

5.1.2 CSA Notice of Amendments to National Instrument 45-106 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* relating to Reports of Exempt Distribution

April 7, 2016

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 introduce a new harmonized report of exempt distribution (the **New Report**).<sup>1</sup> We are also making related changes to Companion Policy 45-106 *Prospectus Exemptions* (**45-106CP**).

We refer to the rule amendments, the New Report and the changes to 45-106CP collectively as the Amendments.

Provided all necessary ministerial approvals are obtained, the Amendments will come into force on June 30, 2016 in all CSA jurisdictions.

Substance and Purpose

*The New Report*

Issuers and underwriters who rely on certain prospectus exemptions to distribute securities are required to file a report of exempt distribution within the prescribed timeframe. Currently, in all CSA jurisdictions except British Columbia, the form of report is Form 45-106F1 *Report of Exempt Distribution* (**Form 45-106F1**). In British Columbia, the form of report is Form 45-106F6 *British Columbia Report of Exempt Distribution* (**Form 45-106F6**, and together with Form 45-106F1, the **Current Reports**).

The Amendments replace the Current Reports with the New Report. The New Report will:

- 1) reduce the compliance burden for issuers and underwriters by having a harmonized report of exempt distribution, 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.

The New Report is set out in Annex B and the changes to 45-106CP are set out in Annex C.

*Key features of the New Report*

The New Report will apply in all CSA jurisdictions to both investment fund issuers and non-investment fund issuers that distribute securities under certain prospectus exemptions.

The New Report introduces new information requirements, including disclosure of the following:

- additional details about the issuer including its size and primary business activity,
- identities of the directors, executive officers and promoters of certain issuers,<sup>2</sup>
- identities of control persons of certain issuers in a non-public schedule,

<sup>1</sup> The Amending Instrument for NI 45-106 in Annex A includes amendments to certain sections of NI 45-106 that were not adopted in one or more CSA jurisdictions. The amendments to those sections will apply only in those CSA jurisdictions where the sections are in force.

<sup>2</sup> Unlike the version published for comment, the New Report does not require disclosure of information relating to the holdings of the issuer's securities by directors, executive officers, promoters and control persons.

- additional details about the securities distributed and, for certain jurisdictions, details about the documents provided in connection with the distribution,
- specific details about the prospectus exemptions relied on, both on an aggregate and per investor basis, and
- details about compensation paid to registrants, connected persons, insiders and employees of the issuer or the investment fund manager involved in the distribution.

For investment fund issuers, the New Report also requires disclosure regarding the size of the fund, the general type of the fund and net proceeds to the fund for the period for which the report is filed.

The New Report provides carve-outs from certain information requirements for:

- investment fund issuers,
- reporting issuers and their wholly owned subsidiaries,
- foreign public issuers and their wholly owned subsidiaries, and
- issuers distributing eligible foreign securities only to permitted clients.

In addition, an issuer is not required to provide certain information in the New Report if the information can be gathered through the issuer's continuous disclosure filings, the issuer's profile on the System for Electronic Document Analysis and Retrieval (**SEDAR**) or a registrant firm's profile on the National Registration Database (**NRD**).

Annex D provides a summary of the new information requirements in the New Report.

### Background

The CSA published proposed amendments to NI 45-106 and the New Report for a 60-day comment period on August 13, 2015. The New Report is similar to the version published for comment.

#### *Summary of written comments received on the New Report*

The comment period expired on October 13, 2015. We received 19 written submissions. We have considered the comments received and thank all of the commenters for their input. The names of the commenters are contained in Annex E and a summary of their comments, together with our responses, is contained in Annex F. The comment letters can be viewed on the Autorité des marchés financiers website at [www.lautorite.qc.ca](http://www.lautorite.qc.ca) and the Ontario Securities Commission (OSC) website at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

In developing the New Report, we also held informal consultations with advisory committees in certain CSA jurisdictions.

#### *Prior proposals*

In 2014, the CSA published two proposals related to the reports of exempt distribution:

- On February 27, 2014, the CSA published for comment proposed amendments to the Current Reports in conjunction with proposed amendments to NI 45-106 relating to the accredited investor and minimum amount investment prospectus exemptions. These proposals proposed to gather additional information related to the category of accredited investor for each purchaser, updated industry categories, and any person being compensated in connection with the distribution, including identifying the purchasers in respect of which the person received compensation.
- On March 20, 2014, Alberta, Saskatchewan, Ontario and New Brunswick published for comment two proposed forms for reporting exempt distributions: (i) proposed Form 45-106F10 *Report of Exempt Distribution For Investment Fund Issuers*, and (ii) proposed Form 45-106F11 *Report of Exempt Distribution For Issuers Other Than Investment Funds*. These proposals were intended to streamline exempt market reporting in applicable jurisdictions and obtain additional information about issuers, registrants and investors to enhance our ability to monitor exempt market activity.

Comments from these prior proposals have also informed the New Report.<sup>3</sup>

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<sup>3</sup> Summaries of the comments received on these prior proposals were included as part of the Notice and Request for Comment on Proposed Amendments to NI 45-106 relating to Reports of Exempt Distribution published on August 13, 2015.

### Summary of Changes Since Publication for Comment

After considering the written comments received on the New Report and the feedback received during our informal consultations, we have made a number of changes to the New Report from the version that was published for comment.

Annex G contains a summary of changes between the New Report and the version that was published for comment. Some of the notable changes include:

- We removed the requirement for issuers making a distribution in more than one jurisdiction of Canada to file a single report in each Canadian jurisdiction where the distribution has occurred, identifying all purchasers. Notwithstanding this change, issuers may continue to satisfy their obligation to file the report by completing a single report identifying all purchasers, and filing it in each Canadian jurisdiction where the distribution occurs.
- We removed the requirement to provide information about beneficial owners of fully managed accounts where a trust company, trust corporation or registered adviser described in paragraphs (p) or (q) of the definition of “accredited investor” in section 1.1 of NI 45-106 is deemed to be purchasing the securities as principal on behalf of a fully managed account. We only require information about the trust company, trust corporation or registered adviser.
- We removed the proposed requirement to disclose information relating to the holdings of the issuer’s securities by directors, executive officers, promoters and control persons of certain issuers.
- We moved the proposed requirement to disclose information about control persons to a non-public schedule.
- We changed the transition period available to investment fund issuers that file annually.
- We introduced a requirement for issuers to file Schedules 1 and 2 in .xlsx format using the Excel templates developed by the CSA. The Excel templates, published concurrently with this Notice, are available on the website of each CSA member and at the links below.
  - [Schedule 1 template](#)<sup>4</sup>
  - [Schedule 2 template](#)<sup>5</sup>

In addition to the changes described in Annex G, we have revised the guidance in 45-106CP, which is set out in Annex C.

We do not consider the changes made since the publication for comment to be material and therefore are not publishing the New Report for a further comment period.

### Filing Systems

Issuers are required to file the New Report electronically in all CSA jurisdictions, except certain foreign issuers when filing on SEDAR.

The British Columbia Securities Commission (**BCSC**) is developing a web-based filing system on eServices to accommodate the structured data format of the New Report. Beginning on June 30, 2016, when the New Report is effective, issuers filing in both British Columbia and Ontario will file the New Report with the BCSC and 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, the New Report will be required to be filed on SEDAR, except by certain foreign issuers.<sup>6</sup> Both the BCSC’s eServices and the OSC’s Electronic Filing Portal will generate an electronic copy of the completed report, which issuers can then use to file on SEDAR, if required. As noted above, issuers are required to file Schedules 1 and 2 in .xlsx format using the Excel templates developed by the CSA.

We have revised CSA Staff Notice 45-308 (Revised) *Guidance for Preparing and Filing Reports of Exempt Distribution under National Instrument 45-106 Prospectus Exemptions (Staff Notice 45-308)*, published concurrently with this Notice, to provide guidance on how to complete and file the New Report in the various CSA jurisdictions.

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<sup>4</sup> [http://www.securities-administrators.ca/uploadedFiles/Schedule\\_1\\_Form\\_45-106F1\\_En.xlsx](http://www.securities-administrators.ca/uploadedFiles/Schedule_1_Form_45-106F1_En.xlsx)

<sup>5</sup> [http://www.securities-administrators.ca/uploadedFiles/Schedule\\_2\\_Form\\_45-106F1\\_En.xlsx](http://www.securities-administrators.ca/uploadedFiles/Schedule_2_Form_45-106F1_En.xlsx)

<sup>6</sup> See Multilateral CSA Notice of Amendments to National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)* and Multilateral Instrument 13-102 *System Fees for SEDAR and NRD*, published on December 3, 2015.

A longer-term CSA project is underway to create a single integrated filing system for reports of exempt distribution that would further reduce the regulatory burden on market participants. The integrated filing system is part of the larger CSA National Systems Renewal Program.

### **Transition to New Report**

All issuers, other than investment fund issuers filing reports annually, must use the New Report for distributions that occur on or after June 30, 2016, when the Amendments come into force. If an issuer completes a distribution before June 30, 2016, and the deadline to file the report occurs after June 30, 2016, the issuer must file the Current 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 issuer may file either the Current Report or the New Report to report such distributions.

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 Current Report or the New 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 New Report.

Annex H contains further information on the transition to the New Report.

### **Withdrawal and Revision of CSA Staff Notices**

As a result of the Amendments and the replacement of Form 45-106F6 with the New Report, CSA Staff Notice 11-316 *Notice of Local Amendments – British Columbia (Staff Notice 11-316)* is no longer required. Staff Notice 11-316 will be withdrawn effective June 30, 2016.

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

### **Local Matters**

Annex I is being published in any local jurisdiction that is making related changes to local securities laws, including local notices or other policy instruments in that jurisdiction.

### **Annexes to Notice**

Annex A – Amending Instrument for National Instrument 45-106 *Prospectus Exemptions*

Annex B – Form 45-106F1 *Report of Exempt Distribution* (New Report)

Annex C – Changes to Companion Policy 45-106 *Prospectus Exemptions*

Annex D – Summary of New Information Requirements

Annex E – List of Commenters

Annex F – Summary of Comments and Responses

Annex G – Summary of Changes to New Report Since Publication for Comment

Annex H – Transition to the New Report

Annex I – Local Matters

### **Questions**

Please refer your questions to any of the following:

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**[Editor's Note: Annexes A and B follow on separately numbered pages; Bulletin pagination resumes with Annex C.]**

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ANNEX A

AMENDING INSTRUMENT FOR NATIONAL INSTRUMENT 45-106 PROSPECTUS EXEMPTIONS

Amendments to  
National Instrument 45-106 *Prospectus Exemptions*

1. *National Instrument 45-106 Prospectus Exemptions is amended by this Instrument.*

2. *The Instrument is amended by adding the following section:*

**1.8 Designation of insider** – For the purpose of this Instrument, in Ontario, the following classes of persons are designated as insiders:

- (a) a director or an officer of an issuer;
- (b) a director or an officer of a person that is an insider or a subsidiary of an issuer;
- (c) a person that has
  - (i) beneficial ownership of, or control or direction over, directly or indirectly, securities of an issuer carrying more than 10% of the voting rights attached to all the issuer's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person as underwriter in the course of a distribution, or
  - (ii) a combination of beneficial ownership of, and control or direction over, directly or indirectly, securities of an issuer carrying more than 10% of the voting rights attached to all the issuer's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person as underwriter in the course of a distribution;
- (d) an issuer that has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security.

3. *Subsection 6.1(1) is amended by adding “completed” before “report if they make the distribution”.*

4. *Subsection 6.2(2) is amended by replacing “financial year-end of the investment fund” with “end of the calendar year”.*

5. *Section 6.3 is amended by*

*(a) replacing subsection (1) with the following:*

(1) The required form of report under section 6.1 [*Report of exempt distribution*] is Form 45-106F1., **and**

*(b) deleting “or, in British Columbia, Form 45-106F6” from subsection (2).*

6. *Section 6.6 is repealed.*

7. *The Instrument is amended by adding the following section:*

**8.4.3 Transition – investment funds – required form of report** – Despite section 6.3, an investment fund that files a report on or before the date required by subsection 6.2(2) for a distribution that occurred before January 1, 2017 may file a report prepared in accordance with the version of Form 45-106F1 in force on June 29, 2016.

8. *Form 45-106F1 is repealed and the following substituted:*



## 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.bcsc.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. 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.

#### 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 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
DEB	Debentures
FTS	Flow-through shares
FTU	Flow-through units
LPU	Limited partnership units
NOT	Notes ( <i>include all types of notes except convertible notes</i> )
OPT	Options
PRS	Preferred shares
RTS	Rights
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
OTH	Other securities not included above ( <i>if selected, provide details of security type in Item 7d</i> )

## 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;

**“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

## ITEM 4 – UNDERWRITER INFORMATION

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

## 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 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

### 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	<input type="text"/>	Province/State	<input type="text"/>
Municipality	<input type="text"/>	Postal code/Zip code	<input type="text"/>
Country	<input type="text"/>	Telephone number	<input type="text"/>

### 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 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.

Exchange names

### h) Size of issuer's assets

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.

\$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       Alternative strategies       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 Fund<sup>1</sup>

<sup>1</sup>Undertaking 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 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.*

Exchange names

### 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, which should 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     
YYYY    MM    DD

End date     
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 on a per security basis. Refer to Part A 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.

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 purchasers	Total amount (Canadian \$)
<b>Total dollar amount of securities distributed</b>			
<b>Total number of unique purchasers<sup>2</sup></b>			

<sup>2</sup>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.<sup>3</sup> 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 \$)
<b>Total net proceeds to the investment fund</b>	

<sup>3</sup>"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 compensation<sup>4</sup>  Security codes 

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

  
 Describe terms of warrants, options or other rights   
 Other compensation<sup>5</sup>  Describe   
**Total compensation paid**

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

<sup>4</sup>Provide 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.

<sup>5</sup>Do 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 apply).

- Reporting issuer in any jurisdiction of Canada
- Foreign public issuer
- Wholly owned subsidiary of a reporting issuer in any jurisdiction of Canada<sup>6</sup>  
 Provide name of reporting issuer
- Wholly owned subsidiary of a foreign public issuer<sup>6</sup>  
 Provide name of foreign public issuer
- Issuer distributing eligible foreign securities only to permitted clients<sup>7</sup>

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

<sup>6</sup>An 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.

<sup>7</sup>Check 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 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 to an agent or other individual preparing the report on behalf of the issuer or underwriter. If the individual completing and filing the report is different from the individual certifying the report, provide their name and contact details 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

By completing the information below, I certify to the securities regulatory authority or regulator that:

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

Full legal name	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Family name	First given name	Secondary given names
Title	<input type="text"/>		
Name of issuer/underwriter/ investment fund manager	<input type="text"/>		
Telephone number	<input type="text"/>	Email address	<input type="text"/>
Signature	<input type="text"/>	Date	<input type="text"/>
			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	<input type="text"/>	<input type="text"/>	<input type="text"/>	Title	<input type="text"/>
	Family name	First given name	Secondary given names		
Name of company	<input type="text"/>				
Telephone number	<input type="text"/>	Email address	<input type="text"/>		

### 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:

- 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 securities regulatory authority's or regulator's indirect collection of the information, and
- 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**

1. Family name
2. First given name
3. Secondary given names
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*)
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**

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 person compensated is a registered firm, provide the firm NRD number only. (Note: the name must be consistent with name of the person 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 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.

## 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

### **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: inquiries@bcsc.bc.ca

### **The Manitoba Securities Commission**

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

### **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

### **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

### **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  
Facsimile: (867) 873-0243

### **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

### **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, 22<sup>nd</sup> 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: financementdassocies@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

**9. Form 45-106F6 is repealed.**

10. This Instrument comes into force on June 30, 2016.



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## ANNEX B

### FORM 45-106F1 REPORT OF EXEMPT DISTRIBUTION (NEW REPORT)

## 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.bcsc.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. 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.

