



CURRENT DEVELOPMENTS

Canadian Securities Matters

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Canadian Securities: New guidance

CSA Notice Regarding Coordinated Blanket Order 41-930 Exemptions from Certain Prospectus and Disclosure Requirements

On April 17, 2025, the CSA published substantively harmonized exemptions from certain prospectus and disclosure requirements. Every member of the CSA is implementing the relief through the following local blanket orders entitled:

- Coordinated Blanket Order 41-930 Exemptions from Certain Prospectus and Disclosure Requirements (**the prospectus and disclosure blanket order**); and
- Coordinated Blanket Order 45-930 Prospectus Exemption for New Reporting Issuers (**the new reporting issuer blanket order**)

In addition, Alberta, New Brunswick, Nova Scotia, Ontario, Quebec and Saskatchewan are publishing a substantively harmonized exemption modifying the investment limit in the offering memorandum exemption in these jurisdictions. The participating jurisdictions are implementing relief through a local blanket order entitled:

- Coordinated Blanket Order 45-933 Exemption from the Investment Limit under the Offering Memorandum Prospectus Exemption to Exclude Reinvestment Amounts (**the offering memorandum blanket order**)

The prospectus and disclosure blanket order

The prospectus and disclosure blanket order is intended to streamline certain requirements with a view to reducing the time and costs of preparing disclosure related to prospectus filings, restructuring transactions and bids, without compromising investor protection.

Under the prospectus and disclosure blanket order, issuers may:

- exclude audited annual financial statements and operating statements for the third most recently completed financial year in their IPO prospectuses,

circulars or material change reports that are filed in relation to restructuring transactions. The blanket order provides that issuers and offerors filing a prospectus are exempt from the requirements under Form 41-101F1 *Information Required in a Prospectus* to provide third-year historical financial and operating statements. Specifically for the statement of comprehensive income, statement of changes in equity, statement of cash flows and operating statement for oil & gas acquisitions.

- include, subject to certain conditions, prices, total numbers and total dollar amounts of offered securities (or the range of such prices, numbers and amounts, as well as certain other information) in marketing materials and standard term sheets distributed during the waiting period without first disclosing the information in a preliminary prospectus or an amendment to a preliminary prospectus. This exemption from the requirements in NI 41-101 *General Prospectus Requirements* is under the condition that before an investment dealer provides potential investors with the standard term sheet or marketing materials containing specified pricing information, the issuer issues and files a news release containing the specified pricing information; and all information in the standard term sheet and marketing materials, other than the specified pricing information, information mathematically derived from the specified pricing information and contact information for the investment dealer or underwriters, is disclosed in or derived from, the preliminary prospectus or any amendment to the preliminary prospectus.
- exclude promoter certificates from a prospectus where the promoter signs a certificate to the prospectus in another capacity or in Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick and Nova Scotia. This exemption applies other than a prospectus qualifying the distribution of asset-backed securities, for issuers that have been reporting issuers for at least 24 months, and

where the promoter is not a director, officer or control person of the issuer.

The new reporting issuer blanket order

Under the new reporting issuer blanket order, within the 12 month period after a receipt is issued for a final long form IPO prospectus for an underwritten offering, the issuer may, in total, distribute up to the lesser of \$100,000,000 or 20% of the aggregate market value of the issuer’s listed equity securities on the date the issuer issues the news release announcing the first offering in reliance on the exemption in the order. The securities distributed under the new reporting issuer blanket order must be of the same class qualified under the IPO prospectus, and the price offered per security must not be less than the price per security distributed under the IPO prospectus.

Before soliciting an offer to purchase, issuers must file a news release and an offering document on SEDAR+ using the following approach

Applicable Document	Filing Category	Filing Type/ Sub-Type	Description
News Release	Continuous Disclosure	News Releases	News Release
Offering document	Continuous Disclosure	News Releases	Offering material

The offering document must include, among other information, details of the offering, disclosure of any material fact relating to the securities being distributed that has not already been disclosed in a document filed by the issuer, a description of the issuer’s business objectives, recently developments and use of processed and a contractual right to cancel the agreement to purchase within two days of purchase and if there is a misrepresentation in the offering document or certain other documents, a contractual right of rescission or action for damages.

