

**CSA Staff Notice 45-320**  
*Exemptions for Certain Foreign Issuers from the Requirement to Identify Purchasers as Registrants or Insiders in Reports of Exempt Distribution*

July 7, 2016

**Introduction**

On April 7, 2016, the Canadian Securities Administrators (the **CSA** or **we**) published amendments to National Instrument 45-106 *Prospectus Exemptions (NI 45-106)*, which came into force in all CSA jurisdictions on June 30, 2016.<sup>1</sup> The amendments to NI 45-106 introduced a new harmonized report of exempt distribution, Form 45-106F1 *Report of Exempt Distribution (Form 45-106F1)*.

This Notice addresses the granting of an exemption for certain foreign issuers from the requirement in Schedule 1 of Form 45-106F1 to identify whether a purchaser is a registrant or an insider of the issuer.

**Substance and Purpose**

In Schedule 1 of Form 45-106F1, issuers and underwriters are required to identify whether a purchaser is a registrant or an insider of the issuer. This requirement is found in clauses (f)1 and (f)2<sup>2</sup> of Schedule 1, respectively. In general, this information is necessary for securities regulators to identify connections between purchasers and issuers, which facilitates our oversight of the exempt market and supports our compliance programs.

Since publication of Form 45-106F1 on April 7, 2016, the CSA has been advised of concerns expressed by foreign issuers and dealers conducting offerings into Canada about the requirement to determine whether a purchaser is a registrant or an insider of the issuer, as those terms are defined under Canadian securities law.

In light of these concerns, relief is being provided from the requirement to disclose whether a purchaser is a registrant or an insider of the issuer if one or more of the following apply:

- (a) the issuer is a foreign public issuer;<sup>3</sup>
- (b) the issuer is a wholly owned subsidiary of a foreign public issuer;<sup>4</sup>
- (c) the issuer is distributing eligible foreign securities only to permitted clients.<sup>5</sup>

This relief aligns with the exemptions already provided to certain foreign issuers in Item 9 and Schedule 2 of Form 45-106F1.

<sup>1</sup> It is expected the amendments to NI 45-106 will come into force in Saskatchewan but not on June 30, 2016.

<sup>2</sup> Clause (f)2 is not applicable if the issuer is an investment fund.

<sup>3</sup> “Foreign public issuer” is defined in Part B1 of Form 45-106F1.

<sup>4</sup> Guidance on what is a wholly owned subsidiary of a foreign public issuer is provided in Item 9 of Form 45-106F1.

<sup>5</sup> “Eligible foreign security” and “permitted client” are defined in Part B1 of Form 45-106F1.

All CSA members, except Ontario, are issuing blanket orders effective June 30, 2016.<sup>6</sup> The blanket orders are available on the websites of the applicable CSA members and a list of the blanket orders is contained in Annex A of this Notice.

As blanket orders are not authorized under Ontario securities law, the Ontario Securities Commission (the **OSC**) has approved an amendment instrument (the **Ontario Amendment**) providing the same relief that will amend NI 45-106 in Ontario only. If the Ontario Minister of Finance approves the Ontario Amendment within 60 days of delivery of the Ontario Amendment, it will come into force 15 days after the Ontario Amendment is approved. More detail of the Ontario Amendment is provided in Chapter 5 of the July 7, 2016 OSC Bulletin, and is also available on the OSC website at <http://www.osc.gov.on.ca>.

## **Annex to Notice**

Annex A – List of Blanket Orders

## **Questions**

If you have any questions about this Notice, please contact any of the following:

### **Jo-Anne Matear**

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

### **Daphne Wong**

Legal Counsel, Corporate Finance Branch  
Ontario Securities Commission  
416-593-8125  
dwong@osc.gov.on.ca

### **Kevin Yang**

Senior Research Analyst, Strategy and Operations  
Ontario Securities Commission  
416-204-8983  
kyang@osc.gov.on.ca

### **Frederick Gerra**

Legal Counsel, Investment Funds and Structured  
Products  
Ontario Securities Commission  
416-204-4956  
fgerra@osc.gov.on.ca

### **Lina Creta**

Senior Accountant, Compliance and Registrant  
Regulation Branch  
Ontario Securities Commission  
416-593-8963  
lcreta@osc.gov.on.ca

### **Victoria Steeves**

Senior Legal Counsel, Corporate Finance  
British Columbia Securities Commission  
604-899-6791  
vsteeves@bcsc.bc.ca

### **Jody-Ann Edman**

Assistant Manager, Financial Reporting  
British Columbia Securities Commission  
604-899-6698  
jedman@bcsc.bc.ca

---

<sup>6</sup>As Saskatchewan's amendments to NI 45-106 will come into force after June 30, 2016, Saskatchewan will issue the blanket order when the amendments are effective.