#### 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 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
DEB	Debentures
FTS	Flow-through shares
FTU	Flow-through units
LPU	Limited partnership units
NOT	Notes ( <i>include all types of notes except convertible notes</i> )
OPT	Options
PRS	Preferred shares
RTS	Rights
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
OTH	Other securities not included above ( <i>if selected, provide details of security type in Item 7d</i> )

## 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;

**“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

## ITEM 4 – UNDERWRITER INFORMATION

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

## 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 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

### 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	<input type="text"/>	Province/State	<input type="text"/>
Municipality	<input type="text"/>	Postal code/Zip code	<input type="text"/>
Country	<input type="text"/>	Telephone number	<input type="text"/>

### 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 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.

Exchange names

### h) Size of issuer's assets

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.

\$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       Alternative strategies       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 Fund<sup>1</sup>

<sup>1</sup>Undertaking 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 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.*

Exchange names

### 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, which should 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     
YYYY    MM    DD

End date     
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 on a per security basis. Refer to Part A 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.

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 purchasers	Total amount (Canadian \$)
<b>Total dollar amount of securities distributed</b>			
<b>Total number of unique purchasers<sup>2</sup></b>			

<sup>2</sup>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.<sup>3</sup> 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 \$)
<b>Total net proceeds to the investment fund</b>	

<sup>3</sup>"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 compensation<sup>4</sup>

Security codes 

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

Describe terms of warrants, options or other rights

Other compensation<sup>5</sup>  Describe

**Total compensation paid**

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

<sup>4</sup>Provide 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.

<sup>5</sup>Do 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 apply).

- Reporting issuer in any jurisdiction of Canada
- Foreign public issuer
- Wholly owned subsidiary of a reporting issuer in any jurisdiction of Canada<sup>6</sup>  
Provide name of reporting issuer
- Wholly owned subsidiary of a foreign public issuer<sup>6</sup>  
Provide name of foreign public issuer
- Issuer distributing eligible foreign securities only to permitted clients<sup>7</sup>

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

<sup>6</sup>An 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.

<sup>7</sup>Check 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 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 to an agent or other individual preparing the report on behalf of the issuer or underwriter. If the individual completing and filing the report is different from the individual certifying the report, provide their name and contact details 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

By completing the information below, I certify to the securities regulatory authority or regulator that:

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

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    Title   
Family name First given name Secondary given names

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**

1. Family name
2. First given name
3. Secondary given names
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*)
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**

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 person compensated is a registered firm, provide the firm NRD number only. (Note: the name must be consistent with name of the person 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 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.

## 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

### **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: inquiries@bcsc.bc.ca

### **The Manitoba Securities Commission**

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

### **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@fcbn.ca

### **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

### **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  
Facsimile: (867) 873-0243

### **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

### **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, 22<sup>nd</sup> 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: financementdassocies@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



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ANNEX C

CHANGES TO COMPANION POLICY 45-106 PROSPECTUS EXEMPTIONS

This Annex shows, by way of blackline, changes to Companion Policy 45-106 *Prospectus Exemptions* that will take effect upon the coming into force of the rule amendments set out in Annex A. Additions are represented with underlined text and deletions are represented with strikethrough text.

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. The required form of report is Form 45-106F1 *Report of Exempt Distribution* in all jurisdictions except British Columbia. In British Columbia, the required form of report is Form 45-106F6 *British Columbia 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 provided 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 ~~is required to file~~ may complete a single report identifying all purchasers, and file the report in each Canadian jurisdiction where the distribution has occurred, ~~except British Columbia. The report will set out all distributions in each Canadian jurisdiction.~~

~~If the distribution occurs in British Columbia and one or more other jurisdictions, the issuer is required to file Form 45-106F6 with the British Columbia Securities Commission and file Form 45-106F1 in the other applicable jurisdictions.~~

(2) Access to information ~~in jurisdictions other than British Columbia~~

The securities legislation of several provinces requires that information filed with the securities regulatory authority or, where applicable, the regulator under such securities legislation, be made available for public inspection during normal business hours except for information that the securities regulatory authority or, where applicable, the regulator,

- (a) believes to be personal or other information of such a nature that the desirability of avoiding disclosure thereof in the interest of any affected individual outweighs the desirability of adhering to the principle that information filed with the securities regulatory authority or the regulator, as applicable, be available to the public for inspection,
- (b) in Alberta, considers that it would not be prejudicial to the public interest to hold the information in confidence, and
- (c) in Québec, considers that access to the information could result in serious prejudice.

Based on the above-mentioned provisions of securities legislation, the securities regulatory authorities or regulators, as applicable, have determined that the information listed in Schedule 1 and Schedule 2 of Form 45-106F1 Report of Exempt Distribution, ~~Schedule 1 ("Schedule 1")~~ discloses personal or other information of such a nature that the desirability of avoiding

disclosure of this ~~personal~~ information outweighs the desirability of making the information available to the public for inspection. In addition, in Alberta, the regulator considers that it would not be prejudicial to the public interest to hold the information listed in ~~Schedule 4~~ ~~these schedules~~ in confidence. In Québec, the securities regulatory authority considers that access to ~~Schedule 4~~ ~~these schedules~~ by the public in general could result in serious prejudice and consequently, the information listed in ~~Schedule 4~~ ~~these schedules~~ will not be made publicly available.

(3) Filings in British Columbia - Electronic filing of Form 45-106F1 *Report of Exempt Distribution*

Form 45-106F1 is required to be filed electronically in all CSA jurisdictions as described below.

For filings made in British Columbia, issuers are required to file Form ~~45-106F1~~ ~~45-106F1~~ and pay the fees associated with that filing electronically using BCSC ~~e-services~~ ~~Services~~. This requirement only applies to filings that are required to be made within 10 days of the distribution. It does not apply to filings made annually by investment funds under subsection 6.2(2) of NI 45-106. Please refer to BC Instrument 13-502 *Electronic Filing of Reports of Exempt Distribution* for further information.

For filings made in Ontario, issuers are required to file Form 45-106F1 electronically through the OSC's Electronic Filing Portal and pay the applicable fees. The electronic filing requirement applies to all issuers that file Form 45-106F1, including investment fund issuers that file annually in accordance with subsection 6.2(2) of NI 45-106. Please see OSC Rule 11-501 *Electronic Delivery of Documents to the Ontario Securities Commission* and OSC Rule 13-502 *Fees* for further information.

For filings made in any Canadian jurisdiction except for British Columbia and Ontario, issuers, other than certain foreign issuers, are required to file Form 45-106F1 and pay the fees associated with that filing electronically through the System for Electronic Document Analysis and Retrieval (SEDAR). The electronic filing requirement also applies to investment fund issuers that file annually in accordance with subsection 6.2(2) of NI 45-106. Please refer to National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)* and Multilateral Instrument 13-102 *System fees for SEDAR and NRD* for further information. Foreign issuers that are not required to file Form 45-106F1 electronically through SEDAR should file the report and pay the applicable fees in each of the jurisdictions in which a distribution is made at the addresses listed at the end of the report.

**ANNEX D**  
**SUMMARY OF NEW INFORMATION REQUIREMENTS**

The table below summarizes the new information requirements in the New Report, together with an explanation of the rationale for each requirement.

Information Required	Rationale
<b>Identifiers<sup>1</sup></b>	
<b>Firm NRD number for the underwriter, investment fund manager and registrant being compensated</b>	This unique identifier allows securities regulators to accurately link information available through NRD to assist in our compliance programs. Using the NRD number also reduces duplication of certain information required to be disclosed in the New Report, which is available in NRD.
<b>SEDAR profile number</b>	The SEDAR profile number assists securities regulators in accessing information about the issuer that is filed on SEDAR and the issuer's SEDAR profile. Issuers that provide a SEDAR profile number are not required to complete certain sections of the New Report.
<b>Legal entity identifier of issuer</b>	<p>The Global Legal Entity Identifier System is a system that provides a globally accepted standard for unique identification of parties to financial transactions. This system is overseen by the Legal Entity Identifier Regulatory Oversight Committee. Disclosure of issuers' legal entity identifiers:</p> <ul style="list-style-type: none"> <li>• addresses long-standing issues with entity identification,</li> <li>• provides a mechanism for linking exempt market reporting with other financial reporting, and</li> <li>• builds a more comprehensive risk profile for entities that operate in the exempt market.</li> </ul>
<b>CUSIP number</b>	<p>A CUSIP number is a nine character alphanumeric identifier that uniquely identifies a financial security. The first six digits of a CUSIP number are unique to the issuer, and the last three digits identify securities unique to the issuer.</p> <p>Disclosure of CUSIP numbers facilitates additional information gathering about the issuer and the securities being distributed to better inform policy making and monitor exempt market activity.</p>
<b>Website of issuer, underwriter and investment fund manager</b>	Website information facilitates additional information gathering about the issuer, underwriter and investment fund manager to assist in our compliance programs. If a firm NRD number is provided for the underwriter or investment fund manager in the New Report, website information is not required.
<b>Previous legal name of issuer</b>	If the issuer's name has changed in the last 12 months, the issuer's most recent previous legal name must be provided. This information allows us to link information about issuers to assist in our compliance programs.
<b>Item 5 – Issuer Information (Non-Investment Fund Issuers)</b>	
<b>Primary industry of issuer</b>	The Current Reports require the issuer to select its industry group from a limited number of categories that do not match any standard industry classification. These categories also do not include all issuer industries, resulting in a large proportion of uncategorized issuers. To resolve these

<sup>1</sup> The New Report only requires these identifiers to be provided if the issuer, underwriter, investment fund manager or registrant has such identifiers.

Information Required	Rationale
	<p>issues, we have changed the industry categories to align with the North American Industry Classification System (<b>NAICS</b>) that is maintained in Canada by Statistics Canada. NAICS is widely used to track industry statistics by a number of North American government agencies, such as the Canada Revenue Agency, Industry Canada and British Columbia Statistics.</p> <p>The New Report requires issuers to disclose the six-digit NAICS code that most closely corresponds to their main business activity. Based on our research, we believe NAICS will be familiar to many issuers. Statistics Canada also provides a web-based search tool for issuers to locate their industry category.</p> <p>This comprehensive and standardized industry classification system enables us to better understand exempt market activity and link it with other macro-level statistics to assist in more informed policy-making.</p> <p>The New Report also requires issuers in the mining industry to disclose their stage of operations and issuers involved in certain investment activities to disclose the areas of their primary asset holdings. We believe these classifications are consistent with how these industries are often analyzed.</p>
<p><b>Number of employees of the issuer</b></p>	<p>Issuers are required to indicate their total number of employees, which serves as a proxy for the size of the issuer. Information about the size of the issuer assists us in policy development, helping to assess whether capital raising prospectus exemptions are benefiting small and medium sized businesses.</p> <p>The New Report lists four broad ranges of employee numbers for issuers to select. The selected ranges provide a sufficient metric for the size of an issuer because they are broadly consistent with those used by Statistics Canada to differentiate between small, medium and large businesses and so will already be familiar to some issuers. We believe that reporting such a range is likely to be less commercially sensitive than reporting the actual number of employees or revenue of the issuer.</p>
<p><b>Additional information from issuers without a SEDAR profile</b></p>	<p>Certain information about an issuer can be obtained from its SEDAR profile. Recent changes to National Instrument 13-101 <i>System for Electronic Document Analysis and Retrieval (SEDAR)</i> will require filing of reports of exempt distribution on SEDAR beginning May 24, 2016, for distributions in Canadian jurisdictions other than British Columbia and Ontario. As a result, non-reporting issuers will also have SEDAR profiles. Changes have been made to SEDAR to allow voluntary filing until May 24, 2016.</p> <p>The New Report requires disclosure of the following if the issuer does not have a SEDAR profile:</p> <ul style="list-style-type: none"> <li>• date of formation,</li> <li>• financial year-end,</li> <li>• jurisdictions where reporting,</li> <li>• stock exchange listings, and</li> <li>• size of assets.</li> </ul> <p>This information is relevant for our analysis of exempt market activity and allows us to have comparable information across all issuers.</p>
<p><b>Item 6 – Investment Fund Issuer Information</b></p>	
<p><b>Type of investment fund</b></p>	<p>The New Report requires investment fund issuers to identify what type of investment fund they are in order to better understand fund types that are most active in the exempt market. This reporting increases our ability to</p>

Information Required	Rationale
	profile exempt market activity by the investment fund industry and supports the CSA's policy initiatives.
<b>Net asset value (NAV)</b>	Information about the NAV of an investment fund assists securities regulators to understand the size of funds operating in the exempt market, such as foreign investment funds accessing the Canadian market, and further informs policy development for investment funds.
<b>Other</b>	<p>The New Report requires the following information from investment fund issuers that would provide additional insight into the profile of issuers that operate in the exempt market:</p> <ul style="list-style-type: none"> <li>• date of formation,</li> <li>• financial year-end,</li> <li>• jurisdictions where reporting, and</li> <li>• stock exchange listings.</li> </ul>
<b>Item 7 – Information About the Distribution</b>	
<b>Currency</b>	Information about the currencies in which the distribution was made provides us with greater insight into the distribution and exempt market activity.
<b>Type of securities distributed</b>	<p>The New Report requires an issuer to indicate the type of securities distributed using specific 3-letter codes. Although the Current Reports require a description of the type of securities distributed, the 3-letter codes provide a more structured format for collecting this information.</p> <p>Receiving this information in a structured format improves the consistency of the information we receive in reports, making our oversight processes more efficient. Having greater insight into the types of securities that are being distributed in the exempt market assists us in trend analysis, our compliance programs and policy development.</p>
<b>Summary of distribution by exemption</b>	<p>The Current Reports require information about the distribution (number of purchasers and dollar amount raised) for each jurisdiction where a purchaser resides. The New Report requires this information about the distribution to be provided for each jurisdiction where a purchaser resides, and also for:</p> <ul style="list-style-type: none"> <li>• each exemption relied on in the jurisdiction where a purchaser resides, if a purchaser resides in a jurisdiction of Canada, and</li> <li>• each exemption relied on in Canada, if a purchaser resides in a foreign jurisdiction.</li> </ul> <p>If an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, the issuer is required to include distributions to purchasers resident in that jurisdiction of Canada only.</p> <p>This provides us with better information about the exemptions relied on to distribute securities and assists us in our analysis of exempt market activity, our compliance programs and policy development.</p>
<b>Net proceeds to the investment fund</b>	<p>The New Report requires an investment fund issuer to provide the net proceeds to the investment fund for each jurisdiction where a purchaser resides. If an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, the issuer is required to include net proceeds for that jurisdiction of Canada only.</p> <p>As most investment funds offer some redemption rights, reporting only the purchase amount likely overstates the size of the market. Gathering information about redemptions as well as purchases provides us with a more complete picture of fund flows by investment fund issuers in the exempt market.</p>

Information Required	Rationale
<p><b>Offering materials</b> (applicable only in Saskatchewan, Ontario, Québec, New Brunswick and Nova Scotia)</p>	<p>The New Report requires issuers to list and provide certain details about offering materials that are required to be filed or delivered in connection with a distribution under the securities legislation of Saskatchewan, Ontario, Québec, New Brunswick and Nova Scotia.</p> <p>For example, issuers are required to list:</p> <ul style="list-style-type: none"> <li>• offering memoranda and any other documents (marketing materials) that are required to be filed under section 2.9 of NI 45-106.</li> <li>• offering memoranda that are voluntarily provided, and required to be delivered to the OSC under section 5.4 of OSC Rule 45-501 <i>Ontario Prospectus and Registration Exemptions</i>.</li> <li>• crowdfunding offering documents and any other distribution documents (term sheets and other materials summarizing information in a crowdfunding offering document) required to be filed under Multilateral Instrument 45-108 <i>Crowdfunding</i> (MI 45-108).</li> </ul> <p>This is a reporting requirement only; the New Report does not impose any new requirements to file or deliver offering documents. The New Report requires reporting that such materials have been filed or delivered only where required by the securities legislation of the applicable jurisdictions.</p> <p>In Ontario only, if the offering materials listed are required to be filed or delivered to the OSC, electronic versions of those offering materials are to be attached to and submitted electronically with the New Report on the OSC's Electronic Filing Portal (if not previously filed or delivered to the OSC).</p>
<p><b>Item 8 – Compensation Information</b></p>	
<p><b>Funding portals</b></p>	<p>The New Report requires issuers to indicate whether the person compensated in connection with the distribution facilitated the distribution through a “funding portal” or an “internet-based portal”. 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 MI 45-108.</p> <p>This information provides us with insight into the role of funding portals in the distribution of securities in the exempt market and supports our compliance programs and policy development.</p>
<p><b>Relationship to issuer of person being compensated</b></p>	<p>The New Report requires disclosure about whether the person compensated in connection with the distribution is a registrant or an insider of the issuer.</p> <p>While the BCSC currently requires disclosure of this information in Form 45-106F6, this is a new requirement for jurisdictions that currently require filing of Form 45-106F1.</p> <p>The New Report also requires disclosure of whether a person compensated is an employee of the issuer, or connected to the issuer. This additional information enables us to assess the prevalence of financial relationships among issuers and those persons they compensate.</p> <p>Having detailed information about these arrangements allows us to enhance our existing compliance programs, and supports policy development.</p>

