRUST
(the Filer)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer (the **Application**) for a decision (the **Exemption Sought**) under the securities legislation of the Jurisdiction (the **Legislation**) for relief pursuant to Part 13 of National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) from certain requirements in Item 3 of Form 51-102F4 and Part 8 of NI 51-102 in respect of a business acquisition report (the **BAR**) required to be filed by the Filer for the indirect acquisition (the **Acquisition**) of a portfolio of 48 multifamily properties located in the United States (the **Initial Properties**) in connection with the completion on May 18, 2018 of the initial public offering (the **Offering**) of 13,500,000 trust units of the Filer, and, so that the BAR is not required to include audited financial information in respect of the following four Initial Properties (collectively, the **Exempt Properties**):

- Westend Lodge Apartments, Beaumont, TX;
- Mountain Ranch Apartments, Fayetteville, AR;
- Windhaven Park, Dallas, TX (**Windhaven**); and
- Brandon Place, Oklahoma City, OK,

for certain periods prior to the date they were acquired by BSR Trust, LLC (**BSR**), an entity that is now a subsidiary of the Filer following the closing of the Offering.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

- (a) the Ontario Securities Commission is the principal regulator for the Application; and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New

Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Nunavut, the Northwest Territories and Yukon Territory.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning in this decision, unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is an open-ended real estate investment trust established under the laws of the Province of Ontario pursuant to a declaration of trust dated January 9, 2018, as amended and restated on May 18, 2018.
2. The Filer's head office is located in Toronto, Ontario.
3. The Filer is a reporting issuer in each of the provinces and territories of Canada and is not in default of securities legislation in any jurisdiction of Canada.
4. The Filer's trust units are listed and posted for trading on the Toronto Stock Exchange under the symbol "HOM.U".
5. On May 18, 2018, the Filer completed the Offering of 13,500,000 trust units of the Filer pursuant to the prospectus dated May 11, 2018 (the **Prospectus**).
6. In connection with the closing of the Offering, the Filer, through BSR, indirectly acquired the Initial Properties.
7. Prior to the closing of the Offering, BSR indirectly owned all of the Initial Properties, including the Exempt Properties, other than Brandon Place. At the time of the closing of the Offering, Brandon Place was the subject of a binding purchase and sale agreement between BSR and a third party vendor and the acquisition of Brandon Place was completed on June 1, 2018.
8. The Exempt Properties were acquired by BSR in 2016, 2017 and 2018.
9. Windhaven was acquired by BSR on October 11, 2017, and standalone audited financial statements for Windhaven will be included in the BAR. As Windhaven was integrated into BSR's business on and after October 11, 2017, it is not possible to prepare stand-alone financial statements for Windhaven as of and for the three month period ended December 31, 2017. Accordingly, the Filer proposes to include audited financial statements for Windhaven as of and for the period ended September 30, 2017, leaving an 11 day "gap" for which there is no audited financial information for Windhaven in 2017 (the **Windhaven Gap Financial Statements**).
10. Audited financial statements of the Exempt Properties (other than Windhaven) for periods prior to their acquisition by BSR, along with the Windhaven Gap Financial Statements (collectively, the **Excluded Financial Statements**) do not exist and the Filer is unable to produce such Excluded Financial Statements.
11. The Filer proposes to include (or incorporate by reference) the following financial statements in the BAR (collectively, the **Proposed Financial Statements**). All financial statements described below have been prepared in accordance with IFRS.

Filer

- Unaudited pro forma condensed consolidated financial statements as at and for the year ended December 31, 2017 and for the three months ended March 31, 2018.
- Initial Properties (other than the Excluded Financial Statements)
- Audited combined and carve-out financial statements as of December 31, 2017 and December 31, 2016 and for the years ended December 31, 2017 and December 31, 2016.
- Unaudited combined and carve-out financial statements as of March 31, 2018 for the three months ended March 31, 2018 and March 31, 2017.

Windhaven

- Audited carve-out financial statements as of September 30, 2017 and December 31, 2016 and for the nine months ended September 30, 2017 and the year ended December 31, 2016.
12. The Filer submits that the Excluded Financial Statements that are missing from the BAR are not material. The Exempt Properties represent an insignificant amount of the overall (a) number of apartment units, (b) aggregate fair market value, (c) revenue and (d) NOI, of the Initial Properties. The Exempt Properties will not be significant or otherwise material (individually or in the aggregate) to the Filer having regard to the overall size and value of the Filer's proposed business and operations.
 13. Prior to their acquisition by BSR, the Exempt Properties were owned and managed by four different arm's length vendors. The Filer does not possess, does not have access to and is not entitled to obtain access to, sufficient financial information for the Exempt Properties for any period prior to the acquisition by BSR.
 14. Audited historical financial statements of the Exempt Properties were not relevant to BSR's decision to acquire the Exempt Properties in 2016, 2017 and 2018. Given that such audited financial statements were not considered relevant to the investment decision made to acquire the Exempt Properties, the Filer does not believe that such financial statements are material to the investment decision to be made by a potential investor in the Filer, particularly when considered in light of the other financial information the Filer intends to provide in the BAR. The financial information the Filer intends to provide in the BAR is the same as that provided in the Prospectus, for which the Filer obtained similar relief from Item 32 of Form 41-101F1 *Information Required in a Prospectus*.
 15. The Filer will also incorporate by reference into the BAR the financial forecast included in the Prospectus for the 12 months ended March 31, 2019. The forecast includes information with respect to all of the Initial Properties and is accompanied by a signed auditor's report with respect to the examination of the forecast made by the Filer's auditors.
 16. The Filer believes that the Proposed Financial Statements will provide sufficient historical information for an investor to make an informed decision regarding the Initial Properties as a portfolio.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted, provided that the BAR for the Acquisition includes (or incorporates by reference) all of the following:

1. The Proposed Financial Statements as set out in paragraph 11.
2. The financial forecast included in the Prospectus as set out in paragraph 15.

"Sonny Randhawa"
Deputy Director, Corporate Finance
Ontario Securities Commission

2.1.4 Africa Energy Corp.

Headnote

Relief from the requirements otherwise applicable to the Filer as a reporting issuer who is not a venture issuer – Filer is cross listed on the TSX Venture Exchange and the NASDAQ First North – The NASDAQ First North is junior to the TSXV in terms of its requirements – Secondary listing on the NADAAQ First North requires Filer to comply with TSXV requirements – Relief granted subject to conditions, including that the Filer complies with the requirements of Canadian securities legislation applicable to a venture issuer.

Applicable Legislative Provisions

National Instrument 41-101 General Prospectus Requirements, s. 19.1.
National Instrument 51-102 Continuous Disclosure Obligations, section 13.1.
National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, s. 5.1.
National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, s. 8.6.
National Instrument 52-110 Audit Committees, s. 8.1.
National Instrument 58-101 Disclosure of Corporate Governance Practices, s. 3.1.
Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions, s. 9.1.

July 16, 2018

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the "Jurisdiction")**

AND

**IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS**

AND

**IN THE MATTER OF
AFRICA ENERGY CORP. (the "Filer")**

DECISION

Background

The securities regulatory authority or regulator in the Jurisdiction (the "**principal regulator**") has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the "**Legislation**") for relief from:

- (a) the requirements otherwise applicable to the Filer as a reporting issuer who is not a venture issuer in each of the following instruments, including the forms thereof (collectively, the "**Instruments**"):
 - (i) National Instrument 41-101 *General Prospectus Requirements*;
 - (ii) National Instrument 51-102 *Continuous Disclosure Obligations*;
 - (iii) National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;
 - (iv) National Instrument 52-109 *Certification of Disclosure in Issuer's Annual and Interim Filings*;
 - (v) National Instrument 52-110 *Audit Committees*; and
 - (vi) National Instrument 58-101 *Disclosure of Corporate Governance Practices*;
- (b) the formal valuation requirements in sections 4.3 and 5.4 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"); and

- (c) the minority approval requirement in section 5.6 of MI 61-101 (the “**Minority Approval Relief**”);
- (collectively, the “**Exemption Sought**”).

Securities legislation imposes obligations for all reporting issuers. There are different obligations applicable to reporting issuers who are venture issuers and to those that are non-venture issuers. The Exemption Sought, if granted, would permit the Filer to comply with the obligations applicable to venture issuers notwithstanding that the Filer does not meet the criteria in the definition of “venture issuer”.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (“**MI 11-102**”) is intended to be relied upon in the province of Alberta.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer.

1. The Filer is a corporation originally incorporated under the laws of Alberta and subsequently continued under the laws of British Columbia; the head office of the Filer is located at Suite 2000, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8. The Filer is an oil and gas exploration company with its principal assets located in offshore South Africa and offshore Namibia.
2. The Filer is a reporting issuer in British Columbia, Alberta and Ontario (collectively, the “**Reporting Jurisdictions**”).
3. The Filer’s securities are listed on the TSX Venture Exchange (the “**TSXV**”) under the symbol “AFE”.
4. The Filer is authorized to issue an unlimited number of common shares without par value. As of June 27, 2018, the Filer has 681,586,094 common shares issued and outstanding.
5. On May 4, 2018, the Filer’s common shares commenced trading on the NASDAQ First North, the junior board of the NASDAQ Nordic List in Stockholm (the “**First North Exchange**”). The Filer sought a listing on the First North Exchange in order to increase the liquidity in the trading of its common shares.
6. In the Instruments, the definition of a “venture issuer” excludes a reporting issuer who, at the relevant time, has any of its securities listed or quoted on any of the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace or a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc (the “**Venture Issuer Definition**”).
7. As the First North Exchange is a marketplace and hence a “marketplace outside of Canada”, the Filer does not, subsequent to May 4, 2018, meet the criteria in the Venture Issuer Definition.
8. The Filer acknowledges that any right of action, remedy, penalty or sanction available to any person or company or to a securities regulatory authority against the Filer from May 4, 2018 until the date of this decision are not terminated or altered as a result of this decision.
9. The First North Exchange is a junior market and is not regulated as a national securities exchange under section 6(a) of the *Securities Exchange Act of 1934*. The First North Exchange is junior to the TSXV in terms of its requirements, as the minimum listing requirements, the listing maintenance requirements and the continuous disclosure requirements are much less onerous for the First North Exchange as compared to the TSXV. The First North Exchange requires the Filer to comply with applicable laws and regulations of the Filer’s home jurisdiction, including the policies of the TSXV.
10. On June 29, 2018, the British Columbia Securities Commission (the “**BCSC**”) granted relief to the Filer from the requirement in the definition of “venture issuer” in section 1.1 of each of National Instrument 51-102 *Continuous Disclosure Obligations*, National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings*,

National Instrument 52-110 *Audit Committees* and National Instrument 58-101 *Disclosure of Corporate Governance Practices*, that a reporting issuer not, at the relevant time, have any of its securities listed or quoted on any of the Toronto Stock Exchange, Aequis NEO Exchange Inc., a U.S. marketplace or a marketplace outside of Canada or the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc (the “**BCSC Decision**”).

