

Annex B
Other Proposed Amendments to NI 45-106

**AMENDING INSTRUMENT FOR NATIONAL INSTRUMENT 45-106 PROSPECTUS
EXEMPTIONS**

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

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

1.8 Designation of insider – In Ontario, for the purpose of this Instrument, 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. *Section 6.1 is amended by*

a. adding the following subsections:

(0.1) For the purpose of Form 45-106F1

“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; or
- (c) the issuer is required to provide disclosure relating to the issuer and the trading in its securities to the public, to securityholders of the issuer or to a regulatory authority and that disclosure is publicly available in a designated foreign jurisdiction;

“Global Legal Entity Identifier System” means the system developed by The Legal Entity Identifier Regulatory Oversight Committee for the identification of parties to financial transactions;

“legal entity identifier” means

- (a) in the case when the Global Legal Entity Identifier System is available to a person, a unique identification code assigned to the person in accordance with the standards set by the Global Legal Entity Identifier System, or
- (b) in the case when the Global Legal Entity Identifier System is unavailable to a person, a unique identification code assigned to the person which 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 filer profile” means a profile required under section 5.1 [*Electronic filing of Filer Profile Information*] of National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)*;

“The Legal Entity Identifier System Regulatory Oversight Committee” means the international working group established by the Finance Ministers and the Central Bank Governors of the Group of Twenty nations and the Financial Stability Board, under the Charter of the Regulatory Oversight Committee for the Global Legal Entity Identifier System dated November 5, 2012.;

(0.2) For the purpose of Form 45-106F1, a person is connected with an issuer or an investment fund manager if either of the following apply:

- (a) one of them is controlled by the other;
- (b) each of them is controlled by the same person.; **and**

b. adding “completed” immediately after “file a” in subsection (1).

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

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 replacing Form 45-106F1 Report of Exempt Distribution with the following:

[Note to reader: Please see the Proposed Report set out in Annex A].

8. Form 45-106F6 British Columbia Report of Exempt Distribution is repealed.

9. (1) Subject to subsection (2), this Instrument comes into force on [●].

(2) Section 4 of this Instrument comes into force on December 31, 201[●].