Information Required	Rationale
<p><b>Terms of deferred compensation</b></p>	<p>The New Report requires issuers to indicate whether any deferred compensation will or may be paid to a person in connection with a distribution, and to describe the terms of the deferred compensation. While the Current Reports require disclosure of any compensation paid or to be paid in connection with a distribution, there is no requirement for deferred compensation to be specifically identified as such or for the terms of the deferred compensation to be described.</p> <p>Disclosure of this information supports our compliance programs, provides us with better information about the financial relationships that exist between issuers and the persons being compensated, and brings greater transparency to these arrangements.</p>
<p><b>Item 9 – Directors, Executive Officers and Promoters of the Issuer</b></p>	
<p><b>Name, title and province, state or country of residence of directors, executive officers and promoters of certain issuers</b></p>	<p>Disclosure of this information is required for directors, executive officers and promoters of certain issuers. If the promoter is not an individual, information about the directors and executive officers of the promoter is also required.</p> <p>We believe this information is necessary to facilitate our oversight of the exempt market, enhance our compliance programs and bring transparency to the exempt market. This information allows us to identify connections between issuers through related executives, directors and promoters.</p> <p>While the BCSC currently requires disclosure of information about directors, executive officers and promoters in Form 45-106F6, this is a new requirement for all other CSA jurisdictions.</p> <p>In response to comments we received on the New Report, we have moved the information about control persons to Schedule 2, which is not publicly available.</p> <p>The New Report does not require this information to be provided by:</p> <ul style="list-style-type: none"> <li>• investment fund issuers,</li> <li>• reporting issuers and their wholly owned subsidiaries,</li> <li>• foreign public issuers and their wholly owned subsidiaries, and</li> <li>• issuers distributing eligible foreign securities only to permitted clients.</li> </ul>
<p><b>Schedule 1 – Confidential Purchaser Information<sup>2</sup></b></p>	
<p><b>Email address of purchaser</b></p>	<p>The New Report requires the email address of the purchaser to be provided if the purchaser has provided this information to the issuer. This information enhances our ability to contact purchasers if needed as part of our compliance programs.</p>
<p><b>Information about exemption relied on</b></p>	<p>To assist in our compliance programs and future policy development, the New Report requires the issuer or underwriter to identify the exemption relied on in more detail, by requiring the section, subsection and paragraph of the exemption, where applicable.</p> <p>For example, the New Report requires the issuer to specify which category of accredited investor or eligible investor the purchaser met. The New Report requires the issuer to identify only one category for each purchaser.</p>
<p><b>Identification of whether the purchaser is an insider of the issuer or a registrant</b></p>	<p>In the New Report, the issuer is required to identify whether the purchaser is an insider of the issuer or a registrant.</p> <p>While the BCSC currently requires disclosure of this information in Form</p>

<sup>2</sup> Purchaser information provided in Schedule 1 is not publicly available.



Information Required	Rationale
	<p>45-106F6, this is a new requirement for all other CSA jurisdictions.</p> <p>This information is useful for identifying connections between purchasers and issuers, which facilitates our oversight of the exempt market and supports our compliance programs.</p>
<p><b>Identification of person being compensated for each purchaser</b></p>	<p>The New Report requires the issuer to specifically identify the person compensated for a distribution made to each purchaser. If the person is a registered firm, only the firm NRD number must be provided. The names of the persons compensated must be consistent with those provided in Item 8.</p> <p>This information supports our compliance programs, provides us with better information about the financial relationships that exist between issuers and the persons being compensated, and allows us to monitor unregistered finders, compensation rates of finders and whether registrants are trading in jurisdictions where they are not registered.</p>
<p><b>Schedule 2 – Confidential Director, Executive Officer, Promoter and Control Person Information<sup>3</sup></b></p>	
<p><b>Business contact information for CEO of issuer</b></p>	<p>The New Report requires the telephone number and email address of the chief executive officer to be provided for an issuer that is required to complete Item 9(a) of the New Report. We are requesting this information to assist us in addressing past challenges with contacting persons at issuers who are capable of answering questions about the distribution.</p>
<p><b>Full residential address of directors, executive officers, promoters and control persons</b></p>	<p>The New Report requires full residential address information to be provided for directors, executive officers, promoters and control persons of issuers that are required to complete Item 9(a) of the New Report. If a promoter or control person is not an individual, this information is required for each director and executive officer of the promoter and control person.</p> <p>While the BCSC currently requires disclosure of municipality and country of these individuals in Form 45-106F6, this is a new requirement for all other CSA jurisdictions.</p> <p>This information supports our compliance programs by allowing the CSA to more effectively allocate its resources.</p>
<p><b>Name and location of non-individual control person</b></p>	<p>If a control person is not an individual, the New Report requires the name and location of the control person to be provided.</p> <p>This information supports our compliance programs by allowing us to identify connections between issuers and control persons.</p>

<sup>3</sup> Information provided in Schedule 2 is not publicly available. The information in Schedule 2 is only required to be provided by issuers that are required to complete Item 9(a).

**ANNEX E**  
**LIST OF COMMENTERS**

1. Alternative Investment Management Association
2. Arrow Capital Management Inc.
3. Borden Ladner Gervais LLP
4. Boyle & Co. LLP
5. British Columbia Investment Management Corporation, Canada Pension Plan Investment Board, Ontario Teachers' Pension Plan Board, RBC Global Asset Management Inc., Barclays Capital Inc., Citigroup Global Markets Inc., Goldman, Sachs & Co., J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated
6. Canadian Foundation for Advancement of Investor Rights
7. Davies, Ward, Phillips & Vineberg LLP
8. Fonds de solidarité FTQ
9. Invesco Canada Ltd.
10. Investment Industry Association of Canada
11. National Exempt Market Association
12. Nicola Wealth Management (2 comment letters submitted)
13. Osler, Hoskin & Harcourt LLP
14. Portfolio Management Association of Canada
15. Private Capital Markets Association of Canada
16. Prospectors & Developers Association of Canada
17. R.N. Croft Financial Group Inc.
18. Stikeman Elliott LLP

## ANNEX F

## SUMMARY OF COMMENTS AND RESPONSES

No.	Topic	Comments	Responses
<b>General</b>			
1.	Support for harmonized and streamlined report	<p>Most commenters supported the creation of a report that is harmonized across the CSA. One commenter supported the change to streamline the report so that it will not require certain information that can be gathered through other sources available to the CSA (e.g. SEDAR, NRD). Another commenter noted that the version of the New Report published for comment is an important step forward in reducing the compliance burden for investment fund issuers and developing a simpler and more efficient exempt market reporting regime.</p>	<p>We acknowledge these comments of support.</p>
2.	One report for both investment fund and non-investment fund issuers	<p>Some commenters supported the creation of a single report for both investment fund and non-investment fund issuers. Commenters also noted that the report should be designed so it is clear which sections apply to a particular issuer and that it allow for dynamic entry so that sections inapplicable to an issuer would be removed from view.</p> <p>One commenter noted that a single report would create efficiencies for issuers but two separate reports would simplify the process and issuers would make fewer mistakes when completing the report. Three commenters preferred two separate reports.</p>	<p>We believe that a single report for both investment fund and non-investment issuers will streamline the exempt distribution reporting process. We have also designed the New Report in such a way that it is clear which sections do not need to be completed by certain issuers or when an issuer has a SEDAR profile.</p> <p>In addition, in British Columbia and Ontario, the electronic version of the New Report available on BCSC's eServices and the OSC's Electronic Filing Portal will only display the information requirements applicable to an issuer filing the report.</p>
3.	Support for improved information collection	<p>One commenter supported the collection of better information. Two commenters said the version of the New Report published for comment achieves an appropriate balance between the benefits of the information and the burden to issuers.</p> <p>One commenter noted that the public would benefit greatly from access to such data and that a more immediate plan to readily provide such data should be a CSA priority.</p> <p>One commenter indicated that other detailed information that is valuable to the policy-making process should also be collected in addition to the information required in the version of the New Report published for comment.</p>	<p>We acknowledge these comments of support.</p> <p>Reports filed in British Columbia and through SEDAR will be published and publicly available on the respective systems (with the exception of the non-public schedules). The OSC will continue to publish on its website summaries of exempt distribution information from reports filed in Ontario.</p> <p>A number of CSA jurisdictions also publish, on a periodic basis, data and statistics on activity in the prospectus exempt market based on the information collected through the reports. Currently, the CSA does not have the ability to aggregate and</p>

No.	Topic	Comments	Responses
			<p>reconcile the data collected through the reports across all CSA jurisdictions. An integrated filing system that would allow us to aggregate and reconcile this data is part of the longer-term CSA National Systems Renewal Program.</p>
4.	<p>Benefit of collecting additional information is unclear and may not justify the compliance burden</p>	<p>Two commenters expressed concern that the version of the New Report published for comment significantly increases the compliance and regulatory burden on issuers. Many commenters thought the required information, in certain cases or in aggregate, results in a compliance burden that outweighs the benefit of collecting the information for regulators. A number of commenters specifically noted the administrative burden placed on issuers.</p> <p>Some commenters questioned the policy rationale and benefit of collecting additional information. Examples of concerns raised by commenters include the following:</p> <ul style="list-style-type: none"> <li>• The purpose of the report has expanded from requiring the issuer to provide sufficient information to track compliance, to providing regulators and the public with significantly expanded disclosure which, in certain cases, does not provide additional investor protection.</li> <li>• The purpose of exempt trade reporting is to monitor compliance with prospectus and registration exemptions and it is unclear how the disclosure requested is necessary to achieve this purpose.</li> <li>• The version of the New Report published for comment would not increase transparency in the exempt market.</li> </ul> <p>Some commenters expressed concerns about the negative impact the version of the New Report published for comment could have on exempt market activity. Examples of concerns raised by commenters include the following:</p> <ul style="list-style-type: none"> <li>• The version of the New Report published for comment would act as a barrier to access to the exempt market for both issuers and investors.</li> <li>• The burden of reporting is leading to the retraction of Canadian investment products from global markets.</li> <li>• Issuers may be dissuaded from seeking to raise capital in the exempt market.</li> <li>• For small issuers, the version of the New Report published for comment would consume scarce internal resources and discourage them from accessing the capital they require.</li> </ul>	<p>While we acknowledge that one of the purposes of the report is to monitor compliance with the use of certain prospectus exemptions, the report is also the CSA’s primary source of information on the prospectus exempt market, particularly for non-reporting issuers. Information in the current Form 45-106F1 and Form 45-106F6 (Current Reports) has been used to inform policymaking and it has become clear to staff that the CSA needs better information than is available in the Current Reports. This is particularly true as the exempt market continually evolves. We have also received feedback from stakeholders that we need to collect and publish better data on the exempt market for the benefit of market participants.</p> <p>The information collected through the New Report will:</p> <ul style="list-style-type: none"> <li>• enhance our understanding of the participants in the exempt market,</li> <li>• improve regulatory oversight of the exempt market,</li> <li>• support our compliance programs, and</li> <li>• better inform policy development.</li> </ul> <p>To reduce the compliance burden of exempt distribution reporting, we:</p> <ul style="list-style-type: none"> <li>• have introduced a harmonized report applicable across the CSA,</li> <li>• reduced duplicate reporting where that information is otherwise available to the CSA, and</li> <li>• have provided carve-outs from certain information requirements where we believe the cost of compliance outweighs the benefit of the information.</li> </ul> <p>As a result of the comments received, we have removed and modified some of the information requirements from the version of the New Report published for comment. Most notably, the New Report does not require disclosure of the holdings of the issuer’s securities by directors, executive officers, promoters and control persons of certain issuers.</p>

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			<p>Overall, we believe the New Report strikes an appropriate balance between the benefits to the CSA of collecting the information and the compliance burden imposed on issuers.</p>
5.	<p>Increased compliance burden placed on foreign issuers, IFMs and dealers may result in less choice for Canadian investors</p>	<p>Some commenters expressed concern that the administrative burden placed on foreign issuers and dealers to comply with the version of the New Report published for comment may act as a disincentive for foreign issuers to conduct offerings in Canada, resulting in less choice for Canadian investors. One commenter noted that the introduction of Form 45-106F6 in British Columbia gave rise to a reluctance on the part of certain foreign issuers to extend certain offerings in that province.</p>	<p>Since offerings by foreign issuers represent a significant portion of exempt market activity in Canada, the information collected through the report is necessary for the CSA to better understand participants in the exempt market and to inform policy development. As noted above, the report is the CSA's primary source of information on the prospectus exempt market.</p> <p>We have included carve-outs where we believe the cost of compliance for foreign issuers and dealers outweighs the benefit of the information. For example, foreign public issuers (and their wholly owned subsidiaries) and issuers distributing eligible foreign securities only to permitted clients do not have to complete certain sections of the New Report. In addition, issuers located outside of Canada only have to report information relating to purchasers resident in Canada. We believe that the remaining information requested of foreign issuers is information that they are able to provide.</p>
6.	<p>Report should not be required if purchasers are accredited investors or permitted clients</p>	<p>Two commenters said the CSA should consider introducing an exemption from the requirement to file the New Report, in whole or in part, where the issuer is relying on the accredited investor exemption or where all the purchasers are permitted clients, as distributions of securities to more sophisticated investors do not raise the same investor protection concerns as distributions to retail investors.</p> <p>One commenter noted the negative reaction to the introduction of Form 45-106F6 in British Columbia and that foreign issuers will only extend an offering in that province if they can rely on blanket relief that allows them to file Form 45-106F1 instead of Form 45-106F6.</p>	<p>The information collected in the report is necessary to inform our compliance programs, improve our understanding of the exempt market and inform future policy development. We believe it would be inappropriate to exempt issuers from filing the report where the securities are distributed only to accredited investors or permitted clients.</p> <p>We note that we have removed and modified a number of information requirements for certain issuers (described below).</p>
7.	<p>General privacy and protection of information concerns</p>	<p>Some commenters believed the expanded disclosure requirements, in certain cases, raises privacy and confidentiality concerns that may discourage issuers and certain investors from participating in exempt market transactions. One commenter thought the cost to issuers would be lower if some of the information disclosed in the report were made</p>	<p>We have removed, or moved to a non-public schedule, information that is of a personal and commercially sensitive nature that we agree should not be publicly disclosed. Personal information collected in the schedules will not be placed on the public file of any CSA member.</p>