11. The principal regulator of the Filer is ordinarily the BCSC. However, for the purposes of this application, the Ontario Securities Commission is the principal regulator because not all of the Exemption Sought is needed in British Columbia.
12. The information provided by the Filer about the First North Exchange and its status as a junior market for the purposes of review by staff of the BCSC is accurate at the date of the BCSC Decision.
13. The Filer is not in default of any securities legislation in any jurisdiction of Canada.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that:

- (a) the Filer complies with the conditions and requirements of Canadian securities legislation applicable to a venture issuer;
- (b) the First North Exchange is not restructured in a manner that makes it unreasonable to conclude that it is still a junior market and the representations in section 9, above, continue to be true;
- (c) the Filer has common shares listed on the TSXV;
- (d) the Filer does not have any of its securities listed or quoted on any of the Toronto Stock Exchange, Aequis NEO Exchange Inc., a U.S. marketplace, or a marketplace outside of Canada and the United States of America other than the First North Exchange, the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc;
- (e) in the event an exemption under Canadian securities legislation applies to a requirement in the Instruments applicable to the Filer, and a condition to the exemption requires the issuer to be a venture issuer, the Filer may invoke the benefit of that exemption if the Filer meets the conditions required by the exemption except for the condition that the Filer be a venture issuer;
- (f) in the event an exemption under Canadian securities legislation applies to a requirement applicable to the Filer as a reporting issuer who is not a venture issuer in the Instruments, and a condition to the exemption requires the issuer to not be a venture issuer, the Filer does not invoke the benefit of the exemption; and
- (g) for the purposes of the Minority Approval Relief, in addition to conditions (a) through (f) above, the Filer would be entitled to rely on the exemption from the requirement to obtain minority approval set out in subsection 5.7(1)(b) of MI 61-101 but for the fact that the Filer does not satisfy the requirements of subsection 5.7(1)(b)(i) of MI 61-101.

“Jo-Anne Matear”
Manager, Corporate Finance
Ontario Securities Commission

2.2 Orders

2.2.1 Canadian World Fund Limited – s. 1(6) of the OBCA

Headnote

Applicant deemed to have ceased to be offering its securities to the public under the OBCA.

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 1(6).

IN THE MATTER OF
THE BUSINESS CORPORATIONS ACT (ONTARIO),
R.S.O. 1990, c. B.16, AS AMENDED
(the OBCA)

AND

IN THE MATTER OF
CANADIAN WORLD FUND LIMITED
(the Applicant)

ORDER
(Subsection 1(6) of the OBCA)

WHEREAS the Applicant has applied to the Ontario Securities Commission (the **Commission**) for an order pursuant to subsection 1(6) of the OBCA that it be deemed to have ceased to be offering its securities to the public;

AND WHEREAS the Applicant has represented to the Commission that:

1. the Applicant is an “offering corporation” as defined in the OBCA;
2. on May 2, 2018, the Applicant completed a plan of arrangement pursuant to an order of the Ontario Superior Court of Justice dated May 1, 2018, pursuant to which all of the issued and outstanding common shares of the Applicant not then held by Third Canadian General Investment Trust Limited (**Third Canadian**) or its associates or affiliates were purchased by Third Canadian for cash consideration of \$9.25 per share (the **Plan of Arrangement**);
3. as a result of the completion of the Plan of Arrangement, the Applicant’s issued and outstanding securities are owned by Third Canadian, 225490 Investment Limited, New Annan Investments Limited and Dapple Investments Limited, all of which are owned and controlled, directly or indirectly, by Jonathan A. Morgan and Vanessa L. Morgan, and no other securities are issued and outstanding;
4. the Applicant has no intention to seek public financing by way of an offering of securities;
5. on June 13, 2018, the Commission received an application under National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* and ordered, pursuant to subsection 1(10)(a)(ii) of the *Securities Act* (Ontario), that the Applicant is not a reporting issuer; and
6. as a result of the Commission’s order, the Applicant is not a reporting issuer or the equivalent in any jurisdiction of Canada;

AND WHEREAS the Commission is satisfied that to do so would not be prejudicial to the public interest;

IT IS ORDERED that the Applicant is deemed to have ceased to be offering its securities to the public.

DATED at Toronto on June 29, 2018.

“Lawrence Haber”
Commissioner
Ontario Securities Commission

“Frances Kordyback”
Commissioner
Ontario Securities Commission

2.2.2 Canadian World Fund Limited

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – Issuer ceased to be a reporting issuer under securities legislation.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).

June 13, 2018

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)**

AND

**IN THE MATTER OF
THE PROCESS FOR CEASE TO BE A
REPORTING ISSUER APPLICATIONS**

AND

**IN THE MATTER OF
CANADIAN WORLD FUND LIMITED
(the Filer)**

ORDER

Background

The principal regulator in the Jurisdiction has received an application from the Filer for an order under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that the Filer has ceased to be reporting issuers in all jurisdictions of Canada in which the Filer is a reporting issuer (the **Order Sought**).

Under the Process for Cease to be a Reporting Issuer Applications (for a passport application):

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon in each of the other provinces of Canada.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this order, unless otherwise defined.

Representations

This order is based on the following facts represented by the Filer:

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;
2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and
5. the Filer is not in default of securities legislation in any jurisdiction.

Order

The principal regulator is satisfied that the order meets the test set out in the Legislation for the principal regulator to make the order.

The decision of the principal regulator under the Legislation is that the Order Sought is granted.

“Darren McKall”
Manager
Investment Funds and Structured Products Branch
Ontario Securities Commission

2.2.3 Dennis L. Meharchand and Valt.X Holdings Inc. – s. 127(1)

IN THE MATTER OF
DENNIS L. MEHARCHAND and
VALT.X HOLDINGS INC.

Timothy Moseley, Chair of the Panel

July 13, 2018

ORDER
Subsection 127(1) of the
Securities Act, RSO 1990, c S.5

WHEREAS on July 12, 2018, the Ontario Securities Commission held a hearing in writing to consider the request by Dennis L. Meharchand and Valt.X Holdings Inc. (the **Respondents**) for an amended schedule for delivery of the outstanding written closing submissions; and

ON READING correspondence from Mr. Meharchand indicating the Respondents' requested extension, and Staff's advice that it does not oppose the Respondents' request;

IT IS ORDERED THAT the parties shall adhere to the following amended schedule for the delivery of outstanding closing submissions, which shall be made in writing:

1. the Respondents shall serve and file their closing submissions by no later than July 16, 2018; and
2. Staff shall serve and file reply closing submissions, if any, by July 23, 2018.

"Timothy Moseley"

2.2.4 Nasdaq CXC Limited – s. 8.1 of OSC Rule 13-502 Fees

Headnote

Section 8.1 of OSC Rule 13-502 Fees (13-502) – one-time exemption granted from the requirement under section 4.1(1) to pay full specified regulated entity participation fees and section 4.8(1) to pay any applicable late fees related to its change of status under National Instrument 21-101 Marketplace Operation from an alternative trading system to a recognized exchange in Ontario.

**IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED**

AND

**IN THE MATTER OF
NASDAQ CXC LIMITED**

**ORDER
(Section 8.1 of OSC Rule 13-502)**

UPON the application (the **Application**) of Nasdaq CXC Limited (the **Applicant**) to the Director for an order pursuant to section 8.1 of OSC Rule 13-502 Fees (**OSC Rule 13-502**) for one-time exemptive relief from the requirement under section 4.1(1) of Rule 13-502 to permit the Applicant to pay an adjusted recognized exchange participation fee for 2018/2019 fiscal year to the Ontario Securities Commission (the **Commission**) and to waive the late fees under section 4.8 of Rule 13-502 (the **Requested Relief**);

AND UPON the Applicant filing the Application describing the Requested Relief on June 6, 2018;

AND UPON considering the Application and the recommendation of staff of the Commission;

AND UPON the Applicant having represented to the Director as follows:

1. The Applicant is a corporation incorporated under the *Canada Business Corporations Act* and is a wholly-owned subsidiary of Ensoleillement Inc., which in turn is a wholly-owned subsidiary of Nasdaq, Inc.
2. Until March 1, 2018, the Applicant was registered with the Commission and other applicable provincial securities regulators as an investment dealer and approved to operate as an alternative trading system (**ATS**).
3. The Applicant ceased to be an ATS on February 28, 2018.
4. The Applicant terminated its investment dealer registration with the Commission and other applicable provincial securities regulators on March 1, 2018 and resigned as a member of the Investment Industry Regulatory Organization of Canada (**IIROC**) on March 1, 2018.
5. The Applicant was recognized as an exchange by the Commission on December 21, 2017, with the decision being effective on March 1, 2018.
6. The Applicant paid an Ontario capital markets participation fee of \$74,000 (**Capital Markets Participation Fee**) to the Commission on December 31, 2017 in order to continue its investment dealer registration in Ontario for 2018.
7. The Applicant also paid an Ontario ATS participation fee of \$17,000 (**ATS Participation Fee**) to the Commission on April 30, 2018.
8. The Applicant requested, pursuant to Section 8.1 of Rule 13-502, one-time exemptive relief to pay an adjusted recognized exchange participation fee in Ontario for the 2018/2019 fiscal year.
9. The Applicant also requested, pursuant to Section 8.1 of OSC Rule 13-502, a waiver from the application of late fees under Section 4.8 (1) of OSC Rule 13-502 in respect of recognized exchange participation fees due on or prior to April 30, 2018 but not yet paid.
10. The Applicant represents that, as a result of ceasing to be an ATS, it no longer requires an investment dealer registration or IIROC membership.