The new reporting issuer blanket order imposes some restrictions on when the exemption can be used. For example, it cannot be used by any issuer for a restructuring transaction or any other transaction that requires securityholder approval, and further it cannot be used by venture issuers for acquisitions that would be significant acquisitions under Part 8 of NI 51-102. It also requires post-distribution reporting.

The offering memorandum blanket order

In the participating jurisdictions, the offering memorandum exemption includes certain investment limits for individual investors who do not meet the definition of “accredited investor,” including a limit of \$100,000 if the investor receives advice from a registered dealer or registered adviser that the investment itself is suitable for the investor.

The blanket order provides an exemption from the 12 month \$100,000 investment limit, such that a re-investment of proceeds of disposition of an investment in the same issuer does not count towards such investment limit, provided that the investor receives advice from a registered dealer or registered adviser that the re-investment of proceeds any new investment under the offering memorandum exemption continues to be suitable for the investor.

In Ontario and Nova Scotia, an issuer distributing securities in reliance on the exemption in the offering memorandum blanket order must provide written notice including specified information to the regulator or securities regulatory authority within ten days of the distribution.

The blanket orders are effective from April 17, 2025 and expires based on the term limits for blanket order in the jurisdiction.

CSA Notice Regarding Amendments to NI 81-102 Investment Funds Pertaining to Crypto Assets

On April 17, 2025, The CSA are adopting amendments to NI 81-102 *Investment Funds* and changes to Companion Policy 81-102 *Investment Funds*.

The Amendments and CP Changes are a key phase of the CSA’s implementation of a regulatory framework for Public Crypto Asset Funds (the Project). The Project’s objectives are to review existing requirements, provide guidance, and then implement a regulatory framework relating to Public Crypto Asset Funds that ensures adequate investor protection and mitigates potential risks while providing greater regulatory clarity for product development and management.

Amendments

- (i) The definition of “alternative mutual fund” is being amended to also include a mutual fund that invests in crypto assets

- (ii) Amendments to investment restriction in section 2.3 to permit only alternative mutual funds and non-redeemable investment funds to buy, sell, hold or use crypto assets directly. This restriction would also apply to investing indirectly in crypto assets through specified derivatives. Mutual funds, other than alternative mutual funds, will only be permitted to invest in crypto assets by (a) investing in underlying alternative mutual funds or non-redeemable funds that invest in crypto assets, subject to the fund of fund restrictions in subsection 2.5(2) of NI 81-102 or (b) investing in a specified derivative for which the underlying interest is a crypto asset, provided the specified derivatives meets the criteria described below.
- (iii) Inclusion of provision that will apply specifically to custodians and sub-custodians that hold crypto assets on behalf of an investment fund (a Crypto Custodian). These provisions largely codify existing practices of Crypto Custodians and are supplemented by additional guidance in 81-102CP (a) section 6.5.1 will require Crypto Custodian to keep crypto assets in offline storage (usually referred to as “cold wallet” storage), except as needed to facilitate purchases and sales or other portfolio transactions in the fund and (b) section 6.7 will be amended to include a requirement for a Crypto Custodian to obtain, on an annual basis, a report prepared by a public accountant assessing the Crypto Custodian’s service commitments and system requirements relating to its custody of crypto assets and to deliver this report to the fund. If the Crypto Custodian is the fund’s subcustodian, the report will also have to be delivered to the fund’s custodian.
- (iv) Subsection 9.4(2) is being amended to permit mutual funds that hold crypto assets to accept those crypto assets as subscription proceeds, subject to the following conditions (a) the mutual fund is permitted to purchase the applicable crypto asset, the crypto asset is acceptable to the fund’s portfolio advisor, and holding the asset is consistent with the fund’s investment objectives, and (b) the crypto

assets accepted by the mutual fund as subscription proceeds for the mutual fund’s securities must be of at least equal value to the issue price of the mutual fund’s securities received in exchange