No.	Topic	Comments	Responses
		<p>confidential.</p> <p>Examples of concerns raised by commenters include the following:</p> <ul style="list-style-type: none"> <li>• If the report is posted on SEDAR, a simple search on SEDAR would give competitors, customers and suppliers access to highly-sensitive and confidential information.</li> <li>• The CSA has not indicated what it will do with the detailed information collected about issuers and investors in the exempt market and how it will store this information.</li> </ul> <p>One commenter questioned whether information collected in the report was legitimately required of registered firms, when regulators could demand client information from exempt market participants for purposes of investigation. This commenter also wanted to ensure that information about purchasers, especially those that access the exempt market through industry-accountable registrants, are not subject to inappropriate, unnecessary and indiscriminate exposure.</p>	<p>In particular, information about control persons is only required to be provided in Schedule 2, which is not publicly available. We have also removed the requirement to provide information about holdings of the issuer's securities by directors, executive officers, promoters and control persons of certain issuers.</p>
8.	Industry consultation and comparative analysis with other jurisdiction	<p>Two commenters recommended that the CSA undertake further industry consultations before moving forward with the New Report. Other commenters suggested that a cost-benefit analysis be conducted and a clear rationale articulated for the collection of each additional piece of information required.</p> <p>Two commenters suggested the CSA undertake a comparative study of the exempt trade reporting requirements that apply in other countries.</p> <p>Two commenters noted that post-trade reporting obligations for private placements are less onerous in the U.S. One commenter noted that their dealers had not encountered a comparable post-trade filing requirement in placing securities cross-border with institutional investors in any other jurisdiction.</p>	<p>We believe appropriate consultation and analysis have been undertaken by the CSA in developing the New Report. For example:</p> <ul style="list-style-type: none"> <li>• Certain CSA members consulted with their advisory committees to solicit feedback on the New Report.</li> <li>• Some CSA members conducted internal user testing on proposed changes to the report prior to publication of the New Report for comment.</li> <li>• We reviewed and considered the Securities and Exchange Commission's exempt market reporting regime in the U.S.</li> <li>• We considered the comments we received on prior proposals on reports of exempt distribution published by certain CSA jurisdictions.</li> </ul>
<b>Instructions For Completing and Filing Form 45-106F1</b>			
9.	Currency conversion	<p>One commenter supported using the Bank of Canada noon rate but suggested that when the Bank of Canada noon rate is not available, issuers should be permitted to use the most recent Bank of Canada closing rate before the distribution date.</p> <p>One commenter said it would be simpler to use the year end rate instead of the daily noon</p>	<p>We believe that the daily noon exchange rate of the Bank of Canada on the distribution date is the appropriate exchange rate for converting foreign currency into Canadian dollars for purposes of the New Report.</p> <p>In response to the comments received,</p>

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		<p>rate of the Bank of Canada on the distribution date as it would reduce the time required for an investment fund manager to complete the report.</p> <p>One commenter noted that the exchange rate could significantly impact the disclosure provided, particularly for investment funds under continuous distribution, and asked for clarification around the currency conversion expectations.</p>	<p>the instructions in the New Report provide the following clarifying guidance on converting currency:</p> <ul style="list-style-type: none"> <li>• When a Bank of Canada noon rate is not available on the distribution date (for example, if it falls on a Canadian statutory holiday), the most recent Bank of Canada closing rate available before the distribution date should be used.</li> <li>• For investment fund issuers in continuous distribution, the average daily noon exchange rate of the Bank of Canada for the period of the distribution covered by the report should be used.</li> </ul> <p>The Bank of Canada has announced that as of March 1, 2017, it will no longer publish two sets of exchange rates (noon and closing) and will instead publish a single indicative exchange rate each day. We have revised the instructions in the New Report to specify that if this change takes place, foreign currency is to be converted using the single indicative exchange rate instead of the daily noon and closing exchange rates in each of the scenarios described in the instructions. For example, an investment fund in continuous distribution would convert the foreign currency to Canadian dollars using the average daily single indicative exchange rate for the distribution period covered by the report.</p>
10.	Move legal interpretations to companion policy	<p>One commenter noted that the Instructions included interpretations by the CSA on certain legal questions relevant to the completion of the report, including issues of jurisdiction and the inter-relation of agency and trust law. The commenter suggested that, to the extent such interpretations are intended to assist in the interpretation of NI 45-106, they should be included in the companion policy rather than the report.</p>	<p>We have revised the instructions in the New Report. We believe the revised instructions are necessary to assist in the completion and filing of the New Report and are not intended to assist in the interpretation of NI 45-106.</p>
11.	Determining jurisdiction of distribution	<p>A number of commenters raised concerns about the guidance contained in the Instructions for determining when a distribution occurs. Specifically, commenters raised concerns about:</p> <ul style="list-style-type: none"> <li>• The source of the interpretation provided in the guidance.</li> <li>• Whether the guidance correctly describes the position of certain CSA jurisdictions on when a distribution occurs.</li> <li>• The confusion in the marketplace about when a distribution has occurred in</li> </ul>	<p>We have removed this guidance from the instructions. We have provided guidance on this issue in the revised CSA Staff Notice 45-308 (Revised) <i>Guidance for Preparing and Filing Reports of Exempt Distribution under National Instrument 45-106 Prospectus Exemptions</i> (Staff Notice 45-308), published concurrently with this Notice. The guidance in Staff Notice 45-308 makes clear that issuers and underwriters should refer to applicable</p>

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		Ontario.	securities legislation, securities directions and case law to determine whether a distribution has taken place in a local jurisdiction.
12.	Reporting information about purchasers located outside of Canada by Canadian issuers	<p>One commenter noted that any Canadian public interest that may be served by providing this information is greatly outweighed by the cost and inconvenience imposed on issuers and dealers. One commenter said issuers should not be required to disclose purchasers in one jurisdiction to a regulator in another jurisdiction, where no distribution has taken place in the second jurisdiction.</p>	<p>This is not a new requirement. The Current Reports require Canadian issuers to report information about foreign purchasers. This information is used by CSA members to understand how and where issuers in their jurisdictions are accessing capital and for compliance purposes.</p> <p>We have removed the requirement for issuers making a distribution in more than one jurisdiction of Canada to file a single report in each Canadian jurisdiction where the distribution has occurred, identifying all purchasers. Notwithstanding this change, issuers may continue to satisfy their obligation to file the report by completing a single report identifying all purchasers, and filing it in each Canadian jurisdiction where the distribution occurs.</p>
13.	Disclosure of beneficial owners of fully managed accounts	<p>Some commenters questioned the requirement to disclose the beneficial owner of fully managed accounts. Concerns raised by commenters include the following:</p> <ul style="list-style-type: none"> <li>• The person managing the account is deemed to be purchasing as principal and is for all purposes the purchaser of the securities.</li> <li>• The identity of the beneficial owner has no significance when it comes to the availability of exemptions.</li> <li>• Requiring this information would impose a significant compliance burden, especially since the issuer and underwriter may not have beneficial owner information.</li> <li>• Matters could become complicated if the individual or the registered advisor refused to disclose their information.</li> <li>• If regulators want to obtain information about beneficial owners, it would be more efficient and appropriate to collect this information directly from registrants.</li> <li>• An approach that requires more high-level, summary information should be considered instead.</li> </ul> <p>One commenter suggested that the instructions clarify that the statutory meaning of “beneficial ownership” in securities legislation is not intended to be applied to the Instructions to the report.</p>	<p>The New Report does not require issuers to provide information about the beneficial owner 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. Only information about the trust company, trust corporation or registered adviser is required.</p> <p>Further guidance on beneficial owners is provided in Staff Notice 45-308, published concurrently with this Notice.</p>



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<b>Identifiers</b>			
14.	Use of identifiers	One commenter supported the CSA's efforts to require disclosure of standardized identifiers and agreed that such identifiers could provide the CSA with more comparable information. However, the commenter had some concerns with the manner in which such disclosure was mandated.	We acknowledge this comment of support. The use of identifiers facilitates analysis of information gathered from multiple sources about issuers and registrants, reduces duplication in the report where information exists on other systems and provides more consistent and accurate reporting of information.
15.	Disclosure of firm NRD number	Two commenters had no concerns with the publication of a firm's NRD number.  One commenter thought public disclosure of a firm's NRD number raised cybersecurity concerns and thought there was no clear investor protection reason for this disclosure. One commenter noted the burden of having to request the NRD number from the dealer.	We do not believe public disclosure of a firm's NRD number increases the opportunity for unauthorized access to information stored within that database.  Disclosure of this unique identifier allows securities regulators to accurately link information available through NRD to assist in our compliance programs. Entities that are related often have similar names and data entry variations can make it challenging for us to accurately and efficiently link information about registrants. Disclosure also reduces duplication where information required to be disclosed in the New Report is available in NRD.
<b>Item 1<sup>1</sup> – Party Certifying the Report</b>			
16.	Determination of investment fund issuer	One commenter sought clarity on whether an issuer is an investment fund for the purposes of completing the report, noting that many of the questions that apply to non-investment fund issuers do not apply to collective investment schemes that are not considered investment funds under NI 81-106. The commenter recommended that a more expansive meaning of investment fund be adopted for purposes of completing and filing the report.	The determination of whether an issuer is an investment fund, for securities law purposes, is outside the scope of this project. Issuers should refer to section 1.1 of National Instrument 81-106 <i>Investment Fund Continuous Disclosure</i> (NI 81-106) and the companion policy to NI 81-106 in making this determination.
17.	Option for agents completing the report	One commenter suggested that further guidance be provided in Item 1 for those completing the report on the issuer's behalf in an agency or similar capacity, and an option be added to Item 1 to account for these types of situations.	The party certifying the report must be a director or officer of the issuer or underwriter, or an individual who performs functions similar to that of a director or officer if the issuer or underwriter is not a company.  A filing agent completing the report on an issuer's behalf may not certify the report but is required to provide their contact details as the contact person under Item 11 of the New Report. We have revised the instructions to clarify that a filing agent cannot certify the

<sup>1</sup> The numbering of items corresponds with the version of the New Report published for comment. Some items of the New Report have been reordered and renumbered in the final version.

No.	Topic	Comments	Responses
			report.
<b>Item 2 – Issuer Name and Other Identifiers</b>			
18.	Issuer website	One commenter noted that providing website information should be optional, as an issuer may not maintain a website.	We have clarified in the New Report that website information is required only if the issuer maintains one.
19.	Legal entity identifier	One commenter noted that providing an LEI under Item 2 should not be mandatory. One commenter questioned why an LEI would be required as it did not appear to be relevant to monitoring compliance in the exempt market. One commenter noted the difficulty of obtaining the LEI of the issuer, as the preparer completing the report on behalf of an issuer would have to seek out an individual at the dealer who is sufficiently knowledgeable about the issuer to provide this information.	<p>We have clarified in the New Report that reporting an LEI is only required for issuers that have one. We do not believe it is overly burdensome to report an LEI as it is a global standard that is increasingly being used to uniquely identify parties to financial transactions.</p> <p>Reporting an LEI serves a number of purposes, including:</p> <ul style="list-style-type: none"> <li>• addressing long-standing issues with entity identification,</li> <li>• providing a mechanism to link exempt market reporting with other financial reporting, and</li> <li>• helping to build a more comprehensive risk profile for entities that operate in the exempt market.</li> </ul>
<b>Item 4 – Issuer Information</b>			
20.	Additional issuer profile information	<p>One commenter thought the additional information concerning the issuer required under Item 4 would facilitate better policy development and noted that such information must be readily accessible by the public.</p> <p>One commenter suggested that a note be added in the Companion Policy that non-reporting issuers that are making certain filings on SEDAR would not be required to complete Items 4(d) to (h). One commenter noted the difficulty of obtaining additional profile information for issuers without a SEDAR profile.</p> <p>One commenter believed Item 4 should distinguish information about the issuer that is specific to Canada and information about the issuer outside of Canada in order to collect the correct data about our Canadian capital markets.</p>	<p>The instructions to this item in the New Report indicate that issuers that have a SEDAR profile are not required to complete certain sections as that information is already provided on SEDAR. Recent changes to National Instrument 13-101 <i>System for Electronic Document Analysis and Retrieval (SEDAR)</i> (NI 13-101) will require filing of reports of exempt distribution on SEDAR beginning May 24, 2016, subject to ministerial approval, for distributions in Canadian jurisdictions other than British Columbia and Ontario, except by certain foreign issuers. As a result, non-reporting issuers that make certain exempt market filings will also have SEDAR profiles. Changes have been made to SEDAR to allow voluntary filing until May 24, 2016.</p> <p>Considering the cost of compliance relative to the benefit of obtaining this level of detailed information, we have not required issuers to distinguish between information about the issuer that is specific to Canada and information about the issuer outside of Canada for this item in the New Report.</p>

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			The issuer profile information required in the New Report is important to improve our understanding of participants in the exempt market and to inform policy development.
21.	Parent of issuer	One commenter believed that the issuer's parent, if applicable, should be disclosed as it would be helpful to investors in the event of a future reorganization of the issuer or in the event of loss arising from insolvency of the subsidiary.	After reviewing the comments received and considering the cost of compliance relative to the benefit of obtaining this information, we have not included such a requirement in the New Report.
<b>Item 4(a) – Issuer Information: Primary industry</b>			
22.	Use of North American Industry Classification Standard (NAICS) codes	<p>Three commenters agreed that the use of NAICS codes is appropriate.</p> <p>A number of commenters expressed concerns regarding the use of NAICS codes, including the following:</p> <ul style="list-style-type: none"> <li>• NAICS codes are far from precise and certain firms may not fit into pre-existing categories or overlap several categories.</li> <li>• Identifying the correct NAICS code could be time consuming and difficult.</li> <li>• Disclosure of a NAICS code may not yield the results expected because smaller issuers may use different NAICS codes for private placements that occur several years apart</li> <li>• Companies in the U.S. or Mexico may have a five or six-digit NAICS code that does not correspond exactly with the requirements of the New Report published for comment.</li> </ul>	<p>The use of a comprehensive and standardized industry classification system enables us to better understand exempt market activity and to assist in more informed policy making. We believe NAICS is the most appropriate classification system for the purposes of the report, as it is widely used in North America by a number of government agencies and should be familiar to many Canadian businesses that report to the Canada Revenue Agency. Statistics Canada also provides a web-based search tool for issuers to locate their relevant industry category.</p> <p>We have provided additional guidance on NAICS codes in Staff Notice 45-308, which is being published concurrently with this Notice.</p>
23.	Ascertaining the issuer's primary industry	One commenter noted the difficulty ascertaining the issuer's primary industry because the preparer completing the report on behalf of an issuer would have to review the offering memorandum or seek out an individual at the dealer with this information.	This is not a new requirement. The Current Reports also require the issuer to select its industry. However, the Current Reports include a limited number of categories that do not match any standard industry classification or include all issuer industries, resulting in a large proportion of uncategorized issuers. The use of NAICS codes is intended to resolve this issue.
24.	Expand industry categories	One commenter noted that the industry categories should be expanded or include a field for "other" as the current categories are not applicable for funds that are not investment fund issuers, such as private equity funds.	For issuers involved in certain investment activities that are required to disclose the areas of their primary asset holdings, we have added "private companies" to the available categories. This is to help identify issuers such as private equity funds.
<b>Item 4(b) and (h) – Issuer Information: Size of issuer and Size of issuer's assets</b>			
25.	Metrics to assess the issuer's size	Two commenters thought the metrics for calculating the issuer's size are appropriate. One commenter said the metrics for calculating the number of employees are	We believe these metrics are reasonable proxies for assessing an issuer's size. They also provide us with sufficient detail to inform policy