Decisions, Orders and Rulings

11. The Applicant submits that it would not be prejudicial to the public interest for the Commission to apply on a pro-rated basis the Capital Markets Participation Fee and the ATS Participation Fee, each previously paid to the Commission, towards the annual participation fee for a recognized exchange.
12. Absent the Requested Relief, the Applicant would significantly overpay capital markets participation fees for no discernible reason, other than the fact that the fees for dealers are payable for the calendar year while the fees for marketplaces are payable for the Commission's fiscal year.

AND UPON the Director being satisfied to do so would not be prejudicial to the public interest;

IT IS ORDERED by the Director, pursuant to 8.1 of OSC Rule 13-502, that the Applicant's exchange participation fee payable under section 4.1(1) of the OSC Rule 13-502 be reduced to \$62,500 for the 2018/2019 fiscal year and the Applicant be exempted from paying the late fees under section 4.8(1) of OSC Rule 13-502.

DATED this 16 day of July, 2018.

"Tracey Stern"
Manager, Market Regulation Branch
Ontario Securities Commission

2.2.5 Dupont Capital Management Corporation – s. 80 of the CFA

Headnote

Application for an order pursuant to section 80 of the Commodity Futures Act (Ontario) (the CFA) that the Filer and its representatives be exempt from the adviser registration requirement in paragraph 22(1)(b) of the CFA in connection with advising employee plans established for the benefit of employees of the Canadian affiliate of the Filer, subject to terms and conditions and sunset clause.

Applicable Legislative Provisions

Statutes Cited

Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 22(1)(b), 80.
Securities Act, R.S.O. 1990, c. S.5, as am., s. 25(3).

Rules Cited

OSC Rule 35-502 Non-Resident Advisers, s. 7.6.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, s. 8.26.

Application Decisions

In the Matter of DuPont Capital Management Corporation (2013), 36 OSCB 3477

**IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, CHAPTER C.20, AS AMENDED
(the CFA)**

AND

**IN THE MATTER OF
DUPONT CAPITAL MANAGEMENT CORPORATION
(the Filer)**

**ORDER
(Section 80 of the CFA)**

UPON the application (the **Application**) of the Filer to the Ontario Securities Commission (the **Commission**) for an order pursuant to section 80 of the CFA that the Filer and any individuals engaging in, or holding themselves out as engaging in, the business of advising the DuPont Canada Pension Plan (as defined below) on behalf of the Filer (the **Representatives**) in respect of Foreign Contracts (as defined below) be exempt, for a specified period of time, from the adviser registration requirement in paragraph 22(1)(b) of the CFA, subject to certain terms and conditions;

AND UPON considering the Application and the recommendation of staff of the Commission;

AND WHEREAS in this Order:

Advisory Services means the investment advisory services provided by the Filer to the DuPont Employee Plans;

CEA means the United States *Commodity Exchange Act*, as amended from time to time;

Contract has the meaning ascribed to that term in subsection 1(1) of the CFA;

DuPont Canada means E.I. du Pont Canada Company;

DuPont Canada Pension Plan means the Canadian pension plan established for the benefit of the employees of DuPont Canada;

DuPont Employee Plans means the pension plans, retirement plans and similar plans established for the benefit of the employees of the Filer and its affiliates globally;

Foreign Contract means a Contract that is primarily traded on one or more organized exchanges that are located outside of Canada and primarily cleared through one or more clearing corporations that are located outside of Canada;

Futures Advisory Services means investment advisory services provided by the Filer to the DuPont Employee Plans in respect of Foreign Contracts;

OSA means the *Securities Act*, R.S.O. 1990, c. S.5, as amended;

OSC Rule 35-502 means OSC Rule 35-502 *Non-Resident Advisers*; and

Trust Agreement means the pension trust agreement between DuPont Canada and Royal Trust Corporation of Canada, as trustee, dated May 1, 2004.

AND UPON the Filer having represented to the Commission that:

1. The Filer is a corporation incorporated under the laws of Delaware, with its head office in Wilmington, Delaware. The Filer is a wholly-owned subsidiary of E.I. DuPont de Nemours and Company, which is a subsidiary of DowDuPont Inc.
2. The Filer provides investment advisory services to certain of the DuPont Employee Plans, including the DuPont Canada Pension Plan.
3. The Filer is registered as an investment adviser with the United States Securities and Exchange Commission. The Filer is not registered in any capacity under the CFA or the OSA. However, the Filer currently has the ability to use the international adviser exemption set out in section 8.26 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* in Alberta, British Columbia, Manitoba, Ontario and Québec.
4. DuPont Canada is incorporated under the laws of the *Canada Business Corporations Act*, and carries on manufacturing and other business activities in Canada. DuPont Canada is also a wholly-owned subsidiary of DowDuPont Inc.
5. DuPont Canada established the DuPont Canada Pension Plan under the laws of Ontario for the benefit of its employees in Canada pursuant to the Trust Agreement. DuPont Canada is the administrator and sponsor of the DuPont Canada Pension Plan.
6. DuPont Canada is authorized under the Trust Agreement to appoint one or more investment managers to direct the investment of the DuPont Canada Pension Plan. Accordingly, DuPont Canada has appointed the Filer to provide investment advisory services to the DuPont Canada Pension Plan.
7. The Filer employs the Representatives to provide, among other things, Advisory Services to the DuPont Employee Plans.
8. The Filer provides Advisory Services primarily from its head office in Wilmington, Delaware. The Advisory Services primarily pertain to advising in respect of investments in securities; however, the Advisory Services may also include Futures Advisory Services from time to time.
9. The Filer does not provide any Advisory Services from Canada. Neither the Filer nor its Representatives is ordinarily resident or maintains an office in Canada.
10. The Filer is not required to register, and is not registered, as an adviser under the CEA in order for the Filer to provide Futures Advisory Services to the DuPont Employee Plans. Similarly, none of the Representatives are registered, or are required to register, in any capacity under the CEA in order for the Representatives to provide Futures Advisory Services to the DuPont Employee Plans. The requirement to be registered, or be exempt from registration, as a commodity trading adviser under the CEA is triggered by advising others for compensation. The National Futures Association has published current guidance which indicates that provision of the Advisory Services by the Filer or the Representatives to the DuPont Employee Plans is not considered to be "advising others" for the purposes of the CEA. On this basis, the Filer has concluded that neither the Filer nor the Representatives are required to register under the CEA.
11. Pursuant to an investment management agreement, the Filer has provided Advisory Services to the DuPont Canada Pension Plan since February 7, 2008. The Filer had previously provided Futures Advisory Services to the DuPont Canada Pension Plan in reliance on an exemptive relief order granted by the Commission on March 26, 2013 (the **Prior Order**) which expired on March 26, 2018. The Filer has not provided any Futures Advisory Services to the DuPont Canada Pension Plan since the Prior Order expired.

12. The Filer is authorized to provide Advisory Services in respect of securities to the DuPont Canada Pension Plan pursuant to section 7.6 of OSC Rule 35-502, which prescribes an exemption from the requirement to register as an adviser under the OSA for a person or company, not ordinarily resident in Ontario, in connection with that person or company acting as an adviser for a pension fund sponsored by an affiliate, for the benefit of the employees of the affiliate.
13. Paragraph 22(1)(b) of the CFA prohibits a person or company from acting as an adviser unless the person or company is registered as an adviser under the CFA, or is registered as a partner or an officer of a registered adviser and is acting on behalf of a registered adviser. Under the CFA, "adviser" means a person or company engaging in or holding himself, herself or itself out as engaging in the business of advising others as to trading in Contracts.
14. There is presently no exemption from the adviser requirement under the CFA for a person or company, not ordinarily resident in Ontario, in connection with that person or company acting as an adviser in Contracts for a pension fund sponsored by an affiliate for the benefit of the employees of the affiliate, similar to section 7.6 of OSC Rule 35-502 in respect of advising in securities. Consequently, the Filer is not currently authorized to offer Futures Advisory Services to the DuPont Canada Pension Plan.
15. The Filer is not in default of any requirements of securities legislation or commodity futures legislation in Ontario.
16. The Filer seeks to provide comprehensive investment management services to the DuPont Employee Plans. The Filer is able to provide Advisory Services in respect of securities to the DuPont Canada Pension Plan in reliance on the exemption set out in section 7.6 of OSC Rule 35-502. However, the Filer is precluded from offering Futures Advisory Services to the DuPont Canada Pension Plan due to lack of a statutory exemption from registration as an adviser under the CFA. If the requested relief is granted, the DuPont Canada Pension Plan will benefit from having access to the full scope of Advisory Services available from the Filer.

AND UPON being satisfied that it would not be prejudicial to the public interest for the Commission to grant the exemption requested on the basis of the terms and conditions proposed;

IT IS ORDERED pursuant to section 80 of the CFA that the Filer and its Representatives are exempt from the adviser registration requirement in paragraph 22(1)(b) of the CFA in respect of the Futures Advisory Services they provide to the DuPont Canada Pension Plan provided that:

1. the DuPont Canada Pension Plan is sponsored or administered by an affiliate of the Filer;
2. the Filer's head office or principal place of business is in a jurisdiction outside of Canada; and
3. neither the Filer nor its Representatives becomes subject to registration requirements under the CEA in order for the Filer to provide Futures Advisory Services to the DuPont Canada Pension Plan, provided that the Filer may continue to rely on the exemptive relief provided in this Order for a period of 90 days following such time as the Filer becomes subject to a registration requirement under the CEA.

IT IS FURTHER ORDERED that this Order will terminate on the earliest of:

1. such transition period as provided by operation of law after the effective date of the repeal of the CFA;
2. six months, or such other transition period as provided by operation of law, after the coming into force of any amendment to Ontario commodity futures law (as defined in the CFA) or Ontario securities law (as defined in the OSA) that affects the ability of the Filer to act as an adviser to the DuPont Canada Pension Plan in respect of Foreign Contracts; and
3. five years after the date of this Order.