Changes to 81-102CP

- (i) Guidance is being added relating to what the CSA will generally consider to be crypto assets for the purpose of investment funds regulation, though it is noted that this is not intended to be the legal definition of the term.
- (ii) A new section is being added (3.3.01) which will clarify that the listing on a “recognized exchange” requirements for funds investing crypto assets in section 2.3 of NI 81-102 is not intended to restrict funds to only purchasing crypto assets through such exchange. A fund may purchase crypto assets from other sources as well, including crypto trading platforms, as long as the crypto asset meets the criteria set out in subsection 2.3(1.3) of NI 81-102.
- (iii) A new subsection 8.1(2) is being added which provides guidance as to how the standard of care for custodians and sub-custodians set in section 6.6 of NI 81-102 might apply in the context of Crypto Custodians
- (iv) A new subsection 8.3(2) is being added which will clarify that the reporting requirement for Crypto Custodians in section 6.7. of NI 81-102 can be met by obtaining a System and Organization Controls 2 Type II Report, prepared by a public accountant, in accordance with the framework developed by the American Institute of Chartered Public Accountants

CSA Notice Regarding Coordinated Blanket Order 45-935 Exemptions from Certain Conditions of the Lister Issuer Financial Exemption

On May 14, 2025, The CSA published substantively harmonized relief from certain conditions of the listed issuer financing exemption in Part 5A of National Instrument 45-106 *Prospectus Exemptions*. Every member of the CSA is implementing the relief through a local blanket order entitled Coordinated Blanket Order

45-935 *Exemptions from Certain Conditions of the Listed Issuer Financing Exemption*.

Under the exemption, listed reporting issuers are limited to raising the greater of \$5,000,000 and 10% of the issuer's aggregate market value to a maximum of \$10,000,000 in a 12-month period, subject to a 50% dilution limit. The blanket order provides relief from these conditions by allowing listed reporting issuers to raise the greater of \$25,000,000 and 20% of the aggregate market value of the issuers listed securities to a maximum of \$50,000,000 in a 12-month period, subject to different provisions related to the 50% dilution limit.

The blanket order provides that for the purposes of the 50% dilution limit:

- the timing for calculating the outstanding securities is (i) the date of the new release announcing the offering if an issuer has not relied on the exemption or the blanket order in the last 12 months or (ii) the date of the news release announcing the first offering completed in reliance on the exemption or the blanket order in the last 12 months; and
- issuers can exclude securities issuable on exercise of warrants from the calculation if they are not convertible within 60 days of closing of the offering

In addition, under the blanket order, the distribution cannot

- result in a new control person, or
- result in a person or company acquiring ownership or, or exercising control of direction over, securities that would result in the person or company being entitled to elect a majority of directors

The blanket order came into effect on May 15, 2025, and expires based on the term limits for blanket orders in the jurisdiction.

CSA Staff Notice 45-330 (Revised) – Frequently Asked Questions About the Listed Issuer Financing Exemption

On May 14, 2025, the CSA published a revised list of frequently asked questions on the listed issuer financing exemption under Part 5A of NI 45-106 *Prospectus Exemptions* adopted by all securities regulatory authorities in Canada in November 2022 and blanket order 45-935 *Exemptions from Certain Conditions of the Listed Issuer Financing Exemption* published on May 14, 2025.

For a complete list of FAQs please refer to CSA Staff Notice 45-330 (Revised).

CSA Notice of Publication – Amendments and Changes to Certain National Instruments and Policies related to the Senior Tier of the Canadian Securities Exchange, the Cboe Canada Inc. and AQSE Growth Market Name Changes, and Majority Voting Form of Proxy Requirements

On June 19, 2025, the CSA published in final form amendments to

- NI 41-101 *General Prospectus Requirements*
- NI 44-101 *Short Form Prospectus Distributions*
- NI 45-106 *Prospectus Exemptions*
- NI 51-102 *Continuous Disclosure Obligations*
- Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*
- NI 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*
- NI 52-110 *Audit Committees*
- NI 58-101 *Disclosure of Corporate Governance Practices*
- Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*
- NI 62-104 *Take-Over Bids and Issuer Bids*
- NI 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*
- NI 81-101 *Mutual Fund Prospectus Disclosure*

As well as final form changes to

- Companion Policy 44-101CP to NI 44-101 *Short Form Prospectus Distribution*
- National Policy 46-201 *Escrow for Initial Public Offerings*