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		<p>simple and would not be an inconvenience for issuers to obtain. One commenter noted that the proposed requirement to report information is consistent with existing requirements for reporting issuers.</p> <p>Some commenters expressed concerns about reporting an issuer's size of assets and number of employees. Some of the concerns expressed by commenters include:</p> <ul style="list-style-type: none"> <li>• The broad ranges used by Statistics Canada for the number of employees would not provide enough granular information for policy-making purposes or analysis.</li> <li>• Some issuers, particularly non-reporting issuers, may want this information kept confidential as it has the potential to compromise their competitive position.</li> <li>• These metrics may not be relevant, meaningful or the most accurate for assessing the size of issuers.</li> <li>• This information would be difficult for a preparer completing the report on behalf of an issuer to obtain.</li> <li>• This information, together with the other new requirements in the report, would introduce undue complexity and administrative burdens into the exempt trade process.</li> <li>• This information is not relevant to monitoring compliance in the exempt market and may deter non-reporting issuers from accessing the exempt market in Canada.</li> </ul> <p>A number of commenters suggested that the CSA provide further guidance or clarification on the metrics to assess an issuer's size.</p>	<p>development and our assessment of whether specific prospectus exemptions are being used by small and medium enterprises.</p> <p>The use of broad ranges to disclose these metrics also reduces the commercial sensitivity of disclosing this information in the public part of the report.</p>
<b>Item 4(d) – Head office address</b>			
26.	Registered office outside of Canada	<p>One commenter suggested that in order to distinguish between information about the issuer that is specific to Canada from information about the issuer outside of Canada, Item 4(d) should not only identify the issuer's head office in Canada but also its registered office outside of Canada, if the registered office is not in Canada.</p>	<p>The purpose of this item is to obtain location of the head office of the issuer, whether it is in Canada or outside of Canada. Accordingly, we do not think it is necessary to obtain both the issuer's head office address in Canada as well as its registered office outside of Canada.</p>
<b>Item 4(e) – Issuer Information: Date of formation and financial year-end</b>			
27.	Date of formation	<p>One commenter said the date of formation is available for reporting issuers on SEDAR, and it is inappropriate to request this information from non-reporting issuers as it is not relevant to monitoring compliance in the exempt market. One commenter noted that while many issuers would have no difficulty providing their date of formation, the</p>	<p>The New Report does not require this information for issuers that have a SEDAR profile. The date of formation enhances our understanding of issuers that are active in the exempt market and their stage of development.</p> <p>The instructions in the New Report</p>

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		<p>requirement could be problematic for issuers that have been existence for a long time and have had mergers and reorganizations since their formation. The commenter suggested the form require issuers to check a box indicating whether the issuer had been in existence for longer than a specified number of years.</p> <p>One commenter noted that the date of formation for an amalgamated entity would be the date of amalgamation and not necessarily the date of formation for a predecessor entity. The commenter suggested that the history of an amalgamated entity should be required to correctly identify the issuer's predecessor entities which may provide a more accurate indicator of the age of an entity.</p>	<p>clarify that if the issuer resulted from an amalgamation, arrangement, merger or reorganization, only the date of the most recent amalgamation, arrangement, merger or reorganization is required to be provided. We have also provided further guidance on reporting the date of formation in Staff Notice 45-308, published concurrently with this Notice.</p> <p>We believe it is a reasonable proxy for assessing an issuer's stage of development, recognizing the burden that would be imposed on issuers if required to provide a complete history of the issuer's predecessor entities.</p>
<b>Item 4 (g) – Issuer Information: Public listing status</b>			
28.	Disclosure of exchanges on which the issuer is listed	One commenter suggested that the disclosure be limited to the primary exchange on which the issuer's securities are listed, as well as any Canadian exchanges, because to include all others might be burdensome for some issuers as they may have different types of securities listed around the world.	The information is not required for issuers that have a SEDAR profile. The information to be provided is limited to exchanges where an issuer has applied for and received a listing, which excludes, for example, automated trading systems.
<b>Items 5 – Directors, Executive Officers, Control Persons and Promoters of the Issuer</b>			
29.	Applicability of Item 5 to certain issuers	<p>One commenter noted that private equity funds would not have directors or executive officers so would have difficulty completing this section and the related schedule. Similarly, one commenter noted that Item 5 generally would be problematic to complete for a collective investment scheme, and that Item 6 would provide more meaningful information on these types of funds.</p> <p>One commenter thought Item 5 should not have to be completed if the control person and/or promoter of the issuer were a registrant, since this information could be drawn from the registrant's NRD number.</p>	<p>This information is only required to be provided for persons in the positions (i.e. director, executive officer or promoter) that apply to the issuer.</p> <p>An issuer distributing securities may not in every instance have officers or directors registered with a related registrant. As a result, a registrant's NRD number may not provide us with complete information.</p> <p>We have also revised the New Report to require information about control persons in a non-public schedule; information relating to the holdings of the issuer's securities by directors, executive officers, promoters and control persons is not required.</p>
30.	Carve-outs for issuers subject to foreign reporting regimes or that have their mind and management outside Canada	<p>Some commenters supported the proposed carve-outs for Item 5. One commenter supported the carve-out for issuers distributing eligible foreign securities only to permitted clients as it was consistent with the intent of the "wrapper relief".</p> <p>One commenter suggested that if disclosure by foreign public issuers and issuers distributing eligible foreign securities is publicly available elsewhere, they should be</p>	<p>We acknowledge the comments of support.</p> <p>Although we have not changed the carve-outs available, we have revised the information requirements in the New Report from the version published for comment, which will reduce the burden on foreign issuers that do not fall within the carve-outs.</p>

No.	Topic	Comments	Responses
		<p>required to set out or provide a link to the information, or if the local foreign regime does not require such disclosure, provide a statement to that effect.</p> <p>Some commenters did not believe the carve-outs provided sufficient relief and thought the additional reporting burdens would discourage foreign offerings into Canada. One of these commenters noted that issuers are reluctant to offer securities into British Columbia due to the requirements in Form 45-106F6 to provide similar disclosure.</p> <p>Two commenters questioned the restrictiveness of the list of designated foreign jurisdictions. One of these commenters suggested that more countries be added to the list, including India, Thailand, South Korea, Indonesia and Malaysia.</p>	<p>For purposes of consistency regarding foreign issuers, we have used the same definition of “designated foreign jurisdiction” found in National Instrument 71-102 <i>Continuous Disclosure and Other Exemptions Relating to Foreign Issuers</i>.</p>
31.	Disclosure of identities of directors, executive officers, control persons and promoters	<p>One commenter noted that the disclosure requirement in Item 5 appeared more onerous than the requirements that apply to reporting issuers who distribute their securities to retail investors, which is difficult to justify.</p> <p>One commenter said that, although disclosure of this information to regulators may assist in the oversight of the market, public disclosure is not necessary and could compromise the competitive and negotiating position of an issuer. In addition, the commenter thought it was the responsibility of investors in the course of their due diligence relating to the issuer to obtain such information prior to making the investment. One commenter questioned why an issuer, who may have dozens of executive officers, should have to disclose all of them.</p> <p>One commenter asked for clarity on the required disclosure regarding control persons and promoters. One commenter questioned why issuers would be made to undertake a “promoter analysis” solely to prepare the report when it was not necessary to do so in connection with the offering itself. One commenter noted that the definition of “control person” and “promoter” involves legal analysis and the time, money and effort needed to make such a determination may outweigh the benefits. The commenter recommended that the form require the disclosure of holders of over 10% of a non-reporting issuer’s securities in Schedule 1. Such disclosure for reporting issuers is already made on SEDI.</p>	<p>We have revised this requirement. The names, locations and titles of the issuer’s directors, executive officers and promoters are required to be provided in the New Report. If a promoter is not an individual, information about the directors and executive officers of the promoter is also required. We have moved the disclosure of information relating to control persons to a non-public schedule.</p> <p>We believe these changes address the compliance burden imposed on issuers and the concerns regarding the disclosure of private and commercially sensitive information.</p> <p>The information relating to directors, executive officers, promoters and control persons is not required for:</p> <ul style="list-style-type: none"> <li>• investment fund issuers</li> <li>• reporting issuers and their wholly owned subsidiaries,</li> <li>• foreign public issuers and their wholly owned subsidiaries, and</li> <li>• issuers distributing eligible foreign securities only to permitted clients.</li> </ul> <p>We believe this information is necessary to facilitate our oversight of the exempt market, enhance our compliance programs and bring greater transparency to the exempt market. This information will also allow us to identify connections between issuers and insiders.</p>

No.	Topic	Comments	Responses
32.	Disclosure of voting securities owned or controlled by directors, officers, control persons and promoters	<p>One commenter said that this information should be required since it is already required in Form 45-106F6.</p> <p>A number of commenters expressed concerns about this information requirement. Examples of the concerns raised include the following:</p> <ul style="list-style-type: none"> <li>• The compliance burden of obtaining this information outweighs the benefit to regulators and investors.</li> <li>• It may be difficult and time consuming to collect this information, particularly for issuers with a significant history and companies with complex capital structures.</li> <li>• An issuer would not necessarily have access to current information regarding share ownership by its directors and executive officers.</li> <li>• The issuer may not be in a position to compel current share ownership information from control persons and promoters.</li> <li>• This disclosure provides little benefit to investors since the deal is completed.</li> </ul> <p>One commenter questioned this requirement as it relates to investment funds that are control persons of an issuer.</p> <p>Two commenters noted that the disclosure of the amount paid for the voting securities would not be useful information because:</p> <ul style="list-style-type: none"> <li>• A large number of factors impact the price of securities, including whether the securities are part of executive compensation.</li> <li>• The value of the company could be materially different from when the securities were acquired.</li> </ul>	<p>Following our review of the comments received, we have removed this proposed requirement.</p>
33.	Privacy concerns regarding Item 5 information	<p>A number of commenters expressed concern with publicly disclosing this information, including that:</p> <ul style="list-style-type: none"> <li>• This disclosure places Canadian companies at a competitive disadvantage.</li> <li>• Disclosing this information may deter issuers from accessing the exempt market in Canada.</li> <li>• This information is not specifically required in a prospectus and generally not available in the public disclosure record of reporting issuers.</li> </ul> <p>One commenter said shareholder information should not be required to be disclosed at all, or if such disclosure is required, it should remain private.</p> <p>One commenter noted that although the</p>	<p>We have removed the proposed requirement to disclose holdings of the issuer's securities by directors, executive officers, promoters and control persons. We have moved the information about control persons to a non-public schedule.</p> <p>We believe these changes achieve a reasonable balance between:</p> <ul style="list-style-type: none"> <li>• the cost of compliance for issuers,</li> <li>• concerns regarding privacy and the commercial sensitivity of publicly disclosing this information,</li> <li>• providing transparency about the exempt market, and</li> <li>• the CSA's need to collect this information to support our compliance, data gathering and</li> </ul>



No.	Topic	Comments	Responses
		<p>reported information is made public in British Columbia, the BCSC has allowed an exemption where the only subscribers in the province were permitted clients. The commenter suggested that a similar exemption be considered by the CSA.</p>	<p>policy development functions.</p>
<b>Item 6(b) – Investment Fund Issuer Information: Type of investment fund</b>			
34.	Type of investment fund	<p>One commenter noted that this information is available for reporting issuers on SEDAR and it is inappropriate to request this information from non-reporting issuers, as it is not relevant to monitoring compliance in the exempt market.</p>	<p>We believe that the use of a classification system for investment funds, as with non-investment fund issuers, will provide us with important information to better understand exempt market activity in this industry and better inform policy making.</p>
35.	Guidance on categories of investment funds	<p>One commenter suggested the CSA provide more guidance on the categories of investment funds. One commenter expressed concern that the categories of investment fund do not provide sufficient information to understand the investment fund issuer or this area of the exempt market. One commenter asked for clarification on the meaning of “alternative strategies”.</p> <p>A number of commenters suggested alternative means of categorizing investment funds, including consulting with industry to develop a revised list of investment industry types, using the same categories as the risk acknowledgement questionnaires, or using the risk categories used by industry indices. One commenter thought it would be helpful to know whether an investment fund is a closed-end fund, an exchange-traded fund, a commodity pool or a mutual fund subject to National Instrument 81-102 <i>Investment Funds</i>.</p> <p>Two commenters asked for further guidance on the threshold used to determine whether a fund invests “primarily” in other investment funds and questioned whether this determination would be strictly tied to the fund’s investment objectives. One commenter questioned the emphasis on fund of funds and UCITs.</p>	<p>We believe the categories of investment funds provide an appropriate “snapshot” of those investment funds operating in the exempt market and the categorization will provide us with better information about this segment of the market. The additional information collected through the New Report also provides the CSA with more comprehensive data about the investment fund industry.</p> <p>We have provided additional guidance on the categories of investment fund types in Staff Notice 45-308, published concurrently with this Notice.</p>
<b>Item 6(c) – Investment Fund Issuer Information: Date of formation and financial year-end of the investment fund</b>			
36.	Date of formation and financial year-end	<p>Some commenters questioned what benefit the financial year-end would provide to regulators, as the filing for investment funds would be based on the calendar year.</p> <p>One commenter noted that the date of formation is not typically considered an important or material piece of information, and may be difficult to identify, particularly for an issuer incorporated or formed in a non-Canadian jurisdiction.</p>	<p>This information supports our compliance oversight of investment fund issuers. For example, this information assists with monitoring financial reporting compliance.</p> <p>As noted above, recent changes to NI 13-101 will require filing of reports of exempt distribution on SEDAR beginning May 24, 2016, subject to ministerial approval, for distributions in</p>



No.	Topic	Comments	Responses
		<p>One commenter said this information is available for reporting issuers on SEDAR and that it was inappropriate to request this information from non-reporting issuers, as it was not relevant to monitoring compliance in the exempt market.</p>	<p>Canadian jurisdictions other than British Columbia and Ontario, except by certain foreign issuers. As a result, non-reporting issuers making certain exempt market filings will also have SEDAR profiles. Changes have been made to SEDAR to allow voluntary filing until May 24, 2016.</p> <p>We have provided further guidance on reporting the date of formation in Staff Notice 45-308, published concurrently with this Notice.</p>
<b>Item 6(e) – Investment Fund Issuer Information: Public listing status of the investment fund</b>			
37.	Disclosure of exchanges on which the issuer is listed	<p>One commenter questioned the benefit of providing the names of all the exchanges on which the securities of an investment fund are listed.</p>	<p>The instructions for this item clarify that we are only requesting information about exchanges for which the issuer has applied for and received a listing, which excludes, for example, automated trading systems.</p>
<b>Item 6(f) – Investment Fund Issuer Information: Net asset value of the investment fund</b>			
38.	Use of net asset value (NAV)	<p>Two commenters believed that the NAV information is an appropriate metric to accomplish the regulatory purpose.</p> <p>One commenter noted that the most recent NAV may be difficult to ascertain and the issuer may have concerns regarding public disclosure of this information if it is a non-reporting issuer.</p> <p>One commenter asked for clarification on whether the date of the most recent NAV calculation is intended to be December 31. Furthermore, the commenter asked for an explanation of how this information is relevant as it would reflect multiple trades over the course of the year and none of which may have occurred on December 31.</p> <p>One commenter suggested this information is available for reporting issuers on SEDAR and that it is inappropriate to request this information from non-reporting issuers, as it is not relevant to monitoring compliance in the exempt market.</p>	<p>We believe the NAV provides a reasonable proxy for assessing the size of investment funds active in the exempt market. We have asked for the issuer to report the NAV as of the most recent NAV calculation and to include the date of the calculation.</p> <p>We also believe that asking for NAV in ranges reduces the commercial sensitivity of disclosing this information in the public part of the report.</p>
<b>Item 7 – Information About the Distribution</b>			
39.	Clarifying instructions for issuers located outside of Canada	<p>Several commenters noted inconsistencies in the instructions for the reporting of information by issuers located outside of Canada throughout Item 7. Similarly, a number of commenters questioned some of the terminology used in the instructions and suggested alternatives to clarify the requirement when an issuer is located outside of Canada.</p>	<p>The instructions have been revised to be consistent throughout Item 7. We have clarified that both investment fund and non-investment fund issuers located outside of Canada are only required to report information about purchasers resident in Canada.</p> <p>We have provided guidance for issuers</p>