Dated at Toronto, Ontario, this 13th of July, 2018

"Mark J. Sandler"
Commissioner
Ontario Securities Commission

"Cecilia Williams"
Commissioner
Ontario Securities Commission

2.2.6 Wayne J. Berry – ss. 127(1), 127(10)

FILE NO.: 2018-23

**IN THE MATTER OF
WAYNE J. BERRY**

D. Grant Vingoe, Vice-Chair and Chair of the Panel

July 16, 2018

ORDER
(Subsections 127(1) and 127(10) of the
Securities Act, RSO 1990, c S.5)

WHEREAS the Ontario Securities Commission held a hearing in writing to consider a request by Staff of the Commission (**Staff**) for an order imposing sanctions against Wayne J. Berry (**Berry**) pursuant to subsections 127(1) and 127(10) of the *Securities Act*, RSO 1990, c S.5; and

ON READING the Settlement Agreement between Berry and the Nova Scotia Securities Commission (**NSSC**) dated May 11, 2017, an order of the NSSC dated May 26, 2017 (**NSSC Order**), and on reading the materials filed by Staff and Berry;

IT IS ORDERED that:

1. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by Berry cease until May 26, 2022, with the exception that Berry is permitted to trade through a registrant to whom Berry must provide a copy of the NSSC Order and a copy of this order;
2. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Berry until May 26, 2022;
3. pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Berry resigns any positions that he holds as a director or officer of any issuer, registrant or investment funds manager;
4. pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Berry be prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager until May 26, 2020;
5. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Berry be prohibited from becoming or acting as a registrant, investment fund manager or promoter until May 26, 2022; and
6. pursuant to subsection 127(2) of the Act, as a term and condition of this order, should Berry become aware that EnChargeCanada Corp. is to be revived or has been revived between the date of this order and May 26, 2027, Berry is to immediately advise Staff of the Commission that EnChargeCanada Corp. is to be or has been revived.

“D. Grant Vingoe”

2.2.7 Lakefield Marketing Corporation – s. 144

Headnote

Application by an issuer for a revocation of a cease trade order issued by the Commission – cease trade order issued because the issuer failed to file certain continuous disclosure materials required by Ontario securities law – defaults subsequently remedied by bringing continuous disclosure filings up-to-date -Issuer has provided an undertaking to the Commission that it will not complete (a) a restructuring transaction involving, directly or indirectly, an existing or proposed, material underlying business which is not located in Canada, (b) a reverse takeover with a reverse takeover acquiror that has a direct or indirect, existing or proposed, material underlying business which is not located in Canada, or (c) a significant acquisition involving, directly or indirectly, an existing or proposed, material underlying business which is not located in Canada, unless the issuer files a preliminary prospectus and a final prospectus with the Ontario Securities Commission and obtains receipts for the preliminary prospectus and the final prospectus from the Director under the Act.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., s. 144.

**IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED
(the “Act”)**

AND

**IN THE MATTER OF
LAKEFIELD MARKETING CORPORATION**

**ORDER
(section 144 of the Act)**

WHEREAS the securities of Lakefield Marketing Corporation (the “**Applicant**”) are subject to a cease trade order dated July 17, 2006 issued by the Director of the Ontario Securities Commission (the “**Commission**”) pursuant to paragraph 2 and 2.1 of subsection 127(1) and subsection 127(5) of the Act as extended by a further cease trade order issued by the Director on July 28, 2006 pursuant to paragraph 2 and 2.1 of subsection 127(1) of the Act (the “**Cease Trade Order**”) directing that all trading in securities of the Applicant, whether direct or indirect, shall cease until further order by the Director;

AND WHEREAS the Cease Trade Order was made on the basis that the Applicant was in default of certain filing requirements under Ontario securities law as described in the Cease Trade Order and below;

AND WHEREAS the Applicant has applied to the Commission pursuant to section 144 of the Act to revoke the Cease Trade Order;

AND UPON the Applicant having represented to the Commission that:

1. The Applicant was incorporated on December 12, 1989 pursuant to the *Business Corporations Act* (Ontario) (“**OBCA**”). The Applicant was dissolved on November 24, 2014 for failing to comply with the *Corporations Tax Act* (Ontario), but was revived on February 2, 2018
2. The Applicant’s head office is located at 31 Sunset Trail, Toronto, Ontario M9M 1J4.
3. The Applicant is a reporting issuer in Ontario and is not a reporting issuer in any other jurisdiction in Canada.
4. The Applicant’s authorized capital consists of an unlimited number of common shares (the “**Common Shares**”), of which approximately 29,479,940 Common Shares are issued and outstanding.
5. The Applicant has no other securities, including debt securities, issued and outstanding.
6. The Common Shares are not listed, quoted, or traded on any exchange, marketplace or other facility in Canada or elsewhere.
7. The Cease Trade Order was issued as a result of the Applicant’s failure to file its audited annual financial statements for the year ended December 31, 2005 and related management’s discussion and analysis (“**MD&A**”).

8. The Applicant subsequently failed to file other continuous disclosure documents with the Commission within the prescribed timeframe in accordance with the requirements of Ontario securities law, including the following:
 - i) all audited financial statements, accompanying MD&A and related certificates as required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109 Certificates**") and statement of executive compensation for the years ended December 31, 2006 to December 31, 2016; and
 - ii) all unaudited interim financial statements, accompanying MD&A and NI 52-109 Certificates for the interim periods ended March 31, 2006 to September 30, 2017.
9. Since the issuance of the Cease Trade Order, the Applicant has filed the following continuous disclosure documents with the Commission:
 - i) audited financial statements, accompanying MD&A (including statements of executive compensation) and NI 52-109 Certificates for the years ended December 31, 2016 and December 31, 2017; and
 - ii) unaudited interim financial statements, accompanying MD&A and NI 52-109 Certificates for the interim periods ended March 31, 2017, June 30, 2017, September 30, 2017 and March 31, 2018.
10. The Applicant has not filed the following:
 - i) audited financial statements, accompanying MD&A and NI 52-109 Certificates for the years ended December 31, 2006 to December 31, 2015;
 - ii) unaudited interim financial statements, accompanying MD&A and NI 52-109 Certificates for the interim periods ended March 31, 2006 to September 30, 2016; and
 - iii) the statements of executive compensation for the years ended December 31, 2006 to December 31, 2015.

(collectively, the **Outstanding Filings**).
11. The Applicant has filed with the Commission all continuous disclosure that it is required to file under Ontario securities law, except for the Outstanding Filings and any other continuous disclosure that the Commission elected not to require as contemplated under sections 6 and 7 of National Policy 12-202 *Revocation of a Compliance-related Cease Trade Order* (**NP 12-202**).
12. Except for the failure to file the Outstanding Filings, the Applicant (i) is up-to-date with all of its other continuous disclosure obligations; (ii) is not in default of any of its obligations under the Cease Trade Order; and (iii) is not in default of any requirements under the Act or the rules and regulations made pursuant thereto.
13. As of the date hereof, the Applicant has paid all outstanding activity, participation and late filing fees that are required to be paid to the Commission and has filed all forms associated with such payments.
14. As of the date hereof, the Applicant's profiles on the System for Electronic Document Analysis and Retrieval (**SEDAR**) and the System for Electronic Disclosure by Insiders are current and accurate.
15. Since the issuance of the Cease Trade Order, there have been no material changes in the business, operations or affairs of the Applicant which have not been disclosed by news release and/or material change report and filed on SEDAR.
16. Other than the Cease Trade Order, the Applicant has not previously been subject to a cease trade order issued by any securities regulatory authority.
17. The Applicant is not considering, nor is it involved in any discussions relating to a reverse take-over, merger, amalgamation or other form of combination or transaction similar to any of the foregoing.
18. The Applicant has given the Commission a written undertaking that:
 - (a) The Applicant will hold an annual meeting of shareholders within three months after the date on which the Cease Trade Order is revoked; and

- (b) The Applicant will not complete:
- i. A restructuring transaction involving, directly or indirectly, an existing or proposed, material underlying business which is not located in Canada,
 - ii. A reverse takeover with a reverse takeover acquirer that has a direct or indirect, existing or proposed, material underlying business which is not located in Canada, or
 - iii. A significant acquisition involving, directly or indirectly, an existing or proposed, material underlying business which is not located in Canada,
- unless
- A. The Applicant files a preliminary prospectus and a final prospectus with the Commission and obtains receipts for the preliminary and final prospectus from the Director under the Act,
 - B. The Applicant files or delivers with the preliminary prospectus and the final prospectus the documents required by Part 9 of National Instrument 41-101 *General Prospectus Requirements (NI 41-101)* including a completed personal information form and authorization in the form set out in Appendix A of NI 41-101 for each current and incoming director, executive officer and promoter of the Applicant, and
 - C. The preliminary prospectus and final prospectus contain the information required by applicable securities legislation, including the information required for a probable restructuring transaction, reverse takeover or significant acquisition (as applicable).

19. Upon the revocation of the Cease Trade Order, the Applicant will issue a news release and concurrently file a material change report on SEDAR announcing the revocation of the Cease Trade Order and outlining the Applicant's future plans.

AND UPON considering the Application and the recommendation of the staff of the Commission;

AND UPON the Director being satisfied that it would not be prejudicial to the public interest to revoke the Cease Trade Order;

IT IS ORDERED pursuant to section 144 of the Act that the Cease Trade Order is revoked.

DATED at Toronto this 16th day of July, 2018.

