

CSA Notice of Amendments to National Instrument 51-102 *Continuous Disclosure Obligations*, National Instrument 41-101 *General Prospectus Requirements* and National Instrument 52-110 *Audit Committees*

April 9, 2015

Introduction

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

- National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**),
- National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**), and
- National Instrument 52-110 *Audit Committees* (**NI 52-110**) (the **Amendments**).

We are also implementing changes to:

- Companion Policy 51-102CP to NI 51-102 (**51-102CP**), and
- Companion Policy 41-101CP to NI 41-101 (**41-101CP**).

The Amendments and policy changes have been made by each member of the CSA. Provided all necessary ministerial approvals are obtained, the Amendments and policy changes will come into force on **June 30, 2015**.

Substance and Purpose

The Amendments streamline and tailor disclosure by venture issuers. They are intended to make the disclosure requirements for venture issuers more suitable and manageable for issuers at their stage of development. The Amendments address continuous disclosure and governance obligations as well as disclosure for prospectus offerings.

The Amendments are designed to focus disclosure of venture issuers on information that reflects the needs and expectations of venture issuer investors and eliminate disclosure obligations that may be less valuable to those investors. The Amendments are also intended to streamline the disclosure requirements for venture issuers to allow management of those issuers to focus on the growth of their business. In addition, the Amendments include enhancements to the governance requirements for venture issuers.

The Amendments also, for all issuers:

- revise the annual information form disclosure for mining issuers to conform that disclosure to the amendments made to National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (NI 43-101) in 2011
- clarify the executive compensation disclosure filing deadlines.

Background

The CSA previously requested comment on proposals reflected in the Amendments and policy changes. On May 22, 2014, we published a Notice and Request for Comment relating to the Amendments and policy changes (the **May 2014 Publication**).

Prior to the May 2014 Publication, we had proposed a separate continuous disclosure and corporate governance regime for venture issuers. In July 2011 and September 2012, we published for comment proposed National Instrument 51-103 *Ongoing Governance and Disclosure Requirements for Venture Issuers* and related rule amendments (the **Previous Proposals**).

While more comprehensive than the Amendments, the Previous Proposals contained many of the same key elements, including streamlined quarterly financial reporting, executive compensation disclosure and business acquisition reporting. Support for the Previous Proposals was initially strong; however, support for the September 2012 publication fell significantly and the CSA withdrew its proposal in July 2013. Feedback from the venture issuer community indicated that the benefits from streamlining and tailoring were outweighed by the burden of transition to a new regime, particularly at a time when many venture issuers were facing significant challenges.

The Amendments retain important elements from the Previous Proposals. Rather than implementing them as part of a stand-alone, tailored regime for venture issuers, we are implementing them on a targeted basis by amending existing rules.

Summary of Written Comments Received by the CSA

The comment period for the May 2014 Publication ended on August 20, 2014. We received submissions from 13 commenters. We considered the comments received and thank all of the commenters for their input. The names of commenters are contained in Annex B of this notice and a summary of their comments, together with our responses, is contained in Annex C of this notice.

Summary of Changes to the May 2014 Publication

After considering the comments received on the May 2014 Publication, we have made some revisions to the May 2014 Publication. Those revisions are reflected in the Amendments and policy changes we are publishing concurrently with this notice. As these changes are not material, we are not republishing the Amendments and policy changes for a further comment period.

Annex A contains a summary of notable changes between the Amendments and policy changes and the May 2014 Publication.

Local Matters

Annex F includes any additional information that is relevant in the local jurisdiction only.

Contents of Annexes

The following annexes form part of this CSA Notice:

Annex A	Summary of Changes
Annex B	List of Commenters
Annex C	Summary of Comments and Responses
Annex D1	Amendments to NI 51-102
	Amendments to NI 41-101
Annex D2	Amendments to NI 52-110
	Changes to 51-102CP
Annex D3	Changes to 41-101CP
	Local Matters
Annex E1	
Annex E2	
Annex F	

Questions

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