No.	Topic	Comments	Responses
			located outside of Canada in Staff Notice 45-308, published concurrently with this Notice.
40.	Double counting of capital raised	One commenter noted that an indirect offering structure may lead to double counting of the amount of capital raised and suggested the CSA request information about an indirect offering structure and obtain the particulars in the report.	The information collected about the issuer's industry under Item 5(a) of the New Report will allow us to determine whether an issuer provides an intermediating finance function to other businesses. As a result, we will be able to identify total funds raised directly by businesses as compared to funds raised by a financial intermediary or through an indirect funding structure. Additionally, under Item 5, where issuers involved in certain investment activities are required to disclose the area of their primary asset holdings, we have added to the categories available to include "private companies".
<b>Item 7(a) – Information About the Distribution: Foreign currency</b>			
41.	Indicating both Canadian and foreign currencies	Two commenters said it is unclear whether a single fund could indicate in the report that a distribution was made in both Canadian dollars and another currency.	The instructions to this item have been revised to clarify that multiple currencies can be selected.
<b>Item 7(b) – Information About the Distribution: Distribution date(s)</b>			
42.	Defining distribution date	One commenter requested guidance on what is meant by "distribution date" and suggested specifying that the distribution date is the date the securities are issued and sold and the investor becomes the beneficial owner of the securities.	We have revised the instructions to this item and have provided guidance on providing the distribution date in Staff Notice 45-308, published concurrently with this Notice.
43.	Multiple distribution dates	Three commenters suggested that the report provide for different distribution dates, given that distributions can be continuous and can be done over multiple dates over a fixed period of time or continuously.	This item and its instructions have been revised to clarify that an issuer should: <ul style="list-style-type: none"> <li>• if the report is being filed for securities distributed on a single distribution date, provide the distribution date as both the start and end date.</li> <li>• if the report is being filed for distributions occurring on multiple dates, provide the earliest date and last date for the distribution period covered by the report.</li> </ul>
<b>Item 7(d) – Information About the Distribution: Types of securities distributed</b>			
44.	Categories of security types	One commenter suggested that the CSA review the categories of securities to ensure that they are broad and flexible enough to account for all types of securities that may be distributed.	We have reviewed the categories of security types and believe the list covers most types of securities distributed by issuers filing reports in Canada. For securities that do not clearly fall into a listed category, we have included a category for "Other" security types (with a security code of "OTH"), and a column for "Description of security" where further detail about

No.	Topic	Comments	Responses
			<p>the security type can be provided.</p> <p>We have provided further guidance on Item 7(d) in Staff Notice 45-308, published concurrently with this Notice.</p>
<b>Item 7(e) – Information About the Distribution: Details of rights and convertible/exchangeable securities</b>			
45.	Format for providing details of rights and convertible/exchangeable securities	One commenter noted that the restricted tabular format for providing information on convertible/exchangeable securities did not recognize the current nature of such securities. The commenter recommended that issuers be allowed to provide the information in narrative form or be given the option of providing the information in a tabular or narrative format.	We have used a tabular format for issuers to provide information about rights and convertible/exchangeable securities in order to improve the consistency and comparability of the information collected. Where the terms of the rights or convertible/exchangeable security do not clearly fall within the provided columns in the table, narrative text can be provided in the column “Describe other terms (if applicable).”
<b>Item 7(f) – Information About the Distribution: Summary of the distribution by jurisdiction and exemption</b>			
46.	Identifying unique purchasers	One commenter asked regulators for further guidance on the definition of “unique purchaser” and noted that the process of reconciling unique purchasers may impose a significant amount of additional work and expense on firms, particularly for investment fund issuers with different unit classes and currencies.	<p>For purposes of completing Item 7(f), each purchaser should only be counted once, regardless of whether the issuer distributed different types of securities to the purchaser, distributed the securities on different dates to the purchaser, and relied on multiple prospectus exemptions for such distributions.</p> <p>We have removed the requirement to disclose the beneficial owner of the securities if a trust company, trust corporation or registered adviser is deemed to be purchasing the securities as principal on behalf of a fully managed account.</p> <p>In all other instances, the New Report requires disclosure of the beneficial owner of the securities as the purchaser. For example, if a corporation purchases the securities, the corporation is the beneficial owner and the unique purchaser, not the individual who controls a corporation.</p> <p>We have provided further guidance on Item 7(f) in Staff Notice 45-308, published concurrently with this Notice.</p>
<b>Item 7(g) – Information About the Distribution: Net proceeds to the investment fund by jurisdiction</b>			
47.	Reporting net proceeds and obtaining redemption data	<p>One commenter agreed with the requirement that funds report redemptions at the fund level for the distribution period covered by the report.</p> <p>A number of commenters questioned the</p>	Information about the fund on a net proceeds basis provides us with a more accurate picture of the exempt market for these types of issuers, given the redemption features offered by most investment funds.

No.	Topic	Comments	Responses
		<p>relevance and value of reporting of net proceeds by investment fund issuers, and also noted the burden of collecting redemption data. Several commenters asked for further clarification in the instructions regarding the reporting and calculation of net proceeds.</p>	<p>In response to the comments received, we have clarified the instructions and definition of net proceeds. See Annex G for more information.</p>
<b>Item 7(h) – Information About the Distribution: Offering materials</b>			
48.	Electronic filing of offering materials	<p>One commenter recommended that the underlying platform for the report contain an electronic field whereby the applicable offering materials could be attached and subsequently filed or delivered to the applicable jurisdictions automatically.</p>	<p>Issuers are required to file the New Report electronically in all CSA jurisdictions, except certain foreign issuers when filing on SEDAR. In British Columbia and Ontario, the New Report is filed on BCSC’s eServices and the OSC’s Electronic Filing Portal. In all other CSA jurisdictions, the New Report will be required to be filed on SEDAR, except by certain foreign issuers.</p> <p>A centralized CSA filing system that would enable the New Report to be delivered to the applicable jurisdictions automatically is outside the scope of this project. This forms part of the CSA National Systems Renewal Program.</p> <p>In Ontario only, if the offering materials listed 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 New Report on the OSC’s Electronic Filing Portal (if not previously filed with or delivered to the OSC).</p>
49.	Marketing materials	<p>Two commenters asked for clarity regarding the reference to marketing materials, which are not currently considered offering documents required to be filed with or delivered to regulators. One commenter recommended removing the requirement to list and file marketing materials, noting the added burden of tracking marketing materials and the regulatory purposes of receiving these marketing is not clear.</p>	<p>This is a reporting requirement only; the New Report does not impose any new requirements to file or deliver offering documents, including marketing materials. The New Report requires reporting that such materials have been filed or delivered only where required by applicable securities legislation of Saskatchewan, Ontario, Québec, New Brunswick and Nova Scotia.</p> <p>For example, an issuer or underwriter is required to list:</p> <ul style="list-style-type: none"> <li>• Offering memoranda and any other documents (marketing materials) that are required to be filed under section 2.9 of NI 45-106.</li> <li>• Offering memoranda that are voluntarily provided, and required to be delivered to the OSC under section 5.4 of OSC Rule 45-501</li> </ul>

No.	Topic	Comments	Responses
			<p><i>Ontario Prospectus and Registration Exemptions.</i></p> <ul style="list-style-type: none"> <li>Offering materials that are required to be filed under MI 45-108 <i>Crowdfunding</i> (MI 45-108).</li> </ul> <p>In Ontario only, if the offering materials listed 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 New Report on the OSC's website (if not previously filed with or delivered to the OSC).</p> <p>Further guidance on this requirement is in Staff Notice 45-308, published concurrently with this Notice.</p>
<b>Item 8 – Compensation Information</b>			
50.	Public disclosure of compensation information	<p>One commenter noted that compensation information may be useful to securities regulators but that it is uncertain how disclosure of this information would enable an investor to make better investment decisions. If the objective is to assess the prevalence of financial relationships among connected persons and issuers, the commenter thought compensation information should be moved to a schedule to protect the individual's privacy and the competitive nature of this information.</p>	<p>This is not a new requirement; the Current Reports require disclosure regarding persons being compensated by an issuer in connection with a distribution. However, the New Report requires more detailed information about the persons being compensated, including the relationship of the person to the issuer. This additional information enables us to assess the prevalence of financial relationships among connected persons and issuers.</p> <p>Having detailed information about these arrangements allows us to enhance our existing compliance oversight program of the exempt market, as well as make future improvements to securities regulations impacting the exempt market.</p>
51.	Compensation structures of investment funds	<p>One commenter questioned the relevance of requiring the compensation details under Part 8 and how this fits with the usual compensation structures of investment funds. The commenter also questioned how regulators would use the information.</p>	<p>This is not a new reporting requirement for investment fund issuers. However, a more detailed breakdown of the compensation paid or to be paid is required in the New Report. For example, if trailing commissions will be paid to a person for the distribution, an investment fund issuer is required to indicate that the person being compensated will receive deferred compensation and describe the terms of the trailing commissions.</p> <p>This information allows us to better understand trends in compensation structures in order to better inform policy making activities and enhance our compliance oversight programs.</p>

No.	Topic	Comments	Responses
<b>Item 8(a) – Compensation Information: Registration status and name of person compensated</b>			
52.	Funding portals	One commenter suggested the instructions include clarification on the meaning of “funding portal” and “internet-based portal”.	<p>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 MI 45-108.</p> <p>We have also provided guidance on these terms in Staff Notice 45-308, published concurrently with this Notice.</p>
<b>Item 8(d) – Compensation Information: Compensation details</b>			
53.	Deferred compensation	One commenter asked for clarification on what is to be included under deferred compensation. The commenter noted that providing estimates of trailing commissions would be burdensome and dependent on various assumptions, making it unclear what benefit this additional information would provide. One commenter asked for clarification that, if trailing commissions are paid, the disclosure required is the total amounts paid to the firm, not the amounts paid to individual representatives.	In light of the comments received, we have removed the requirement to provide estimates of deferred compensation. The New Report only requires the issuer to indicate whether any person will or may receive any deferred compensation and to provide a description of the terms of the deferred compensation.
<b>Item 9 – Certification</b>			
54.	Certification of information provided by third parties	<p>One commenter thought it is inappropriate to require the filer to certify information that can only be obtained from third parties (such as promoters or control persons) and that is not within the filer’s own knowledge and control.</p> <p>One commenter suggested that the instruction to Item 9 relating to a trust should provide additional detail so as to explicitly permit both an administrator and a manager of a trust to certify the report. The instructions should also be revised to provide guidance for those completing the report on the issuer’s behalf in an agency or similar capacity.</p>	<p>The information required in the New Report is information that should be within the issuer’s knowledge. We note that disclosure of the shareholdings of promoters and control persons is no longer a requirement of the New Report.</p> <p>We have revised the instructions to this item to clarify that only an officer or director of the issuer/underwriter can certify the report. If the issuer/underwriter is not a company, an individual who performs functions similar to that of a director or officer may certify the report. This is a determination that must be made by the issuer/underwriter.</p>
<b>Notice – Collection and use of personal information</b>			
55.	Collection of information about individuals	One commenter noted that the certification regarding the collection of personal information is similar to the certification currently contained in Form 45-106F1 regarding purchasers resident in Ontario. The commenter, who was unaware of any corresponding provision in the freedom of information or protection of privacy legislation in any other province, said it was inappropriate to require issuers who have distributed securities in provinces other than Ontario to	The certification regarding collection of personal information is intended to address notice and consent requirements in privacy legislation across Canada.

No.	Topic	Comments	Responses
		make this certification.	
<b>Schedule 1 (Confidential Director, Executive Officer, Promoter and Control Person Information)</b>			
56.	Business contact information for issuer CEO	<p>One commenter noted that this information would not be available to a person completing a report on behalf of an issuer or the dealer involved in the distribution, and also may not be information that the issuer is willing to provide.</p>	<p>We are requesting this information to assist us in addressing past challenges with contacting persons at issuers who are capable of answering questions about the distribution.</p> <p>We believe this information would not be unreasonably difficult to obtain.</p> <p>This information is collected in a non-public schedule.</p>
57.	Residential addresses of directors, executive officers, control persons and promoters	<p>One commenter agreed with the collection of residential addresses only if the information is kept confidential.</p> <p>Some commenters thought it was inappropriate for regulators to require residential addresses to be provided and thought it was unclear how this information would provide any useful information for regulators. One commenter said it would be burdensome for the issuer to obtain the residential addresses for these persons and another commenter suggested limiting the information to require only emails and telephone numbers. One commenter noted that CSA members could obtain information about officers and directors, and in certain jurisdictions, shareholder information, by reviewing corporate records with various government agencies.</p> <p>One commenter noted that an issuer would generally require consent under privacy laws to disclose residential addresses and questioned how the CSA would respond to requests to disclose this information under freedom of information legislation.</p>	<p>Residential address information has proven an effective means of locating and contacting individuals, when necessary to support our compliance functions.</p> <p>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>
<b>Schedule 2 (Confidential Purchaser Information)</b>			
58.	Format for providing information about fully managed accounts	A number of commenters asked for further guidance on the format for providing information for fully managed accounts.	The New Report does not require issuers to provide information about the beneficial owner 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. In this instance, only information about the trust company, trust corporation or registered adviser is required to be provided.
59.	Privacy concerns regarding purchaser information	A number of commenters expressed privacy concerns about the provision of purchaser information. Examples of concerns raised by commenters include:	Information collected in Schedule 1 is not on the public record of any CSA member. The release of this information through a freedom of

No.	Topic	Comments	Responses
		<ul style="list-style-type: none"> <li>• Government agencies in Canada and the U.S. have been hacked and requesting personal information <i>en masse</i> is difficult to justify.</li> <li>• Sales to European investors will likely come to an end mainly because of the privacy issues raised regarding the collection of purchaser information.</li> <li>• Public disclosure of purchaser information may occur through requests made under freedom of information legislation.</li> <li>• The release of personal purchaser information has a real and significant impact on investor confidence as the investing public expects to be respected and protected by their financial advisors and regulators.</li> </ul> <p>One commenter noted that the public reporting of purchaser information in British Columbia under Form 45-106F6 resulted from pressure by the media outlets, whose objective was isolated to a particular kind of market. The commenter noted that purchasers in British Columbia have complained about their personal information included in Form 45-106F6 filed with the BCSC appearing in Google searches.</p>	<p>information request is governed by freedom of information legislation in place in each CSA jurisdiction.</p>
60.	Persons being compensated	<p>One commenter suggested that the instructions for Schedule 2 clarify that paragraph f(3) is intended to require additional details only with respect to the disclosure provided in Item 8. The commenter noted that an issuer can only report compensation they have provided and not any compensation given by third parties.</p>	<p>The purpose of this item is to identify the person being compensated for each distribution of the issuer's securities to a specific purchaser. As noted in the instructions, the name of the person compensated should be consistent with the name provided under Item 8. Item 8 only requires the name of persons to whom the issuer directly provides, or will provide, compensation. It does not, for example, require the names of individuals to whom a company receiving compensation from an issuer may then compensate for employment.</p>
61.	Email address of purchaser	<p>One commenter expressed concern over the burden of having to provide the personal email addresses of purchasers. Another commenter questioned the relevance of requesting this information and what regulators would do with the information.</p>	<p>An email address is only required to be provided by the issuer if the purchaser has provided this information to the issuer.</p> <p>This information enhances our ability to contact purchasers if needed as part of our compliance programs.</p>
62.	Identifying whether a purchaser is a registrant or insider	<p>Some commenters expressed concern about the burden of having to determine whether the purchaser is a registrant and questioned the relevance and benefit to regulators of collecting this information. One commenter raised concerns about the burden of determining whether a purchaser is an insider.</p>	<p>We believe information regarding whether a purchaser is a registrant or insider is not unreasonably difficult to obtain.</p> <p>This information is useful for identifying relationships between purchasers and</p>