"Jo-Anne Matear"
Manager, Corporate Finance
Ontario Securities Commission

2.2.8 Donna Hutchinson et al.

IN THE MATTER OF
DONNA HUTCHINSON,
CAMERON EDWARD CORNISH,
DAVID PAUL GEORGE SIDDERS and
PATRICK JELF CARUSO

Mark J. Sandler, Commissioner and Chair of the Panel

July 17, 2018

ORDER

WHEREAS on July 17, 2018, the Ontario Securities Commission held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario with respect to a severance motion brought by David Paul George Sidders (**Sidders**) and the third attendance in this proceeding;

ON READING the motion materials filed by Sidders and Staff of the Commission (**Staff**), and on hearing the submissions of the representatives for each of Staff, Sidders and Patrick Jelf Caruso (**Caruso**), no one appearing for Cameron Edward Cornish (**Cornish**) and no one appearing for Donna Hutchinson, having settled the allegations against her in respect of this proceeding;

IT IS ORDERED, with reasons to follow that Sidders' severance motion is dismissed;

IT IS FURTHER ORDERED that:

1. the hearing on the merits shall commence at 10:00 a.m. on February 11, 2019 and continue on February 12, 13, 14, 15, 21, and 22, 2019;
2. Staff shall provide their hearing briefs to every other party by December 13, 2018;
3. Sidders, Cornish and Caruso shall provide their hearing briefs to every other party by December 20, 2018;
4. the parties shall provide their hearing brief indices to the Registrar by December 20, 2018; and
5. the final interlocutory attendance is scheduled for 3:30 p.m. on January 8, 2019.

"Mark J. Sandler"

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions

3.1.1 Wayne J. Berry – ss. 127(1), 127(10)

IN THE MATTER OF
WAYNE J. BERRY

REASONS AND DECISION
(Subsections 127(1) and Subsection 127(10) of the
Securities Act, RSO 1990, c S.5)

Citation: *Berry (Re)*, 2018 ONSEC 38

Date: 2018-07-16

File No.: 2018-23

Hearing: In Writing

Decision: July 16, 2018

Panel: D. Grant Vingoe Vice-Chair and Chair of the Panel

Appearances: Christina Galbraith For Staff of the Commission
Peter Kott
Wayne J. Berry

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- II. NSSC SETTLEMENT AGREEMENT AND ORDER
- III. ORDER REQUESTED IN THE PUBLIC INTEREST
- IV. RESPONDENTS POSITION
- V. ANALYSIS
- VI. ORDER

REASONS AND DECISION

I. INTRODUCTION

[1] On April 23, 2018, Staff of the Ontario Securities Commission (**Staff**), elected to bring a proceeding using the expedited procedure as set out in Rule 11(3) of the Commission's *Rules of Procedure and Forms*¹ for an order pursuant to section 127 of the Ontario *Securities Act*² (the **Act**) to consider:

- a. whether Wayne J. Berry (**Berry**), who, along with other respondents, is subject to an order made by a securities regulatory authority, namely the Nova Scotia Securities Commission (**NSSC**), should be made subject to sanctions, conditions, restrictions or requirements in Ontario, pursuant to paragraphs 4 and 5 of subsection 127(10) of the Act; and if so,

¹ (2017), 40 OSCB 8988.

² RSO 1990, s S.5.

- b. whether the Ontario Securities Commission (**Commission**) should exercise its jurisdiction to make a protective order in the public interest in respect of Berry pursuant to subsection 127(1) of the Act.

- [2] On May 11, 2017, Berry, along with other respondents, entered into a settlement agreement with the NSSC (the **Settlement Agreement**).³ Berry and the other respondents admitted to breaching registration and prospectus requirements under Nova Scotia securities legislation. On May 26, 2017, Berry, along with the other respondents, became subject to an order of the NSSC (the **NSSC Order**).⁴
- [3] The other respondents in the Settlement Agreement, EnCharge Inc., a Nevada corporation, EnCharge Inc., a Delaware corporation, and EnChangeCanada Corp., a Canadian corporation (collectively **EnCharge**) are dissolved corporations⁵ and are not parties to this proceeding.
- [4] On April 25, 2018, Berry was served with a Notice of Hearing issued April 24, 2018, a Statement of Allegations dated April 23, 2018 and Staff's written submissions, hearing brief and book of authorities.⁶
- [5] On May 23, 2018, Berry provided the Commission with a "Hearing Brief and Written Submissions", including an affidavit of Wayne Berry dated May 18, 2018⁷ and subsequently served these documents on Staff.
- [6] On June 21, 2018, Berry was served with a supplemental brief of authorities, supplemental hearing brief,⁸ and reply submissions of Staff.⁹

II. NSSC SETTLEMENT AGREEMENT AND ORDER

- [7] On May 11, 2017, Berry entered into the Settlement Agreement where he agreed that at all material times, he was an officer and/or director of EnCharge.
- [8] EnCharge was not and had never been a reporting issuer in Nova Scotia or any other Canadian jurisdiction and neither Berry nor EnCharge were registered to trade or distribute securities at any time in any capacity.
- [9] Encharge solicited and distributed securities from and to residents in Nova Scotia through word of mouth, personal invitation, and the internet. As a result of the promotion and solicitation of investments, Berry and EnCharge received money from Nova Scotia residents for investments in EnCharge.
- [10] One investor received a private placement memorandum prior to investing in EnCharge. Other investors did not receive any share certificates or any other documentation evidencing their investments in EnCharge.
- [11] No prospectus, preliminary prospectus or reports of trades relying on exceptions were filed with the NSSC.
- [12] As a result of soliciting investments from and distributing securities to residents of Nova Scotia without being registered to do so, and having not filed a prospectus or preliminary prospectus and without relying on exemptions contained in Nova Scotia securities law, Berry and EnCharge acknowledged and admitted that they violated sections 31(1)(a) and 58(1) of the Nova Scotia *Securities Act*¹⁰ and that their conduct was contrary to the public interest and undermined investor confidence in the fairness and efficiency of the capital markets.
- [13] The NSSC Ordered that:
- a. Berry comply with and cease contravening Nova Scotia securities laws, pursuant to section 134(1)(a) of the Nova Scotia *Securities Act*;
- b. Berry cease trading in securities on his own behalf or on behalf of others for a period of five years from the date of the NSSC Order, except through a person or company duly registered with the NSSC, pursuant to section 134(1)(b) of the Nova Scotia *Securities Act*;

³ Exhibit 1, Tab 1, Settlement Agreement dated May 11, 2017.

⁴ Exhibit 1, Tab 2, Order of the Nova Scotia Securities Commission dated May 26, 2017.

⁵ Exhibit 1, Tab 3, Corporate Profile Reports for EnCharge Inc. and EnChargeCanada Corp.

⁶ Exhibit 1, Tab 3, Corporate Profile Reports for EnCharge Inc. and EnChargeCanada Corp.

⁷ Exhibit 3, Affidavit of Wayne Berry dated May 18, 2018.

⁸ Exhibit 4, Supplemental Hearing Brief of Staff.

⁹ Exhibit 5, Affidavit of Lee Crann dated June 21, 2018.

¹⁰ RSNS 1989, c 418, as rep by RSNS 2008 c 32, s 6 (proclaimed in force 28 September 2009).

- c. all exemptions contained in Nova Scotia securities laws do not apply in respect of Berry for a period of five years from the date of the NSSC Order, pursuant to section 134(1)(c) of the Nova Scotia *Securities Act*;
- d. Berry shall be prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager for a period of three years from the date of the NSSC Order, pursuant to section 134(1)(d)(ii) of the Nova Scotia *Securities Act*;
- e. Berry shall be prohibited from becoming or acting as a registrant, investment fund manager or promoter for a period of five years from the date of the NSSC Order, pursuant to section 134(1)(g) of the Nova Scotia *Securities Act*;
- f. Berry be reprimanded, pursuant to 134(1)(h) of the Nova Scotia *Securities Act*;
- g. Berry shall pay to the NSSC, on a joint and several basis with the other respondents, an administrative penalty in the amount of forty thousand dollars (\$40,000), pursuant to sections 135(a) and (b) of the Nova Scotia *Securities Act*; and
- h. Berry shall pay to the NSSC, on a joint and several basis with the other respondents, costs in the amount of three thousand five hundred dollars (\$3,500) in connection with the investigation and conduct of the NSSC's proceeding forthwith.

III. ORDER REQUESTED IN THE PUBLIC INTEREST

[14] Staff requests an order in the public interest in Ontario that imposes terms similar to the sanctions imposed by the NSSC, to the extent possible under the Act. Staff submits that the following order should be issued:

- a. against Berry that:
 - i. Pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by Berry cease until May 26, 2022, with the exception that Berry is permitted to trade through a registrant to whom Berry must provide a copy of the NSSC Order and a copy of the this order, if granted;
 - ii. Pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Berry until May 26, 2022;
 - iii. Pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Berry resigns any positions that he holds as a director or officer of any issuer, registrant or investment funds manager;
 - iv. Pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Berry be prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager until May 26, 2020;
 - v. Pursuant to paragraph 8.5 of subsection 127(1) of the Act, Berry be prohibited from becoming or acting as a registrant, investment fund manager or promoter until May 26, 2022; and
 - vi. Pursuant to subsection 127(2) of the Act, as a term and condition of this order, if granted, should Berry become aware that EnChargeCanada Corp. is to be revived or has been revived between the date of this order and May 26, 2027, Berry is to immediately advise Staff of the Commission that EnChargeCanada Corp. has been revived;
- b. Staff of the Commission may provide a copy of this order, if granted, and a copy of the NSSC order imposing sanctions, conditions, restrictions and requirements upon Berry, EnCharge Inc. and EnCharge Canada Corp., to any Director appointed under section 260 of the *Canada Business Corporations Act*¹¹ (the CBCA);
- c. The Commission respectfully requests the aid of any Director appointed under section 260 of the CBCA who issues a certificate of revival with respect to EnChargeCanada Corp. prior to May 26, 2027 by advising Staff of the Commission of the issuance; and
- d. Such other orders as the Commission considers appropriate.

¹¹ RSC 1985, c C-44.