The purpose of the Amendments and Changes is to address the following

- the Canadian Securities Exchange (the CSE) creating, by amendments to its listing policies, a senior tier (the CSE Senior Tier), which is intended to be a non-venture tier but is currently categorized as a venture marketplace in securities legislation,
- ensuring that CSE Senior Tier issuers are treated the same way under securities legislation as issuers listed on other non-venture exchanges,
- the name change of the PLUS markets to AQSE Growth Market as a result of PLUS Markets Group plc selling those markets,
- the name change of Aequitas Neo Exchange Inc. (NEO) to Cboe Canada Inc. as a result of Cboe Global's acquisition of NEO, and
- amendments to the Canada Business Corporations Act (CBCA) dealing with "majority voting", which amendments may have created uncertainty about the voting options required to be provided to securityholders in uncontested director elections of CBCA-incorporated reporting issuers and those required under securities legislation.

The Amendments are expected to be adopted by each member of the CSA, where applicable, and provided all necessary regulatory and ministerial approvals are obtained, the Amendments will come into force on September 19, 2025.

Canadian Securities: Proposed guidance

Proposed Amendments to OSC Rule 48-501 Trading During Distributions, Formal Bids and Share Exchange Transactions and Proposed Changes to Companion Policy 48-501 Trading During Distributions, Formal Bids and Share Exchange Transactions

On June 5, 2025, the Ontario Securities Commission published for a 90-day comment period, proposed amendments to OSC Rule 48-501 *Trading during Distributions, Formal Bids and Share Exchange Transactions* and consequential changes to the Companion Policy to Rule 48-501.

The Proposed Amendments prohibit any person or company who made a short sale of a security during the period commencing five business days prior to pricing of a prospectus offering or private placement of the same class of securities sold short from buying securities in the offering unless an exemption is available. The purchase of securities in the offering is prohibited even if (i) the short seller had no prior knowledge of the offering, (ii) the offering did not constitute a “material fact” or “material change” (either, material information) concerning the issuer, and (iii) the short sales had no impact on the market price of the securities sold.

The comment period ends on September 3, 2025.

CSA Notice and Request for Comment - Proposed Repeal and Replacement of NI 43-101 Standards of Disclosure for Mineral Projects

On June 12, 2025, the CSA published for a 120-day comment period, a proposal to repeal and replace the current NI 43-101 *Standards of Disclosure for Mineral Projects* and Form 43-101F1 *Technical Report* with a streamlined instrument and form.

The CSA is also proposing to rescind and replacement the current Companion Policy 43-101CP with a new companion policy.

The proposed replacements (the Modernized Disclosure Requirements) aim to update and enhance Canada’s mining disclosure regime to address evolving disclosure practices and policy considerations identified by CSA staff and to reflect changes in the industry and investor expectations.

The Modernized Disclosure Requirements include the following amendments and changes

- Changes to terms and definitions
- New CIM definitions
- Royalty issuer technical reports
- Environment and social issues
- Indigenous Peoples, rightsholders and communities
- Current personal inspection requirement
- Removal of deferred current personal inspection
- Mineral resource disclosure
- Adjacent properties
- Data verification
- Disclaimers
- Written disclosure and material mineral projects
- Relevant scientific and technical information
- Other amendments and changes
- Companion policy
- Consequential amendments and changes
- Local matters

The public comment period will end on October 10, 2025.

CSA Consultation Paper 81-409 – Enhancing Exchange-Trade Fund Regulation: Proposed Approaches and Discussions

On June 19, 2025, the CSA published consideration of potential amendments to the investment funds regulatory framework for exchange-traded funds (ETFs).

In recent years, as ETFs have grown, multiplied and evolved, regulators in other jurisdictions have developed and implemented requirements or published consultations, recommendations, and guidance for ETFs. Currently, under the CSA's investment fund rules, ETFs are regulated under a substantially similar framework as conventional mutual funds, as both types of products are "mutual funds" under securities legislation by virtue of their offering of securities that are redeemable on demand at net asset value (NAV). While the existing regulatory framework addresses some features of ETFs, it is not highly tailored to them.

The CSA is publishing the Consultation Paper which outlines the potential gaps that may need to be addressed and proposes enhancements to the regulatory framework for ETFs, for a 120-day comment period to gather stakeholder views on the issues and proposals outlined. The proposals primarily impact ETFs and their managers, but also affect investors and their advisors, dealers that provide liquidity for ETFs and listing exchanges.

The consultation period expires October 17, 2025.

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