No.	Topic	Comments	Responses
		<p>One commenter said the identification of whether a purchaser is a registrant or insider is currently a requirement under Form 45-106F6 in British Columbia, which may have contributed to the decision of certain market participants not to offer foreign securities for sale in that province. The commenter recommended that the other CSA members not impose similar requirements.</p>	<p>issuers, which will facilitate our oversight of the exempt market and enhance our compliance programs.</p>
63.	Disclosure of specific exemption relied on for each purchaser	<p>One commenter said it was reasonable to require the identification of the specific exemption relied upon as it would assist in tracking the use of exemptions.</p> <p>Two commenters said the report should allow the issuer or underwriter to identify all categories for which a purchaser is eligible. Otherwise, the information being collected about the use of specific exemptions by individual investors would be incomplete and may raise questions about why one category of exemption was chosen for disclosure over another.</p> <p>Two commenters noted the burden of requiring detailed information about the exemption relied upon. One commenter noted that international dealers have not been previously required to gather this information, which would require them to undertake significant changes to their computer systems to maintain and easily access this information.</p>	<p>Issuers are required to identify a specific exemption relied on in order to distribute their securities. Information regarding the specific exemption relied on supports our compliance programs, policy development and data collection on the exempt market.</p> <p>Following a review of the comments received and considering the cost of compliance relative to the benefit of the information, we have not required the issuer to identify all categories for which a purchaser is eligible.</p>
64.	Repetitive reporting of information	<p>One commenter noted that sections (a), (d), (e) and f(3) are largely repetitive. The commenter would like to see entries streamlined and/or auto-populated in an electronic filing.</p>	<p>Section (a) of Schedule 1 is only required to be provided once. For each purchaser, separate entries are required to be provided for each distribution date, security type and exemption relied on for the distribution.</p> <p>We have developed Excel templates, published concurrently with this Notice, to facilitate the reporting of information required in the schedules. Schedules 1 and 2 must be filed in .xlsx format using these Excel templates.</p>
65.	Reporting information per distribution	<p>Two commenters noted that the report requires information to be provided not only on a per purchaser basis, but also on a per distribution basis. In the case where an investor (or a portfolio manager on behalf of a managed account) purchased units of a fund multiple times over the course of the year, the commenters asked for clarification on whether a separate entry would be required in Schedule 2 for each such purchase. One of these commenters also questioned the relevance of the information and what the CSA would do with the information.</p>	<p>For each purchaser, separate entries are required to be provided for each distribution date, security type and exemption relied on for the distribution.</p> <p>We have developed Excel templates published concurrently with this Notice, to facilitate the reporting of information required in the schedules. Schedules 1 and 2 must be filed in .xlsx format using these Excel templates.</p>

No.	Topic	Comments	Responses
66.	Identifying distribution end date	One commenter noted it may not be possible to provide a distribution end date as required under paragraph a(2) if the distribution is ongoing, as can be the case with distributions by an investment fund.	We have revised this item to require the certification date of the report (as required in Item 10 of the New Report) instead of the distribution end date.
<b>Filing</b>			
67.	Change in filing deadline for investment funds to calendar year-end	<p>Many commenters supported a calendar year-end deadline for investment funds. One commenter thought the change in filing deadline would increase administration costs.</p> <p>Some commenters proposed an extended filing deadline, such as 45-60 days from calendar year-end, to accommodate the increased administrative demands of gathering the additional required information. Another commenter noted that the transitional provisions should provide for an exemption from having to provide the “new” information for trades that were completed prior to a date that is at least 90 days after the amendments come into force.</p> <p>To avoid the situation where an investment fund may be required to file twice in one calendar year during the transition period, the commenters suggested that investment funds be allowed to delay filing the report until the first new filing deadline that is more than 12 months since the date of their previously filed report, or to file an aggregate report as of the next new filing deadline.</p> <p>One commenter noted that additional filing time should be given to private equity funds that corresponds with the investment fund filing period.</p>	<p>We acknowledge the comments of support.</p> <p>We have revised the transition period for investment fund issuers that file annually in response to commenters.</p> <p>We have introduced a transition period to allow investment fund issuers that file annually to use either the Current Report or New Report to report distributions that occur before January 1, 2017.</p> <p>For further guidance on the annual filing deadline and transition period, see Annex H and Staff Notice 45-308, published concurrently with this Notice.</p>
68.	Method to file reports of exempt distribution	<p>One commenter supported electronic filing, noting that this would add efficiencies for issuers and assist in data collection.</p> <p>Some commenters noted the lack of harmonization of the electronic filing systems for exempt market reporting and encouraged regulators to work towards a harmonized electronic filing system. A number of commenters suggested delaying the New Report until the CSA establishes a single, integrated filing system.</p> <p>One commenter suggested issuers be permitted to submit only one cross-country report to an online system with their principal regulator, and the CSA should share this information and reduce duplication of effort on the part of issuers.</p>	<p>Issuers are required to file the New Report electronically in all CSA jurisdictions, except certain foreign issuers when filing on SEDAR. The BCSC is developing a web-based filing system on eServices to accommodate the structured data format of the New Report. Beginning on June 30, 2016, when the New Report is effective, issuers filing in both British Columbia and Ontario will file the New Report with BCSC and 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, the New Report will be required to be filed on SEDAR, except by certain foreign issuers.<sup>2</sup> Both</p>

<sup>2</sup> See Multilateral CSA Notice of Amendments to National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)* and Multilateral Instrument 13-102 *System Fees for SEDAR and NRD*, published on December 3, 2015.

No.	Topic	Comments	Responses
		<p>Some commenters noted that the use of SEDAR for exempt market filings would increase the burden and cost of reporting for issuers and may be problematic for certain issuers, particularly non-Canadian issuers.</p> <p>One commenter recommended that electronic filing forms and filing portals must be designed, tested and proven to be user-friendly. Similarly, another commenter encouraged regulators to adopt filing methods that allow regulators, researchers and governments to easily utilize the data collected.</p> <p>Two commenters raised privacy concerns about personal information being provided in electronic form.</p>	<p>the BCSC's eServices and the OSC's Electronic Filing Portal will generate an electronic copy of the completed report, which issuers can then use to file on SEDAR, if required.</p> <p>A longer-term CSA project is underway to create a single integrated filing system for reports of exempt distribution that would further reduce the regulatory burden on market participants. The integrated filing system is part of the larger CSA National Systems Renewal Program.</p> <p>Staff Notice 45-308, published concurrently with this Notice, contains guidance on how to file the New Report.</p>
69.	Use of Excel templates to file schedules	<p>Some commenters supported the use of the Excel format for the provision of the information in the schedules and two of these commenters were also supportive of the CSA providing templates for these schedules. One commenter asked whether filing in PDF format would be permissible. One commenter asked for clarification on whether the Excel or CSV format would be permissible for filing under Item 8 when providing compensation details.</p>	<p>We acknowledge the comments of support.</p> <p>Issuers must file Schedules 1 and 2 in .xlsx format using the Excel templates developed by the CSA. The Excel templates are being published concurrently with this Notice and available on the website of each CSA member.</p> <p>The Excel templates will assist filers in providing the information required in the schedules in a structured format.</p> <p>The Excel templates include detailed instructions and examples and will improve the consistency and comparability of the information collected through the schedules.</p> <p>Compensation information must be provided in Item 8 of the New Report, and cannot be provided in an Excel or CSV format.</p>
70.	Format for providing information	<p>One commenter suggested the CSA consider the format of current information requirements, such as the risk acknowledgement questionnaire spreadsheet that was used by the OSC in 2014 to collect details with respect to private funds.</p>	<p>We have considered different formats for collecting information required in the schedules and believe the Excel spreadsheet format is best suited for collecting the information in the schedules because it is an accessible and widely used tool.</p> <p>In addition, the Excel templates we have developed for Schedules 1 and 2 will assist filers in providing the required information. They also allow us to collect the information in a structured and organized format to support our compliance programs,</p>

No.	Topic	Comments	Responses
			policy development and data collection purposes.
<b>Other</b>			
71.	Publication of exempt distribution information	<p>One commenter said current reports of exempt distribution must be compiled, summarized and published regularly. Similarly, one commenter noted that in order for the information collected through the report to be useful, it must be available electronically to the public in a format that can be sorted and analyzed. One commenter questioned how the various members of the CSA will work together to consolidate information in filed reports in the various jurisdictions to develop a pan-Canadian view of the exempt markets.</p> <p>One commenter recommended that information collected through the reports, be made available in a format comprehensive to investors before they make their investment decision.</p> <p>One commenter questioned why the OSC was publishing detailed exempt distribution information on its website and why it was necessary to have this information publicly available in a format that can be “used, searched and analyzed” by stakeholders. The commenter also asked how this information would change with the New Report.</p>	<p>Reports filed in British Columbia and through SEDAR will be published and publicly available (with the exception of the non-public schedules) on the BCSC website and on SEDAR. The OSC will continue to publish on its website summaries of exempt distribution information drawn from reports filed in Ontario.</p> <p>A number of CSA jurisdictions also publish on a periodic basis data and statistics on activity in the prospectus exempt market based on the information collected through the reports. However, the CSA does not have the ability to aggregate and reconcile the data collected through the reports across all CSA jurisdictions. An integrated filing system that would allow us to aggregate and reconcile this data is part of a longer-term CSA National Systems Renewal Program.</p>
72.	Effective date	<p>One commenter thought the timeframe to require use of the New Report beginning in January 30, 2016 was very tight.</p>	<p>Provided all ministerial approvals are obtained, the Amendments will come into force on June 30, 2016. This means the New Report is required to be filed for distributions that occur on or after June 30, 2016. There is a transition period which will give investment funds that file annually the option to file either the Current Report or the New Report for distributions that occur before January 1, 2017.</p> <p>For further guidance on the transition to the New Report, see Annex H.</p>
73.	Compliance with existing prospectus exemptions	<p>One commenter noted that securities regulators must take measures to compel compliance with existing rules governing prospectus exemptions and said regulators and governments needed to recognize that disclosure will not be sufficient to provide the necessary level of protection to individual investors.</p>	<p>The CSA recognizes the importance of compliance with its rules governing prospectus exemptions. One of the key objectives of the New Report is to support and improve our oversight of the exempt market and compliance functions.</p>
74.	Helpline for issuers	<p>One issuer suggested the CSA create a telephone helpline for issuers that would be available on an ongoing basis as the proposals would significantly increase the complexity of filings.</p>	<p>To assist filers with preparing and filing the New Report, we have revised Staff Notice 45-308, published concurrently with this Notice. We also plan to develop presentations and webinars to</p>

**Rules and Policies**

No.	Topic	Comments	Responses
			assist filers, and to conduct training seminars for interested stakeholders.
75.	Warning on misrepresentations	One commenter recommended that the potential penalties for making a misrepresentation in the report should be specified at the top of the report in addition to the warning that it is an offence to make a misrepresentation. The commenter also suggested that regulators and governments should ensure there is an appropriate penalty for not completing the information and filing it on time (regardless of whether it is a misrepresentation under securities law).	CSA members have various avenues and penalties they could pursue in the event of a misrepresentation, which depends on the facts and circumstances of each case, including the nature and significance of the misrepresentation. Accordingly, we do not think it is necessary to specify the potential penalties for making a misrepresentation in the report.
76.	Fees	One commenter recommended that the CSA develop a harmonized and rationalized fee structure. The commenter noted that for the most part, various members of the CSA simply accept the filed reports and do not review or comment on the information. The commenter thought that the fee structures adopted by the various provinces should reflect the level of services or activities provided by the various applicable regulators.	The development of a harmonized fee structure is outside the scope of the project.
77.	One report for multiple investment funds	One commenter believed it would be operationally efficient if multiple investment funds could be covered under one form.	Each investment fund is considered to be a separate issuer with separate reporting requirements. It would also be challenging for the CSA from a data collection and analysis perspective if multiple investment funds were covered in one report.

**ANNEX G**

**SUMMARY OF CHANGES TO NEW REPORT SINCE PUBLICATION FOR COMMENT**

Below is a summary of the changes to the New Report since publication for comment, made in response to the comment letters received and the feedback received during our informal consultations.

In addition to the changes summarized below, we have made the following other changes to the New Report from the version published for comment:

- moved definitions from NI 45-106 into the New Report for ease of reference,
- removed the examples in the version of the New Report published for comment,
- made formatting, re-numbering and re-wording changes, and
- clarified some of the instructions.

**A. Removal of Information Requirements and Other Requirements**

**Filing a single report identifying all purchasers**

The current Form 45-106F1 requires issuers making a distribution in more than one jurisdiction of Canada to complete a single report identifying all purchasers, and file the report in each Canadian jurisdiction in which the distribution occurs. We have removed this requirement.

Notwithstanding this change, issuers may continue to satisfy their obligation to file the report by completing a single report identifying all purchasers, and filing it in each Canadian jurisdiction where the distribution occurs.

**Beneficial owners of fully managed accounts**

The Current Reports require information about the beneficial owner of the securities purchased. The New Report published for comment sought to clarify this existing requirement by providing additional guidance regarding the disclosure of the beneficial owners of fully managed accounts.

The New Report will no longer require information about beneficial owners of fully managed accounts. If a trust company, trust corporation or registered adviser described in paragraphs (p) or (q) of the definition of “accredited investor” in section 1.1 of NI 45-106 is deemed to be purchasing the securities as principal on behalf of a fully managed account, the New Report does not require information to be provided about the beneficial owner of the securities. Only information about the trust company, trust corporation or registered adviser is required.

We have made this change for a number of reasons, including:

- the feedback we received noting the burden placed on issuers to obtain this information,
- the prospectus exemption is available for a trust company, trust corporation or registered adviser that is deemed to be purchasing the securities as principal, which does not require the issuer to gather information about the beneficial owner, and
- we can obtain information about the beneficial owner through the trust company, trust corporation or adviser that is registered, if necessary.

**Estimated amount of deferred compensation**

The New Report that was published for comment proposed that the estimated amount of any deferred compensation be provided as part of the requirement to provide details regarding compensation paid to a person by the issuer in connection with the distribution. We have removed this proposed requirement. The New Report only requires the issuer to indicate whether a person will or may receive any deferred compensation and to provide a description of the terms of the deferred compensation.

### Shareholdings of directors, executive officers, promoters and control persons

The New Report published for comment contemplated that certain issuers would be required to disclose the following information regarding their directors, executive officers, promoters and control persons:

- the number of voting securities of the issuer beneficially owned, or directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution, and
- the total price paid for them.

We have removed this proposed requirement as a result of the feedback we received about the burden placed on issuers to obtain this information, the commercial sensitivity of publicly disclosing this information and privacy concerns.

The identities and locations of directors, executive officers and promoters of the issuer are required to be provided in the New Report, which is publicly available; however, their residential addresses must be provided in Schedule 2, which is not publicly available. If a promoter is not an individual, information about the directors and executive officers of the promoter is required.

The following issuers are excluded from the requirement to provide this information:

- investment fund issuers,
- reporting issuers and their wholly owned subsidiaries,
- foreign public issuers and their wholly owned subsidiaries, and
- issuers distributing eligible foreign securities only to permitted clients.

## **B. Revisions to Information Requirements**

### Identities of control persons

The New Report published for comment proposed that the identities of control persons of certain issuers be disclosed in the public part of the report, which is currently required in Form 45-106F6 filed with the BCSC.

We have moved the disclosure of the identities and residential addresses of control persons to Schedule 2, which is not publicly available. If a control person is not an individual, information about the control person's directors and executive officers is required.

We have made this change as a result of the feedback we received about the commercial sensitivity of publicly disclosing this information and privacy concerns. We believe that the identification of control persons is necessary to support our compliance functions, but that this information does not need to be made public.

The following issuers are excluded from the requirement to provide this information:

- investment fund issuers,
- reporting issuers and their wholly owned subsidiaries,
- foreign public issuers and their wholly owned subsidiaries, and
- issuers distributing eligible foreign securities only to permitted clients.

### Currency

We have revised the instructions for the conversion of currency in the New Report to specify the exchange rate that should be used in the following scenarios:

- If the distribution date occurs on a date when the daily noon exchange rate of the Bank of Canada is not available, convert the foreign currency to Canadian dollars using the most recent Bank of Canada closing exchange rate available before the distribution date.

- Investment funds in continuous distribution should convert the foreign currency to Canadian dollars using the average daily noon exchange rate of the Bank of Canada for the distribution period covered by the report.

The Bank of Canada has announced that as of March 1, 2017, it will no longer publish two sets of exchange rates (noon and closing) and will instead publish a single indicative exchange rate each day. We have revised the instructions in the New Report to specify that if this change takes place, foreign currency is to be converted using the single indicative exchange rate instead of the daily noon and closing exchange rates in each of the scenarios described in the instructions. For example, an investment fund in continuous distribution would convert the foreign currency to Canadian dollars using the average daily single indicative exchange rate for the distribution period covered by the report.