- [15] Staff is not seeking an order against the EnCharge corporations as they are dissolved corporations and corporate law precludes an administrative proceeding against them at this stage.¹²

IV. RESPONDENT'S POSITION

- [16] Berry asserts that he had no intention to contravene Nova Scotia securities law and that any breach that did occur was unintentional or inadvertent. As stated in his submissions in this matter and in the Settlement Agreement, Berry sought and relied upon legal advice which led him to believe EnCharge was acting in accordance with Nova Scotia securities laws and that EnCharge was an exempt corporation under Nova Scotia securities laws.
- [17] Issues of fairness in the proceeding leading to the Settlement Agreement were also raised by Berry, including being "pursued by what seems like unfettered power",¹³ a lack of institutional independence, a lack of transparency, and a delay in the NSSC matter. Further evidence was provided by Berry in the form of an affidavit that alleged a conflict of interest, which resulted in "possible malicious" prosecution.¹⁴
- [18] Berry indicated that he has no plans to revive EnCharge and does not expect to become a Director of a public company in the future.¹⁵

V. ANALYSIS

- [19] Subsection 127(10) of the Act facilitates cross-jurisdictional enforcement of judgments for breaches of securities law by providing the Commission with a mechanism to issue protective and preventive orders to ensure that conduct which has taken place in other jurisdictions will not be repeated in Ontario capital markets.¹⁶
- [20] Subsection 127(10) of the Act provides, in part, that an order may be made under subsection 127(1) of the Act if a person or company is subject to an order or has agreed with a securities regulatory authority to be made subject to sanctions, conditions, restrictions or requirements upon them.¹⁷ Berry is subject to an order of the NSSC and agreed to be made subject to the NSSC Order.
- [21] Once the threshold in subsection 127(10) has been met, it is open to the Panel to make one or more orders under 127(1) or 127(5), if it is of the opinion that it is in the public interest to make the orders.¹⁸
- [22] The Commission has regard to the purposes of the Act under section 1.1, which are to provide protection to investors from unfair, improper and fraudulent practices, to foster fair and efficient capital markets and confidence in capital markets, and to contribute to the stability of the financial system and the reduction of systemic risk.
- [23] Orders made under subsection 127(1) are "protective and preventive" and are made to restrain potential conduct which could be detrimental to the integrity of the capital markets.¹⁹
- [24] Berry has asked the Panel to "revisit" the Settlement Agreement which informs the NSSC Order. It is not appropriate for this Panel to revisit the findings in the Settlement Agreement as an enforcement proceeding under subsection 127(10) of the Act is not a forum for re-litigating findings made in other jurisdictions.²⁰
- [25] In order for Berry to successfully resist reciprocation of the NSSC Order, he must prove that the proceeding leading to the Settlement Agreement and NSSC Order was so outrageous as to violate Canadian notions of fundamental justice.²¹ This is a very high bar, which he has not met.
- [26] I reject Berry's assertion that there has been procedural unfairness in the NSSC matter and conclude that the high bar necessary to resist reciprocation of the NSSC Order has not been met. Berry voluntarily entered in the Settlement Agreement and agreed to be bound by the NSSC Order.²²

¹² *Canada Business Corporations Act*, RSC 1985, c C-44, s 226(2)(b); *General Corporation Law*, 8 Del C 1983, s 278.

¹³ Written submissions of Wayne Berry dated May 20, 2018.

¹⁴ Exhibit 3, Affidavit of Wayne Berry dated May 18, 2018, para 38.

¹⁵ Exhibit 3, Affidavit of Wayne Berry dated May 18, 2018, para 39.

¹⁶ *Black (Re)*, 2014 ONSEC 16, (2014), 37 OSCB 5847 at para 7.

¹⁷ Subsection 127(10) at para 4 and 5.

¹⁸ *Elliot (Re)*, 2009 ONSEC 26, (2009), 32 OSCB 6931 at para 27.

¹⁹ *Committee for Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission)*, 2001 SCC 26, [2001] 2 SCR 132 (SCC) at para 42-43.

²⁰ *Black (Re)*, 2014 ONSEC 16, (2014), 37 OSCB 5847 at para 24.

²¹ *Beals v Saldanha*, 2003 SCR 72, [2003] SCR 416.

²² Exhibit 1, Tab 1, Settlement Agreement dated May 11, 2017 at para 3 and 31.

- [27] Staff submits that the following factors establish that it is in the public interest to make a protective order:
- a. Berry admitted to breaching Nova Scotia securities law pursuant to the Settlement Agreement;
 - b. the conduct admitted by Berry and the other respondents for which they were sanctioned in the NSSC Order would likely have constituted contraventions of Ontario securities law, specifically contraventions of subsections 25(1) and 53(1);
 - c. the terms of the proposed order are consistent with the fundamental principle that the Commission maintain high standards of fitness and business conduct to ensure honest and responsible conduct by market participants;
 - d. the terms of the proposed order align with the sanctions imposed in the NSSC Order to the extent possible under the Act;
 - e. the sanctions proposed by Staff are prospective in nature and would impact Berry only if he attempted to participate in the capital markets of Ontario.
- [28] The Commission may consider a number of factors in determining the nature and scope of sanctions, including the seriousness of the misconduct, any mitigating factors and the need to deter a respondent and other like-minded individuals from engaging in similar abuses of the capital markets in the future.²³
- [29] Registration requirements play a key role in maintaining fairness of and confidence in Ontario's capital markets. Registration serves as a "gate-keeping mechanism" to ensure that only properly qualified and suitable individuals are permitted to be registrants and to trade on behalf of the public.²⁴ Further, the prospectus requirement is a core protection for investors.²⁵
- [30] While an Ontario connection is not a precondition to the exercise of the Commission's jurisdiction in considering an inter-jurisdictional order under 127(10), it is a factor that may be considered when determining to make such an order.²⁶ Berry is now a resident of Brampton, Ontario.²⁷
- [31] Taking into consideration the nature of the misconduct engaged in, the importance of inter-jurisdictional cooperation among securities regulators, and the need to deter Berry and other like-minded individuals from engaging in similar misconduct in Ontario, I conclude that an order ought to be made in the public interest pursuant to the authority provided in subsection 127(1) of the Act that substantially mirrors the sanctions that Berry agreed to be made subject to as part of the Settlement Agreement.
- [32] Staff also requested that that the order sought by Staff specify:
- a. that Staff of the Commission may provide a copy of this Order, and a copy of the NSSC Order imposing sanctions, conditions, restrictions and requirements upon Berry, EnCharge Inc. and EnChargeCanada Corp., to any director appointed under section 260 of the CBCA; and
 - b. that the Commission respectfully requests the aid of any Director appointed under section 260 of the CBCA who issues a certificate of revival with respect to EnChargeCanada Corp. prior to May 26, 2027 by advising Staff of the Commission of the issuance.
- [33] Staff's materials did not provide reasons why these matters need to be specified in an order issued by the Commission as opposed to being dealt with as administrative matters exclusively by Staff. I therefore have determined not to include these provisions in the order.

²³ *Belteco Holdings Inc (Re)* (1998), 21 OSCB 7743 at para 7746-7747; *MCJC Holdings* (2002), 25 OSCB 1133 at 1134.

²⁴ *Limelight Entertainment (Re)*, 2008 ONSEC 4, (2008), 31 OSCB 1727 at para 135-136.

²⁵ *Ibid*, at para 139.

²⁶ *Biller (Re)*, 2005 ONSEC 15, (2005), 28 OSCB 10131 at para 32.

²⁷ Exhibit 2, Affidavit of Lee Crann dated April 25, 2018.

VI. ORDER

[34] For the reasons as discussed above, I will issue the following order against Berry that:

- a. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by Berry cease until May 26, 2022, with the exception that Berry is permitted to trade through a registrant to whom Berry must provide a copy of the NSSC Order and a copy of this order;
- b. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Berry until May 26, 2022;
- c. pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Berry resigns any positions that he holds as a director or officer of any issuer, registrant or investment funds manager;
- d. pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Berry be prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager until May 26, 2020;
- e. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Berry be prohibited from becoming or acting as a registrant, investment fund manager or promoter until May 26, 2022; and
- f. pursuant to subsection 127(2) of the Act, as a term and condition of this order, should Berry become aware that EnChargeCanada Corp. is to be revived or has been revived between the date of this order and May 26, 2027, Berry is to immediately advise Staff of the Commission that EnChargeCanada Corp. is to be or has been revived;

Dated at Toronto this 16th day of July, 2018.

“D. Grant Vingoe”

3.2 Director's Decisions

3.2.1 Antonetta Adebayo – s. 28

**IN THE MATTER OF
STAFF'S RECOMMENDATION TO SUSPEND THE REGISTRATION OF
ANTONETTA ADEBAYO**

**DIRECTOR'S DECISION
Section 28 of the Securities Act, R.S.O. 1990, c. S.5**

1. On June 11, 2018, staff of the Ontario Securities Commission (**Staff**) informed Antonetta Adebayo (**Adebayo**), an individual registered as a dealing representative in the category of mutual fund dealer with WFG Securities Inc. (**WFG**), that it had recommended to the Director that her registration be suspended. In support of its recommendation, Staff submits that:
 - a) Terms and conditions were imposed on Adebayo's registration on August 21, 2017 (the **Terms and Conditions**), due to Staff's concerns with her solvency and Adebayo's failure to disclose a personal business, a direction to pay the Canada Revenue Agency, and a consumer proposal as required by section 4.1 of National Instrument 33-109 *Registration Information*. The Terms and Conditions required that Adebayo be placed under close supervision by WFG for a minimum of one year, and that she complete of the Conduct and Practices Handbook Course (**CPH**) offered by the Canadian Securities Institute (**CSI**) by no later than April 30, 2018. Adebayo consented to the imposition of the Terms and Conditions.
 - b) As of June 11, 2018, Adebayo had not complied with the Terms and Conditions. She did not receive a passing grade on her March 13, 2018, March 16, 2018, April 13, 2018 or May 28, 2018 attempts to take the CPH.
 - c) Adebayo informed Staff on April 27, 2018, that the CSI may grant an exception to its requirement that a participant wait six months prior to re-writing a test following three unsuccessful attempts. Staff did not propose to suspend her registration at that time because she suffered, and recovered from, an injury during the prescribed period to complete the exam. Instead, Staff recommended that the Director impose a non-trading term and condition to permit Ms. Adebayo to pursue the exception and re-write the exam for a fourth time. Adebayo consented to the imposition of the non-trading term and condition. On May 30, 2018, Adebayo informed Staff that she was not successful on her fourth attempt to pass the CPH exam.
 - d) Staff has serious concerns with Adebayo's proficiency to act as a registered dealing representative as a result of her failure to disclose information required to be disclosed by section 4.1 of National Instrument 33-109 *Registration Information*. In Staff's view, Adebayo's inability to successfully pass the CPH after four attempts, demonstrates that she currently lacks the requisite proficiency of a registered individual.
 - e) By failing to satisfy the Terms and Conditions, Staff is of the view that Adebayo failed to comply with Ontario securities law and rendered her registration objectionable, which are each independently sufficient bases for suspension under section 28 of the Act.
2. Adebayo failed to comply with the Terms and Conditions on her registration. She also did not request an opportunity to be heard in relation to Staff's recommendation.
3. Based on the foregoing, my decision is that the registration of Adebayo be suspended, as recommended by Staff, effective immediately.

