

Chapter 5

Rules and Policies

5.1.1 CSA Notice of Amendments Related to the Recognition of Aequitas NEO Exchange Inc.



Canadian Securities
Administrators

Autorités canadiennes
en valeurs mobilières

CSA Notice of Amendments Related to the Recognition of Aequitas NEO Exchange Inc.

September 3, 2015

Introduction

The Canadian Securities Administrators (the **CSA** or **we**) are implementing amendments to:

- National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**);
- National Instrument 44-101 *Short Form Prospectus Distributions* (**NI 44-101**);
- National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**);
- National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**);
- Except in Ontario, Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets* (**MI 51-105**);
- National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (**NI 52-109**);
- National Instrument 52-110 *Audit Committees* (**NI 52-110**);
- National Instrument 58-101 *Disclosure of Corporate Governance Practices* (**NI 58-101**);
- In Ontario and Québec, Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (**MI 61-101**);
- National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* (**NI 71-102**); and
- National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (**NI 81-101**).

We are also implementing changes to:

- National Policy 46-201 *Escrow for Initial Public Offerings* (**NP 46-201**).

The amendments to NI 41-101, NI 44-101, NI 45-106, NI 51-102, MI 51-105, NI 52-109, NI 52-110, NI 58-101, MI 61-101, NI 71-102 and NI 81-101 and related changes to NP 46-201 are collectively referred to in this Notice as the “**Amendments and Related Changes**”.

The Amendments and Related Changes are expected to be adopted by each member of the CSA, where applicable, and provided all necessary ministerial approvals are obtained, will be effective November 17, 2015.

Substance and Purpose of the Amendments and Related Changes

The Amendments and Related Changes are intended to address the differences in treatment of certain reporting issuers under current securities legislation that have arisen as a result of references to specific exchanges under current securities legislation and the recognition of Aequitas NEO Exchange Inc. (**Aequitas NEO Exchange**) as an exchange pursuant to section 21 of the *Securities Act* (Ontario) and the exemption from the requirement to be recognized in other jurisdictions, namely British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut. These changes aim to ensure that securities legislation applies consistently to issuers listed on Aequitas NEO Exchange and issuers listed on other senior recognized exchanges. Investors will benefit directly from the Amendments and Related Changes as issuers listed on Aequitas NEO Exchange will be subject to the same regulatory requirements as issuers listed on other senior recognized exchanges and the industry will benefit from a harmonized regulatory regime.

Background

The CSA previously requested comment on proposals reflected in the Amendments and Related Changes. On December 11, 2014, we published a Notice and Request for Comment relating to the Amendments and Related Changes (the **December 11 Materials**). Please refer to the December 11 Materials for further background.

Summary of Written Comments Received by the CSA

We did not receive any comments during the comment period.

Local Matters

Annex M 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. It also includes any additional information that is relevant to that jurisdiction only.

Questions

Please refer your questions to any of the following:

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Contents of Annexes

The Amendments and Related Changes are set out in the following annexes to this Notice:

Annex A	Amendments to NI 41-101
Annex B	Amendments to NI 44-101
Annex C	Amendments to NI 45-106
Annex D	Amendments to NI 51-102
Annex E	Amendments to MI 51-105
Annex F	Amendments to NI 52-109
Annex G	Amendments to NI 52-110
Annex H	Amendments to NI 58-101
Annex I	Amendments to MI 61-101
Annex J	Amendments to NI 71-102
Annex K	Amendments to NI 81-101
Annex L	Changes to NP 46-201
Annex M	Local Matters

ANNEX A

Amendments to
National Instrument 41-101 *General Prospectus Requirements*

1. **National Instrument 41-101 General Prospectus Requirements is amended by this Instrument.**
2. **Section 1.1 is amended**
 - (a) **by adding the following definition:**

“Aequitas personal information form” means a personal information form for an individual prepared pursuant to Aequitas NEO Exchange Inc. Form 3, as amended from time to time; ,
 - (b) **in paragraph (c) of the definition of “IPO venture issuer”, by adding the following subparagraph:**

(i.1) Aequitas NEO Exchange Inc., , **and**
 - (c) **in the definition of “personal information form” by deleting “or” at the end of paragraph (a), by adding “, or” at the end of paragraph (b), and by adding the following paragraph:**
 - (c) a completed Aequitas personal information form submitted by an individual to Aequitas NEO Exchange Inc., to which is attached a completed certificate and consent in the form set out in Schedule 1 – Part B of Appendix A; .
3. **Subsection (4) of the Instruction under Item 1.9 of Form 41-101F1 is amended by adding “Aequitas NEO Exchange Inc.,” after “on the Toronto Stock Exchange,”.**
4. **Item 20.11 of the Instruction to Form 41-101F1 is amended by adding “Aequitas NEO Exchange Inc.,” after “on the Toronto Stock Exchange, ”.**
5. This Instrument comes into force on November 17, 2015.