**Christopher Peng**

Legal Counsel, Corporate Finance  
Alberta Securities Commission  
403-297-4230  
christopher.peng@asc.ca

**Tony Herdzik**

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

**Georgia Koutrikas**

Analyst, Corporate Finance  
Autorité des marchés financiers  
514-395-0337 ext: 4393  
georgia.koutrikas@lautorite.qc.ca

**Ella-Jane Loomis**

Senior Legal Counsel, Securities  
Financial and Consumer Services Commission  
(New Brunswick)  
506-658-2602  
ella-jane.loomis@fcnb.ca

**Jack Jiang**

Securities Analyst, Corporate Finance  
Nova Scotia Securities Commission  
902-424-7059  
jack.jiang@novascotia.ca

**John O'Brien**

Superintendent of Securities  
Office of the Superintendent of Securities  
Government of Newfoundland and Labrador  
709-729-4909  
JohnOBrien@gov.nl.ca

**Thomas W. Hall**

Superintendent of Securities  
Department of Justice  
Government of the Northwest Territories  
867-767-9305  
tom\_hall@gov.nt.ca

**Steven Weimer**

Team Lead, Compliance, Data & Risk  
Alberta Securities Commission  
403-355-9035  
steven.weimer@asc.ca

**Wayne Bridgeman**

Deputy Director, Corporate Finance  
Manitoba Securities Commission  
204-945-4905  
wayne.bridgeman@gov.mb.ca

**Suzanne Boucher**

Senior Analyst, Investment Funds  
Autorité des marchés financiers  
514-395-0337 ext: 4477  
suzanne.boucher@lautorite.qc.ca

**Kevin G. Redden**

Director, Corporate Finance  
Nova Scotia Securities Commission  
902-424-5343  
kevin.redden@novascotia.ca

**Steven D. Dowling**

Acting Director  
Consumer, Labour and Financial Services Division  
Department of Justice and Public Safety  
Government of Prince Edward Island  
902-368-4551  
sddowling@gov.pe.ca

**Rhonda Horte**

Securities Officer  
Office of the Yukon Superintendent of Securities  
Government of Yukon  
867-667-5466  
rhonda.horte@gov.yk.ca

**Jeff Mason**

Superintendent of Securities  
Department of Justice  
Government of Nunavut  
867-975-6591  
jmason@gov.nu.ca

**ANNEX A**

**LIST OF BLANKET ORDERS**

Alberta Securities Commission

Alberta Securities Commission Blanket Order 45-518 Exemption Regarding Certain Purchaser Information

British Columbia Securities Commission

BC Instrument 45-537 Exemptions from certain requirements in Form 45-106F1 Report of Exempt Distribution.

The Manitoba Securities Commission

Blanket Order 45-504 Exemptions from Certain Requirements in Form 45-106F1 Report of Exempt Distribution

Financial and Consumer Services Commission (New Brunswick)

Blanket Order No. 45-510 In the matter of exemptions from certain requirements in Form 45-106F1 Report of Exempt Distributions

Government of Newfoundland and Labrador, Office of the Superintendent of Securities

Blanket Order Number 100

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

Blanket Order 45-503 Exemptions from certain requirements in Form 45-106F1 Report of Exempt Distribution

Nova Scotia Securities Commission

Blanket Order No. 45-527

Government of Nunavut, Department of Justice

Blanket Order 45-503 Exemptions from certain requirements in Form 45-106F1 Report of Exempt Distribution

Prince Edward Island Superintendent of Securities

Blanket Order 45-512 Exemptions from certain requirements in Form 45-106F1 Report of Exempt Distribution

Autorité des marchés financiers

Décision n° 2016-PDG-0099 Décision générale relative à la dispense pour certains émetteurs étrangers de fournir certains renseignements exigés dans la déclaration de placement avec dispense établie en la forme prévue à l'Annexe 45-106A1 du *Règlement 45-106 sur les dispenses de prospectus*

Financial and Consumer Affairs Authority of Saskatchewan

General Order 45-502 *Exemptions from certain requirements in Form 45-106F1 Report of Exempt Distribution*

Office of the Yukon Superintendent of Securities

Superintendent Order 2016/02 Exemptions from certain requirements in Form 45-106F1 Report of Exempt Distribution