"Pat Chaukos"
Deputy Director, Compliance and Registrant Regulation
Ontario Securities Commission

July 16, 2018

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
Lakefield Marketing Corporation	17 July 2006	28 July 2006	28 July 2006	16 July 2018

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
Sage Gold Inc.	09 July 2018	10 July 2018

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
THERE IS NOTHING TO REPORT THIS WEEK.		

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Performance Sports Group Ltd.	19 October 2016	31 October 2016	31 October 2016		

Company Name	Date of Order	Date of Lapse
Katanga Mining Limited	15 August 2017	

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 11

IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:

BMO Advantaged Equal Weight Banks TACTIC Fund
BMO Advantaged Equal Weight Oil & Gas TACTIC Fund
BMO Advantaged Laddered Preferred Share TACTIC Fund
BMO Advantaged S&P/TSX Capped Composite TACTIC Fund

Principal Regulator – Ontario

Type and Date:

Preliminary Long Form Prospectus dated July 11, 2018

NP 11-202 Preliminary Receipt dated July 12, 2018

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

CIBC Mellon Trust Company

Promoter(s):

N/A

Project #2794907

Issuer Name:

Capital Group Capital Income Builder (Canada)

Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus, Annual Information

Form and Fund Facts (NI 81-101) dated July 13, 2018

NP 11-202 Preliminary Receipt dated July 13, 2018

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2795450

Issuer Name:

Horizons Enhanced Income Energy ETF

Horizons Enhanced Income Equity ETF

Horizons Enhanced Income Financials ETF

Horizons Enhanced Income Gold Producers ETF

Horizons Enhanced Income International Equity ETF

Horizons Enhanced Income US Equity (USD) ETF

Principal Regulator – Ontario

Type and Date:

Amendment #1 to Final Long Form Prospectus dated July

10, 2018

Received on July 11, 2018

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2739811

Issuer Name:

Mackenzie Cundill Recovery Class

Mackenzie Cundill Recovery Fund

Principal Regulator – Ontario

Type and Date:

Amendment #4 to Final Simplified Prospectus dated July
16, 2018

Received on July 16, 2018

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

Quadrus Investment Services Ltd.

LBC Financial Services Inc.

Promoter(s):

Mackenzie Financial Corporation

Project #2656987

Issuer Name:

Mackenzie Cundill Recovery Fund
Principal Regulator – Ontario

Type and Date:

Amendment to Final Simplified Prospectus dated July 16, 2018

Received on July 16, 2018

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

LBC Financial Services Inc.

Promoter(s):

Mackenzie Financial Corporation

Project #2680408

Issuer Name:

Caldwell Balanced Fund
Caldwell Canadian Value Momentum Fund
Caldwell Income Fund
Principal Regulator – Ontario

Type and Date:

Amendment #2 to Final Simplified Prospectus dated June 15, 2018

NP 11-202 Receipt dated July 12, 2018

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

Caldwell Securities Ltd.

Promoter(s):

N/A

Project #2640739

Issuer Name:

Exemplar Growth and Income Fund
Exemplar Investment Grade Fund
Exemplar Leaders Fund (formerly, Northern Rivers
Conservative Growth Fund)
Exemplar Performance Fund
Exemplar Tactical Corporate Bond Fund
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated July 5, 2018

NP 11-202 Receipt dated July 13, 2018

Offering Price and Description:

Series A, AD, AI, AN, U, F, FD, FI, FN, G, I, L, LD, LN and
ETF Units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Arrow Capital Management Inc.

Project #2780252

Issuer Name:

Fidelity Special Situations Fund
Fidelity American Disciplined Equity® Fund
Fidelity U.S. Dividend Registered Fund
Fidelity AsiaStar® Fund
Fidelity Emerging Markets Fund
Fidelity Far East Fund
Fidelity Global Concentrated Equity Fund
Fidelity International Concentrated Equity Fund
Fidelity Japan Fund
Fidelity Technology Innovators Fund
Fidelity Global Monthly Income Currency Neutral Fund
Fidelity Tactical Strategies Fund
Fidelity NorthStar® Balanced Fund
Fidelity Global Balanced Portfolio
Fidelity Global Growth Portfolio
Fidelity ClearPath® 2010 Portfolio
Fidelity ClearPath® Income Portfolio
Fidelity Tactical Fixed Income Fund
Principal Regulator – Ontario

Type and Date:

Amendment #4 to Final Simplified Prospectus and
Amendment #7 to Annual Information Form dated July 3,
2018

NP 11-202 Receipt dated July 11, 2018

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

Fidelity Investments Canada ULC
Fidelity Investments Canada Limited

Promoter(s):

N/A

Project #2675619

Issuer Name:

Fidelity Canadian Disciplined Equity® Class
Fidelity Dividend Class
Fidelity Greater Canada Class
Fidelity American Disciplined Equity® Class
Fidelity Event Driven Opportunities Class
Fidelity AsiaStar® Class
Fidelity Far East Class
Fidelity Global Dividend Class
Fidelity Global Concentrated Equity Class
Fidelity NorthStar® Currency Neutral Class
Fidelity International Growth Class
Principal Regulator – Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus and
Amendment #3 to Annual Information Form dated July 3,
2018

NP 11-202 Receipt dated July 11, 2018

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Fidelity Investments Canada ULC

Project #2729743

Issuer Name:

Fidelity International Concentrated Equity Currency Neutral Fund

Principal Regulator – Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus dated July 3, 2018

NP 11-202 Receipt dated July 11, 2018

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Fidelity Investments Canada ULC

Project #2674370

Issuer Name:

Horizons Enhanced Income Energy ETF

Horizons Enhanced Income Equity ETF

Horizons Enhanced Income Financials ETF

Horizons Enhanced Income Gold Producers ETF

Horizons Enhanced Income International Equity ETF

Horizons Enhanced Income US Equity (USD) ETF

Principal Regulator – Ontario

Type and Date:

Amendment #1 to Final Long Form Prospectus dated July 10, 2018

NP 11-202 Receipt dated July 13, 2018

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2739811

Issuer Name:

Marquest American Dividend Growth Fund

Marquest American Dividend Growth Fund (Corporate Class)

Marquest Canadian Bond Fund

Marquest Canadian Fixed Income Fund

Marquest Canadian Resource Fund

Marquest Canadian Resource Fund (Corporate Class)

Marquest Covered Call Canadian Banks Plus Fund

Marquest Covered Call Canadian Banks Plus Fund

(Corporate Class)

Marquest Global Balanced Fund

Marquest Money Market Fund

Marquest Monthly Pay Fund

Marquest Monthly Pay Fund (Corporate Class)

Marquest Short Term Income Fund (Corporate Class)

Marquest Small Companies Fund

Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated July 10, 2018

NP 11-202 Receipt dated July 13, 2018

Offering Price and Description:

Series A and F units @ net asset value

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2781940

Issuer Name:

Purpose Floating Rate Income Fund (formerly Redwood

Floating Rate Income Fund)

Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated July 10, 2018

NP 11-202 Receipt dated July 11, 2018

Offering Price and Description:

ETF units (formerly called Class A units)

ETF non-currency hedged USD units (formerly called Class U units)

ETF non-currency hedged CAD units

Class A units

Class A non-currency hedged units

Class F units

Class F non-currency hedged units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2794196

Issuer Name:

Purpose Global Financials Income Fund (formerly Australian Banc Income Fund)
Principal Regulator – Ontario

Type and Date:

Amended and Restated to the Final Simplified Prospectus dated July 10, 2018

NP 11-202 Receipt dated July 11, 2018

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Purpose Investments Inc.

Project #2774041

Issuer Name:

Vanguard Canadian Aggregate Bond Index ETF
Vanguard Canadian Corporate Bond Index ETF
Vanguard Canadian Government Bond Index ETF
Vanguard Canadian Long-Term Bond Index ETF
Vanguard Canadian Short-Term Bond Index ETF
Vanguard Canadian Short-Term Corporate Bond Index ETF
Vanguard Canadian Short-Term Government Bond Index ETF
Vanguard FTSE Canada All Cap Index ETF
Vanguard FTSE Canada Index ETF
Vanguard FTSE Canada Capped REIT Index ETF
Vanguard FTSE Canadian High Dividend Yield Index ETF
Vanguard FTSE Developed All Cap ex North America Index ETF
Vanguard FTSE Developed All Cap ex North America Index ETF (CAD-hedged)
Vanguard FTSE Developed All Cap ex U.S. Index ETF
Vanguard FTSE Developed All Cap ex U.S. Index ETF (CAD hedged)
Vanguard FTSE Developed Asia Pacific All Cap Index ETF
Vanguard FTSE Developed Asia Pacific All Cap Index ETF (CAD-hedged)
Vanguard FTSE Developed Europe All Cap Index ETF
Vanguard FTSE Developed Europe All Cap Index ETF (CAD-hedged)
Vanguard FTSE Developed ex North America High Dividend Yield Index ETF
Vanguard FTSE Emerging Markets All Cap Index ETF
Vanguard FTSE Global All Cap ex Canada Index ETF
Vanguard Global ex-U.S. Aggregate Bond Index ETF (CAD-hedged)
Vanguard S&P 500 Index ETF
Vanguard S&P 500 Index ETF (CAD-hedged)
Vanguard U.S. Aggregate Bond Index ETF (CAD-hedged)
Vanguard U.S. Dividend Appreciation Index ETF
Vanguard U.S. Dividend Appreciation Index ETF (CAD-hedged)
Vanguard U.S. Total Market Index ETF
Vanguard U.S. Total Market Index ETF (CAD-hedged)
Principal Regulator – Ontario

Type and Date:

Final Long Form Prospectus dated July 10, 2018

NP 11-202 Receipt dated July 11, 2018

Offering Price and Description:

units @ net asset value

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Vanguard Investments Canada Inc.