ANNEX B

**Amendments to
National Instrument 44-101 *Short Form Prospectus Distributions***

- 1. *National Instrument 44-101 Short Form Prospectus Distributions is amended by this Instrument.***
- 2. *Section 1.1 is amended by replacing the definition of “short form eligible exchange” with the following:***

“short form eligible exchange” means each of the Toronto Stock Exchange, Tier 1 and Tier 2 of the TSX Venture Exchange, Aequitas NEO Exchange Inc., and the Canadian Securities Exchange; .
- 3. This Instrument comes into force on November 17, 2015.**

ANNEX C

**Amendments to
National Instrument 45-106 Prospectus Exemptions**

1. ***National Instrument 45-106 Prospectus Exemptions is amended by this Instrument.***
2. ***Section 2.22 is amended in paragraph (a) of the definition of “listed issuer” by adding the following subparagraph:***
 - (ii.1) Aequitas NEO Exchange Inc., .
3. This Instrument comes into force on November 17, 2015.

ANNEX D

**Amendments to
National Instrument 51-102 *Continuous Disclosure Obligations***

1. ***National Instrument 51-102 Continuous Disclosure Obligations is amended by this Instrument.***
2. ***Section 1.1 is amended in the definition of “venture issuer” by adding “Aequitas NEO Exchange Inc.,” after “Toronto Stock Exchange, ”.***
3. This Instrument comes into force on November 17, 2015.

ANNEX E

**Amendments to
Multilateral Instrument 51-105 Issuers Quoted in the U.S. Over-the-Counter Markets**

1. ***Multilateral Instrument 51-105 Issuers Quoted in the U.S. Over-the-Counter Markets is amended by this Instrument.***
2. ***Section 1 is amended in paragraph (b) of the definition of “OTC issuer” by adding the following subparagraph:***
(viii) Aequitas NEO Exchange Inc.; .
3. This Instrument comes into force on November 17, 2015.

ANNEX F

**Amendments to
National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings**

1. **National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings is amended by this Instrument.**
2. **Section 1.1 is amended in the definition of "venture issuer" by adding "Aequitas NEO Exchange Inc.," after "Toronto Stock Exchange, ".**
3. This Instrument comes into force on November 17, 2015.

ANNEX G

**Amendments to
National Instrument 52-110 Audit Committees**

1. ***National Instrument 52-110 Audit Committees is amended by this Instrument.***
2. ***Section 1.1 is amended in the definition of “venture issuer” by adding “Aequitas NEO Exchange Inc.,” after “Toronto Stock Exchange, ”.***
3. This Instrument comes into force on November 17, 2015.

ANNEX H

**Amendments to
National Instrument 58-101 *Disclosure of Corporate Governance Practices***

- 1. *National Instrument 58-101 Disclosure of Corporate Governance Practices is amended by this Instrument.***
- 2. *Section 1.1 is amended in the definition of “venture issuer” by adding “Aequitas NEO Exchange Inc.,” after “Toronto Stock Exchange, ”.***
- 3. *Section 1.3 is amended by replacing paragraph (c) with the following:***
 - (c) an exchangeable security issuer or credit support issuer that is exempt under sections 13.3 and 13.4 of NI 51-102, as applicable; and .
- 4. This Instrument comes into force on November 17, 2015.**

ANNEX I

Amendments to
Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*

1. ***Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions is amended by this Instrument.***
2. ***In the following provisions, “Aequitas NEO Exchange Inc.,” is added after “Toronto Stock Exchange, ”:***
 - (a) ***paragraph 4.4(1)(a);***
 - (b) ***paragraph 5.5(b);***
 - (c) ***subparagraph 5.7(1)(b)(i).***
3. This Instrument comes into force on November 17, 2015.

ANNEX J

Amendments to
National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*

1. ***National Instrument 71-102 Continuous Disclosure and Other Exemptions Relating to Foreign Issuers is amended by this Instrument.***
2. ***Section 1.1 is amended by replacing the definition of “marketplace” with the following:***

“marketplace” has the same meaning as in National Instrument 21-101 Marketplace Operation; .
3. ***In the following provisions, “, Aequitas NEO Exchange Inc., the Canadian Securities Exchange” is added after “on the TSX”:***
 - (a) paragraph 4.7(2)(a);
 - (b) paragraph 5.8(2)(a).
4. This Instrument comes into force on November 17, 2015.