### Issuer industry

For issuers involved in certain investment activities that are required to disclose the areas of their primary asset holdings, we have added to the categories available to include “private companies”. This is to capture issuers that invest in other businesses, such as private equity funds.

### Net proceeds to investment funds

We have clarified the meaning of “net proceeds” as part of the requirement to provide the net proceeds to the investment fund by jurisdiction. In the New Report, “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.

## C. Additional Requirements

### Attaching offering materials to the New Report (applicable in Ontario only)

Consistent with the version published for comment, the New Report requires issuers to list all offering materials that are required to be filed or delivered in connection with a distribution made under the securities legislation of Saskatchewan, Ontario, Québec, New Brunswick or Nova Scotia.

For example, issuers are required to list:

- Offering memoranda and any other documents (marketing materials) that are required to be filed under section 2.9 of NI 45-106.
- Offering memoranda that are voluntarily provided, and required to be delivered to the OSC under section 5.4 of OSC Rule 45-501 *Ontario Prospectus and Registration Exemptions*.
- Crowdfunding offering documents and any other distribution documents (term sheets and other materials summarizing information in a crowdfunding offering document) required to be filed under MI 45-108 *Crowdfunding*.

The New Report also includes a new requirement that applies in Ontario only. If the offering materials listed in the New Report are required to be filed or delivered to the OSC, electronic versions of those offering materials are to be attached to and submitted electronically with the New Report on the OSC’s Electronic Filing Portal (if not previously filed with or delivered to the OSC). This allows the OSC to better track and reconcile exempt market filings for data collection purposes and to inform its compliance programs.

### Format for filing Schedules 1 and 2

The New Report published for comment proposed requiring that Schedules 1 and 2 be filed in the format of an Excel spreadsheet. The New Report requires that Excel spreadsheet to be in a form acceptable to the securities regulatory authority or regulator.

This means issuers are required to file Schedules 1 and 2 in .xlsx format using the Excel templates developed by the CSA. The Excel templates, which are being published concurrently with this Notice, are available on the website of each CSA member and at the links below.

- [Schedule 1 template](#)<sup>1</sup>
- [Schedule 2 template](#)<sup>2</sup>

<sup>1</sup> [http://www.securities-administrators.ca/uploadedFiles/Schedule\\_1\\_Form\\_45-106F1\\_En.xlsx](http://www.securities-administrators.ca/uploadedFiles/Schedule_1_Form_45-106F1_En.xlsx)

<sup>2</sup> [http://www.securities-administrators.ca/uploadedFiles/Schedule\\_2\\_Form\\_45-106F1\\_En.xlsx](http://www.securities-administrators.ca/uploadedFiles/Schedule_2_Form_45-106F1_En.xlsx)



The Excel templates will improve the consistency and comparability of the information collected through the schedules. We believe they will also assist filers in providing the information in a structured and organized manner.

**D. Transition to the New Report**

**Issuers other than investment funds filing annually**

All issuers, other than investment fund issuers filing reports annually, must use the New Report for distributions that occur on or after June 30, 2016, when the Amendments come into force. If an issuer completes a distribution before June 30, 2016, and the deadline to file the report occurs after June 30, 2016, the issuer must file the Current 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 issuer may file either the Current Report or the New Report to report such distributions.

**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 Current Report or the New 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 New Report.

Annex H contains further information on the transition to the New Report.

**ANNEX H**  
**TRANSITION TO THE NEW REPORT**

This Annex provides further guidance on the report that should be filed as of June 30, 2016, when the Amendments come into force.

**Issuers other than investment funds filing annually**

All issuers, other than investment fund issuers filing reports annually, must use the New Report for distributions that occur on or after June 30, 2016, when the Amendments come into force. If an issuer completes a distribution before June 30, 2016, and the deadline to file the report occurs after June 30, 2016, the issuer must file the Current 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 issuer may file either the Current Report or the New Report to report such distributions.

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

<b>TABLE 1: FILING THE NEW REPORT</b>			
	<b>Distribution period covered by report</b>	<b>Filing deadline<sup>1</sup></b>	<b>Report required</b>
<b>Issuer 1</b>	June 20, 2016 to June 29, 2016	June 30, 2016	Current Report
<b>Issuer 2</b>	June 21, 2016 to June 30, 2016	July 1, 2016	Current Report <u>or</u> New Report
<b>Issuer 3</b>	June 27, 2016	July 7, 2016	Current Report
<b>Issuer 4</b>	June 28, 2016 to July 1, 2016	July 8, 2016	Current Report <u>or</u> New Report
<b>Issuer 5</b>	June 30, 2016 to July 8, 2016	July 10, 2016 <sup>2</sup>	New Report
<b>Issuer 6</b>	July 4, 2016	July 14, 2016	New Report
<b>Issuer 7</b>	July 5, 2016 to July 14, 2016	July 15, 2016	New 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 Current Report or the New 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 New Report.

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

<sup>1</sup> The report must be filed no later than 10 days after the first distribution in the report.

<sup>2</sup> 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.

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
<b>Investment Fund Issuer 1</b>	Dec 31	Jan 30, 2016	Current Report - For distributions completed between Jan 1, 2015 and Dec 31, 2015	Jan 30, 2017	Current Report <u>or</u> New Report - For distributions completed between Jan 1, 2016 and Dec 31, 2016	Jan 30, 2018	New Report - For distributions completed between Jan 1, 2017 and Dec 31, 2017
<b>Investment Fund Issuer 2</b>	Apr 30	May 30, 2016	Current Report - For distributions completed between May 1, 2015 and Apr 30, 2016	Jan 30, 2017	Current Report <u>or</u> New Report - For distributions completed between May 1, 2016 and Dec 31, 2016	Jan 30, 2018	New Report - For distributions completed between Jan 1, 2017 and Dec 31, 2017
<b>Investment Fund Issuer 3</b>	May 31	Jun 30, 2016	Current Report - For distributions completed between Jun 1, 2015 and May 31, 2016	Jan 30, 2017	Current Report <u>or</u> New Report - For distributions completed between Jun 1, 2016 and Dec 31, 2016	Jan 30, 2018	New Report - For distributions completed between Jan 1, 2017 and Dec 31, 2017
<b>Investment Fund Issuer 4</b>	Jun 30	N/A	N/A	Jan 30, 2017	Current Report <u>or</u> New Report - For distributions completed between Jul, 1 2015 and Dec 31, 2016	Jan 30, 2018	New Report - For distributions completed between Jan 1, 2017 and Dec 31, 2017
<b>Investment Fund Issuer 5</b>	Sept 30	N/A	N/A	Jan 30, 2017	Current Report <u>or</u> New Report - For distributions completed between Oct 1, 2015 and Dec 31, 2016	Jan 30, 2018	New Report - For distributions completed between Jan 1, 2017 and Dec 31, 2017

**ANNEX I-1**  
**LOCAL MATTERS**

**1. Introduction**

The Canadian Securities Administrators (**CSA**) have made amendments (the **rule amendments**) to National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**) to introduce a new harmonized report of exempt distribution (the **New Report**). The CSA have also made related changes to Companion Policy 45-106 *Prospectus Exemptions* (**45-106CP**). Together, the rule amendments and changes are collectively referred to as the **CSA amendments**.

The CSA amendments, including the New Report, will apply in all CSA jurisdictions to both investment fund issuers and non-investment fund issuers that distribute securities under certain prospectus exemptions.

The CSA have also:

- withdrawn CSA Staff Notice 11-316 *Notice of Local Amendments – British Columbia* (**Notice 11-316**), and
- revised CSA Staff Notice 45-308 (Revised) *Guidance for Preparing and Filing Reports of Exempt Distribution under National Instrument 45-106 Prospectus Exemptions* (**Notice 45-308**).

Please refer to the CSA notice (the **CSA Notice**) for a discussion of the substance and purpose of the CSA amendments, withdrawal of Notice 11-316 and changes to Notice 45-308.

**2. Ontario-only amendments**

The Ontario Securities Commission (**OSC** or **we**) have made consequential amendments (**Ontario amendments**) to:

- OSC Rule 11-501 *Electronic Delivery of Documents to the Ontario Securities Commission* (**OSC Rule 11-501**),
- OSC Rule 13-502 *Fees*, and
- OSC Rule 45-501 *Ontario Prospectus and Registration Exemptions* (**OSC Rule 45-501**).

The Ontario amendments repeal Form 45-501F1 *Report of Exempt Distribution* (**45-501F1**) and require the New Report to be filed for distributions made in reliance on the government incentive security prospectus exemption in section 73.5(2) of the *Securities Act* (Ontario). The 45-501F1 is identical to the current Form 45-106F1 *Report of Exempt Distribution* (**45-106F1**), which will be replaced by the New Report. The Ontario amendments are attached to this Annex I.

We have also withdrawn:

- OSC Staff Notice 45-708 *Introduction of Electronic Report of Exempt Distribution on Form 45-106F1*
- OSC Staff Notice 45-709 (Revised) *Tips for Filing Reports of Exempt Distribution*, and
- OSC Staff Notice 45-713 *Reports of Exempt Distribution – Compliance with Filing Requirements*.

**3. Implementation of CSA amendments and Ontario amendments**

On March 22, 2016, the OSC made the CSA amendments and Ontario amendments.

The CSA amendments, Ontario amendments and other required materials were delivered to the Ontario Minister of Finance on April 5, 2016. The Minister may approve or reject the CSA amendments and Ontario amendments or return them for further consideration. If the Minister approves the CSA amendments and Ontario amendments or does not take any further action by June 5, 2016, the CSA amendments and Ontario amendments will come into force on June 30, 2016.

**4. OSC exempt market review**

Changes to the reports of exempt distribution were initiated as part of the OSC's broad review of the exempt market regulatory regime (the **exempt market review**) beginning in 2011.

The original scope of the exempt market review was on the accredited investor and minimum amount prospectus exemptions. On February 27, 2014, the CSA published for comment proposed amendments to the reports of exempt distribution in conjunction with proposed amendments to NI 45-106 relating to the accredited investor and minimum amount prospectus exemptions (the **February 2014 Proposal**). The February 2014 Proposal proposed to gather additional information in the reports related to the category of accredited investor for each purchaser, updated industry categories, and any person being compensated in connection with the distribution, including identifying the purchasers in respect of which the person received compensation.

As a result of feedback received during the original exempt market review, in 2012 the OSC decided to expand the focus of the exempt market review to consider whether there was potential to facilitate greater access to capital through the exempt market, particularly for start-ups and small and medium-sized enterprises, while maintaining an appropriate level of investor protection.

On March 20, 2014, the OSC published a proposal to introduce four new capital raising prospectus exemptions in Ontario, as well as two new reports of exempt distribution (the **March 2014 Proposal**). The two proposed reports of exempt distribution, which the OSC published together with Alberta, Saskatchewan and New Brunswick, were intended to streamline exempt market reporting in applicable jurisdictions and obtain additional information about issuers, registrants and investors to enhance our ability to monitor exempt market activity.

The comments received from the February 2014 Proposal and March 2014 Proposal informed the development of the New Report. The CSA published proposed amendments to NI 45-106 and the New Report for comment on August 13, 2015 for a 60-day comment period that ended on October 13, 2015.

The New Report will facilitate more effective regulatory oversight of the exempt market, which is essential given the new and amended prospectus exemptions adopted in Ontario as part of the exempt market review.

As part of the exempt market review, the OSC has completed the following steps:

- Amendments to the accredited investor and minimum amount prospectus exemptions came into force in Ontario on May 5, 2015.
- The existing security holder prospectus exemption came into force in Ontario on February 11, 2015.
- The family, friends and business associates prospectus exemption came into force in Ontario on May 5, 2015.
- Amendments to the existing rights offering prospectus exemption came into force in Ontario on December 8, 2015.
- The offering memorandum prospectus exemption came into force in Ontario on January 13, 2016.
- The crowdfunding prospectus exemption came into force in Ontario on January 25, 2016.

## 5. The New Report

### *Harmonized report across the CSA*

Issuers and underwriters who rely on certain prospectus exemptions to distribute securities are required to file a report of exempt distribution within the prescribed timeframe. Currently, in all CSA jurisdictions except British Columbia, the form of report is 45-106F1. In British Columbia, the form of report is Form 45-106F6 *British Columbia Report of Exempt Distribution (45-106F6, and together with the 45-106F1, Current Reports)*. The CSA amendments will replace the Current Reports with the New Report, which will apply across the CSA. The New Report is intended to reduce the compliance burden for issuers and underwriters by having a harmonized report of exempt distribution.

While the New Report will be the required form across the CSA, the filing requirements will remain jurisdiction specific. A single integrated filing system for the reports of exempt distribution is part of the longer-term CSA National Systems Renewal Program and is not within the scope of this CSA initiative. We have designed the New Report to be filed using the current filing systems that apply across the CSA.

In British Columbia and Ontario, issuers and underwriters would be required to file the New Report with the British Columbia Securities Commission (BCSC) and 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, the New Report would be required to be filed on the System for Electronic Document Analysis and Retrieval (SEDAR), except by certain foreign issuers. Both the BCSC's eServices and the OSC's Electronic Filing Portal would generate an electronic copy of the completed report, which issuers can then use to file on SEDAR, if required.

*Additional information to monitor exempt market activity*

The New Report will allow us to obtain more information than is presently collected through the Current Reports to facilitate more effective regulatory oversight of the exempt market and to better inform related policy development.

As noted above, the introduction of new capital raising prospectus exemptions in Ontario increases the need for information on exempt market activity. The information collected through the New Report will help us oversee the issuers that use these exemptions and the registrants involved in these distributions. The information will also help inform our compliance oversight programs and risk-based approach.

The New Report has been designed to collect information in a more structured format, which will further facilitate our ability to analyze and use the information, thereby enhancing our oversight of the exempt market.

*Ontario electronic form (e-form)*

Issuers are required to file the report electronically in Ontario, pursuant to OSC Rule 11-501. Accordingly, the New Report will be an e-form in Ontario, available on the OSC's Electronic Filing Portal. In developing the e-form, we are incorporating the use of drop-down menus and other similar features wherever appropriate in order to make the e-form more "user-friendly" and easier to complete. Offering materials that are required to be filed with or delivered to the OSC under certain prospectus exemptions are to be attached as part of the e-form.

**6. Comments received in Ontario**

As noted above, proposed amendments to NI 45-106 and the New Report were published for comment on August 13, 2016. The CSA received 19 written submissions. A summary of the comments submitted to the CSA, together with the CSA's responses, is at Annex F to the CSA Notice.

**7. Questions**

Please refer any questions regarding this notice to:

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**ANNEX I-2**  
**LOCAL RULE AMENDMENTS**

**Amendments to Ontario Securities Commission Rule 11-501**  
***Electronic Delivery of Documents to the Ontario Securities Commission***

1. ***Amendments to Ontario Securities Commission Rule 11-501 Electronic Delivery of Documents to the Ontario Securities Commission is amended by this Instrument.***
2. ***Appendix A is amended by deleting the following row to the table:***

45-501F1	Form 45-501F1 <i>Report of Exempt Distribution</i>
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3. This Instrument comes into force on June 30, 2016.

**Amendments to  
Ontario Securities Commission Rule 13-502 Fees**

1. ***Ontario Securities Commission Rule 13-502 Fees is amended by this Instrument.***
2. ***Column A of Appendix C is amended by deleting “Form 45-501F1 or” in Row B2.***
3. ***Column A of Appendix D is amended by replacing “Forms 45-501F1 and 45-106F1” with “Form 45-106F1” in paragraph C.***
4. This Instrument comes into force on June 30, 2016.



**Amendments to  
Ontario Securities Commission Rule 45-501 *Ontario Prospectus and Registration Exemptions***

1. ***Ontario Securities Commission Rule 45-501 Ontario Prospectus and Registration Exemptions is amended by this Instrument.***
2. ***Section 6.2(1) is amended by replacing “Form 45-501F1” with “Form 45-106F1 Report of Exempt Distribution”.***
3. ***Form 45-501F1 Report of Exempt Distribution is repealed.***
4. This Instrument comes into force on June 30, 2016.