Project #2778608

Issuer Name:

IG Mackenzie Emerging Markets Fund
Principal Jurisdiction – Manitoba

Type and Date:

Preliminary Simplified Prospectus dated April 20, 2018
Withdrawn on July 10, 2018

Offering Price and Description:

Series U

Underwriter(s) or Distributor(s):

Investors Group Securities Inc.
Investors Group Financial Inc. and Investors Group
Securities Inc.

Promoter(s):

I. G. Investment Management Ltd.

Project #2758929

NON-INVESTMENT FUNDS

Issuer Name:

27 Red Capital Inc.
Principal Regulator – British Columbia

Type and Date:

Preliminary Long Form Prospectus dated July 6, 2018
NP 11-202 Preliminary Receipt dated July 10, 2018

Offering Price and Description:

No securities are being offered pursuant to this Prospectus.

Underwriter(s) or Distributor(s):

–

Promoter(s):

–

Project #2794177

Issuer Name:

ACME Resources Corp.

Type and Date:

Preliminary Long Form Prospectus dated July 12, 2018
(Preliminary) Receipted on July 13, 2018

Offering Price and Description:

No securities are being offered pursuant to this Prospectus.

Underwriter(s) or Distributor(s):

–

Promoter(s):

–

Project #2795304

Issuer Name:

Charlotte's Web Holdings, Inc. (formerly Stanley Brothers Holdings Inc.)

Principal Regulator – Ontario

Type and Date:

Amendment dated July 13, 2018 to Preliminary Long Form Prospectus dated June 25, 2018
NP 11-202 Preliminary Receipt dated July 13, 2018

Offering Price and Description:

C\$ *

* Common Shares

Underwriter(s) or Distributor(s):

Canaccord Genuity Corp.

GMP Securities L.P.

PI Financial Corporation

Cormark Securities Inc.

Promoter(s):

–

Project #2788631

Issuer Name:

Cherry Street Capital Inc.
Principal Regulator – Ontario

Type and Date:

Amendment dated July 10, 2018 to Final CPC Prospectus (TSX-V) dated April 3, 2018
Received on July 11, 2018

Offering Price and Description:

Minimum of \$525,000.00 1,050,000 Common Shares
Maximum of \$750,000.00 1,500,000 Common Shares
Price: \$0.50 per Common Share

Underwriter(s) or Distributor(s):

Canaccord Genuity Corp.

Promoter(s):

–

Project #2717719

Issuer Name:

Morneau Shepell Inc.
Principal Regulator – Ontario

Type and Date:

Preliminary Short Form Prospectus dated July 13, 2018
NP 11-202 Preliminary Receipt dated July 13, 2018

Offering Price and Description:

\$210,010,500.00
7,910,000 Subscription Receipts each representing the right to receive one Common Share
Price: \$26.55 per Subscription Receipt

Underwriter(s) or Distributor(s):

TD Securities Inc.

National Bank Financial Inc.

CIBC World Markets Inc.

Scotia Capital Inc.

BMO Nesbitt Burns Inc.

Canaccord Genuity Corp.

GMP Securities L.P.

Promoter(s):

–

Project #2794241

Issuer Name:

MYM Nutraceuticals Inc.
Principal Regulator – British Columbia

Type and Date:

Preliminary Shelf Prospectus dated July 10, 2018
NP 11-202 Preliminary Receipt dated July 11, 2018

Offering Price and Description:

\$50,000,000.00
Common Shares
Warrants
Subscription Receipts
Units
Debt Securities

Underwriter(s) or Distributor(s):

–

Promoter(s):

–

Project #2794714

Issuer Name:

Parkland Fuel Corporation
Principal Regulator – Alberta (ASC)

Type and Date:

Preliminary Shelf Prospectus dated July 10, 2018
NP 11-202 Preliminary Receipt dated July 10, 2018

Offering Price and Description:

\$1,000,000,000.00
Common Shares
Preferred Shares
Debt Securities
Subscription Receipts
Warrants
Units

Underwriter(s) or Distributor(s):

–

Promoter(s):

–

Project #2794514

Issuer Name:

The Green Organic Dutchman Holdings Ltd.
Principal Regulator – Ontario

Type and Date:

Preliminary Short Form Prospectus dated July 11, 2018
NP 11-202 Preliminary Receipt dated July 11, 2018

Offering Price and Description:

\$25,024,000.00
3,910,000 Units Issuable upon Exercise of 3,910,000
Special Warrants
Price Per Special Warrant: \$6.40

Underwriter(s) or Distributor(s):

Canaccord Genuity Corp.
PI Financial Corp.
Mackie Research Capital Corporation

Promoter(s):

–

Project #2794878

Issuer Name:

Wolf Acquisition Corp.
Principal Regulator – Ontario

Type and Date:

Preliminary CPC Prospectus (TSX-V) dated July 10, 2018
NP 11-202 Preliminary Receipt dated July 10, 2018

Offering Price and Description:

\$300,000.00 (3,000,000 Common Shares)
Price: \$0.10 per Common Share

Underwriter(s) or Distributor(s):

Richardson GMP Limited

Promoter(s):

–

Project #2794518

Issuer Name:

Canadian Imperial Bank of Commerce
Principal Regulator – Ontario

Type and Date:

Final Shelf Prospectus dated July 11, 2018
NP 11-202 Receipt dated July 12, 2018

Offering Price and Description:

\$10,000,000,000.00
Debt Securities (unsubordinated indebtedness)
Debt Securities (subordinated indebtedness)
Common Shares
Class A Preferred Shares

Underwriter(s) or Distributor(s):

–

Promoter(s):

–

Project #2784949

Issuer Name:

Canna 8 Investment Trust
Principal Regulator – Ontario

Type and Date:

Final CPC Prospectus (TSX-V) dated July 6, 2018
NP 11-202 Receipt dated July 10, 2018

Offering Price and Description:

\$600,000.00 – 6,000,000 Trust Units
Price: \$0.10 per Trust Unit

Underwriter(s) or Distributor(s):

Canaccord Genuity Corp.

Promoter(s):

–

Project #2775403

Issuer Name:

ESSA Pharma Inc.
Principal Regulator – British Columbia

Type and Date:

Final Shelf Prospectus dated July 12, 2018
NP 11-202 Receipt dated July 12, 2018

Offering Price and Description:

US\$100,000,000.00
Common Shares
Preferred Shares
Debt Securities
Subscription Receipts
Warrants
Units

Underwriter(s) or Distributor(s):

–

Promoter(s):

–

Project #2791051

Issuer Name:

Marathon Gold Corporation
Principal Regulator – Ontario

Type and Date:

Final Short Form Prospectus dated July 13, 2018
NP 11-202 Receipt dated July 16, 2018

Offering Price and Description:

\$8,060,000.00
5,900,000 Common Shares
2,900,000 Flow-Through Common Shares
\$0.85 per Offered Share
\$1.05 per FT Share

Underwriter(s) or Distributor(s):

Haywood Securities Inc.
RBC Dominion Securities Inc.
Canaccord Genuity Corp.
Laurentian Bank Securities Inc.
Raymond James Ltd.

Promoter(s):

–

Project #2789992

Issuer Name:

QYOU Media Inc.
Principal Regulator – Ontario

Type and Date:

Final Short Form Prospectus dated July 13, 2018
NP 11-202 Receipt dated July 16, 2018

Offering Price and Description:

\$3,100,000.00 – 15,500,000 Units
\$0.20 per Unit

Underwriter(s) or Distributor(s):

Clarus Securities Inc.
Echelon Wealth Partners Inc.

Promoter(s):

–

Project #2788988

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Voluntary Surrender	Stark Investments (Canada) Corp.	Portfolio Manager	July 10, 2018
Amalgamation	Acorn Global Investments Inc. and Resolve Asset Management Inc. To form: Resolve Asset Management Inc.	Investment Fund Manager, Portfolio Manager, Exempt Market Dealer and Commodity Trading Manager	July 1, 2018

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Acorn Global Investments Inc.		Hamilton Capital Partners Inc.	
Amalgamation	5997	Decision	5875
Adebayo, Antonetta		Hutchinson, Donna	
Director's Decision (Recommendation to Suspend Registration) – s. 28	5903	Notice from the Office of the Secretary	5870
		Order	5896
Africa Energy Corp.		IOSCO Enhanced Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information	
Decision	5881	Notice	5834
Berry, Wayne J.		Katanga Mining Limited	
Notice from the Office of the Secretary	5870	Cease Trading Order	5905
Order – ss. 127(1), 127(10)	5892	Lakefield Marketing Corporation	
Reasons and Decision – ss. 127(1), 127(10)	5897	Order – s. 144	5893
		Cease Trading Order	5905
BSR Real Estate Investment Trust		Landucci, Rinaldo	
Decision	5878	Notice from the Office of the Secretary	5869
Canadian World Fund Limited		Meharchand, Dennis L.	
Order – s. 1(6) of the OBCA	5884	Notice from the Office of the Secretary	5869
Order	5885	Order – s. 127(1)	5886
Caruso, Patrick Jelf		Nasdaq CXC Limited	
Notice from the Office of the Secretary	5870	Order – s. 8.1 of OSC Rule 13-502 Fees	5887
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Notice from the Office of the Secretary	5869	Natural Bee Works Apiaries Inc.	
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Notice from the Office of the Secretary	5870	Qtrade Securities Inc.	
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Credential Securities Inc.		Resolve Asset Management Inc.	
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CSA Staff Notice 45-308 (Revised) Guidance for Preparing and Filing Reports of Exempt Distribution under National Instrument 45-106 Prospectus Exemptions		Sage Gold Inc.	
Notice	5811	Cease Trading Order	5905
CSA Staff Notice 51-355 Continuous Disclosure Review Program Activities for the fiscal years ended March 31, 2018 and March 31, 2017		Sidders, David Paul George	
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Dupont Capital Management Corporation		Stark Investments (Canada) Corp.	
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Hamilton Capital Canadian Bank Dynamic-Weight ETF		Valt.X Holdings Inc.	
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		Order – s. 127(1)	5886

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