ANNEX K

**Amendments to
National Instrument 81-101 *Mutual Fund Prospectus Disclosure***

1. ***National Instrument 81-101 Mutual Fund Prospectus Disclosure is amended by this Instrument.***
2. ***Section 1.1 is amended***
 - (a) ***by adding the following definition:***

“Aequitas personal information form” means a personal information form for an individual prepared pursuant to Aequitas NEO Exchange Inc. Form 3, as amended from time to time; ***and***
 - (b) ***in the definition of “personal information form”, by deleting “or” at the end of paragraph (a), by adding “, or” at the end of paragraph (b), and by adding the following paragraph:***
 - (c) a completed Aequitas personal information form submitted by an individual to Aequitas NEO Exchange Inc., to which is attached a completed certificate and consent in the form set out in Schedule 1 – Part B of Appendix A to National Instrument 41-101 *General Prospectus Requirements*; .
3. This Instrument comes into force on November 17, 2015.

ANNEX L

Changes to
National Policy 46-201 *Escrow for Initial Public Offerings*

1. ***The changes to National Policy 46-201 Escrow for Initial Public Offerings are set out in this annex.***
2. ***Section 3.2 is changed by deleting “or” at the end of paragraph (a) and by adding the following paragraph:***
 - (a.i) has securities listed on Aequitas NEO Exchange Inc. and is a Closed End Fund, Exchange Traded Fund or Exchange Traded Product (as defined in the Aequitas NEO Exchange Inc. Listing Manual as amended from time to time); or .
3. ***Subsection 3.3(2) is changed by deleting “or” at the end of paragraph (a), by adding “or” at the end of paragraph (b) and by adding the following paragraph:***
 - (c) has securities listed on Aequitas NEO Exchange Inc. and is not an exempt issuer. .
4. ***Subsection 4.4(1) is changed by replacing paragraph (a) with the following:***
 - (a) lists its securities on the TSX or Aequitas NEO Exchange Inc.; .
5. ***Item 3 of Form 46-201F1 is changed in section 3.1 by replacing paragraph (a) with the following:***
 - (a) lists its securities on the Toronto Stock Exchange Inc. or Aequitas NEO Exchange Inc.; .
6. These changes become effective on November 17, 2015.

ANNEX M

ONTARIO SECURITIES COMMISSION
NOTICE OF AMENDMENTS

Ontario Amendment

On July 28, 2015, the Ontario Securities Commission:

- made the amendments to
 - National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**);
 - National Instrument 44-101 *Short Form Prospectus Distributions* (**NI 44-101**);
 - National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**);
 - National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**);
 - National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (**NI 52-109**);
 - National Instrument 52-110 *Audit Committees* (**NI 52-110**);
 - National Instrument 58-101 *Disclosure of Corporate Governance Practices* (**NI 58-101**);
 - Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (**MI 61-101**);
 - National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* (**NI 71-102**); and
 - National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (**NI 81-101**),pursuant to section 143 of the *Securities Act* (Ontario) (the **Act**) (the **CSA Amendments**),
- made the amendments to Ontario Securities Commission Rule 56-501 *Restricted Shares* (**OSC Rule 56-501**), as set out in Schedule 1 to this Annex pursuant to section 143 of the Act (the **Ontario Amendment**, and together with the CSA Amendments, the **Amendments**) and
- adopted the changes to NP 46-201 pursuant to section 143.8 of the Act (the **Changes**).

The CSA Amendments are described in the related CSA notice (the **CSA Notice**) to which this Ontario Securities Commission notice (the **Commission Notice**) is appended.

The Ontario Amendment revises the list of exchanges described under subsection 2.2(1) of OSC Rule 56-501 to include the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange and Aequis NEO Exchange Inc. Subsection 2.2(1) of OSC Rule 56-501 provides for the disclosure of the appropriate restricted share term if restricted shares and the appropriate restricted share term, or a code reference to restricted shares or the appropriate restricted share term, are included in a trading record published by an exchange listed in such subsection.

Substance and Purpose

Please refer to the section entitled "Substance and Purpose of the Amendments and Related Changes" in the CSA Notice.

Delivery to the Minister

The Amendments and other required materials were delivered to the Minister of Finance on August 24, 2015. The Minister may approve or reject the Amendments or return them for further consideration. If the Minister approves the Amendments or does not take any further action by October 23, 2015, the Amendments and the Changes will come into force on November 17, 2015.

Summary of Written Comments

We did not receive any comments.

Questions

Please refer your questions to:

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SCHEDULE 1

Ontario Securities Commission Rule 56-501 *Restricted Shares*

Ontario Amendment Instrument

1. **Ontario Securities Commission Rule 56-501 *Restricted Shares* is amended by this Instrument.**
2. **Subsection 2.2(1) is amended by replacing** “The Montreal Exchange, the Vancouver Stock Exchange, The Alberta Stock Exchange, the Winnipeg Stock Exchange or the CDN system,” **with** “the TSX Venture Exchange, the Canadian Securities Exchange or Aequitas NEO Exchange Inc., ”.
3. This Instrument comes into force on November 17, 2015.