

Annex B

Blackline showing changes to Multilateral Instrument 45-108 *Crowdfunding* published for comment March 20, 2014

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Multilateral Instrument 45-108 *Crowdfunding*

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PART 1
DEFINITIONS AND INTERPRETATION

Definitions

~~(1)~~

1. In this Instrument

~~“Canadian financial institution” has the same meaning as “accredited investor” means~~

~~except in Ontario, an accredited investor as in section 1.1 [Definitions] of NI 45-106;~~

(a) ~~“connected issuer” has the same meaning as defined in section 1.1 [Definitions] of National Instrument 33-105 Underwriting Conflicts; 45-106 Prospectus Exemptions, and~~

(b) ~~“in Ontario, an accredited investor as defined in subsection 73.3(1) of the the Securities Act, R.S.O. 1990 c. S.5 and in National Instrument 45-106 Prospectus Exemptions;~~

~~“aggregate minimum proceeds” means the amount disclosed in item 5.2 of the crowdfunding offering document” means the document referred that is sufficient to in section 15 [Disclosure at time accomplish the business objectives of distribution—the issuer;~~

~~“Canadian Financial Statement Review Standards” means standards for the review of financial statements by a public accountant determined with reference to the Handbook;~~

~~“confirmation of investment limits form” means a completed Form 45-108F3 Confirmation of Investment Limits;~~

~~“crowdfunding offering document;” means a completed Form 45-108F1 Crowdfunding Offering Document together with any amendment to that document and any document incorporated by reference in such document therein;~~

~~“crowdfunding prospectus exemption” means the exemption from the prospectus requirement in section 7 5 [Crowdfunding prospectus exemption];~~

~~“debt security” has the same meaning as in section 1.1 [Definitions] of NI 45-106;~~

~~“director” has the same meaning as in section 1.1 [Definitions] of NI 45-106;~~

~~“distribution period” means the period referred to in the crowdfunding offering document during which an eligible crowdfunding issuer offers its securities to purchasers in reliance on the crowdfunding prospectus exemption and that ends no later than 90 days after the date the issuer first offers its securities to potential purchasers; ;~~

~~“eligible crowdfunding issuer” means an issuer referred to if all of the following apply:~~

(a) ~~the issuer and, if applicable, its parent are incorporated or organized under the laws of Canada or any jurisdiction of Canada;~~

(b) ~~the head office of the issuer is located in section 8 [Availability of Canada;~~

(c) a majority of the directors of the issuer are resident in Canada;

(d) the principal operating subsidiary of the issuer, if any, is incorporated or organized under

(i) the laws of Canada or any jurisdiction of Canada, or

(ii) the laws of the United States of America or any state or territory of the United States of America or the District of Columbia;

(e) the issuer is not an investment fund;

“eligible securities” means securities of an eligible crowdfunding issuer having the same price, terms and conditions that are distributed under the crowdfunding prospectus exemption ~~to issuers~~; during the distribution period and are any one or more of the following:

“eligible securities” means any of the following:

(a) a common share;

(b) a non-convertible preference share;

(c) a security convertible into securities referred to ~~paragraphs in paragraph~~ (a) or (b);

(d) a non-convertible debt security linked to a fixed or floating interest rate;

(e) a unit of a limited partnership;

(f) a flow-through share under the ITA;

“executive officer” ~~has the same meaning as in section 1.1 [Definitions] of NI 45-106;~~ means an individual who is

“interim financial report” means the interim financial report described in subsections 4.3(2) and (2.1) [Interim financial report] of NI 51-102;

“interim period” has the same meaning as in section 1.1 [Definitions] of NI 51-102;

“investment fund” has the same meaning as in National Instrument 81-106 Investment Fund Continuous Disclosure;

(a) a chair, vice-chair or president,

(b) a chief executive officer or chief financial officer,

(c) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or

(d) performing a policy-making function in respect of the issuer;

“funding portal” means

(a) a registered dealer funding portal, or

(b) a restricted dealer funding portal;

“issuer access agreement” means ~~an~~ a written agreement entered into between an issuer and a registered funding portal containing all of the following:

~~(a) the terms and conditions under which the eligible crowdfunding issuer proposes to offer securities through the registered funding portal;~~

and a

~~(b) confirmation that the issuer will comply with the registered funding portal’s posting policies, including confirmation that the information that the issuer provides to the registered funding portal or posts on the registered funding portal’s website will~~

in

~~(i) comply with applicable securities legislation;~~

~~(ii) not contain unduly promotional statements or material that cannot be reasonably supported or any misrepresentation;~~

~~(iii) be presented in a fair and balanced manner, and~~

~~(iv) not be misleading;~~

~~(c) confirmation by the issuer that it is responsible for compliance with applicable securities laws, including those pertaining to reliance on prospectus exemptions, the drafting, delivery and filing of offering documents, the filing of reports of exempt distribution and the payment of filing fees; section 26 [Issuer access agreement];~~

~~(d) a requirement for the issuer to prepare and send to its security holders that invest through the registered funding portal’s website annual financial statements and a notice detailing the actual use of the gross proceeds received by the issuer under the crowdfunding prospectus exemption as required under sections 23 [Annual financial statements] and 24 [Annual disclosure of use of proceeds];~~

~~(e) such other terms and conditions as may be required by the registered funding portal;~~

“issuer group” means:

the

(a) an eligible crowdfunding issuer;

(b) an affiliate of the eligible crowdfunding issuer; and

(c) any other issuer

~~(e)(i) that is engaged in a common enterprise with the eligible crowdfunding issuer or with an affiliate of the eligible crowdfunding issuer; or~~

~~“issuer’s GAAP” has the same meaning as in NI 52-107;~~

~~“marketplace” has the same meaning as in National Instrument 21-101 Marketplace Operation;~~

~~(ii) “NI 31-103” means that is controlled, directly or indirectly, by the same person or company or persons or companies that control, directly or indirectly, the eligible crowdfunding issuer;~~

~~“permitted client” means a permitted client as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;~~

~~“NI 45-106” means National Instrument 45-106 *Prospectus and Registration Requirements*;~~

~~“NI 51-102” means National Instrument 51-102 *Continuous Disclosure Obligations*;~~

~~“NI 52-107” means “personal” National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;~~

~~“person” has the same meaning as in section 1.1 [Definitions] of NI 45-106;~~

~~“posting policies” means policies and procedures established by a registered funding portal governing the information that an issuer may post on the registered funding portal’s website;~~

~~“Principal Regulator” has the same meaning as in section 1.3 [form] means a completed Form 45-108F5 *Personal Information may be given Form and Authorization to the principal regulator*] of NI 31-103 *Collect, Use and Disclose Personal Information*;~~

~~“private enterprise” has the same meaning as in section 3.1 [Definitions and application] of NI 52-107;~~

~~“publicly accountable enterprise” has the same meaning as in section 3.1 [Definitions and application] of NI 52-107;~~

~~“public accounting firm” has the same meaning as in section 1.1 [Definitions] of National Instrument 52-108 *Auditor Oversight*;~~

~~“real estate issuer” means an issuer that is~~

- ~~(a) — a real estate investment trust;~~
- ~~(b) — a mortgage investment entity, or~~
- ~~(c) — a person that primarily invests in, or develops, real estate, or derives its revenues primarily from investments in real estate;~~

~~“registered firm” means a registered dealer, a registered adviser, or a registered investment fund manager;~~

~~“registered individual” means an individual who is registered~~

- ~~(a) — in a category that authorizes the individual to act as a dealer or an adviser on behalf of a registered firm;~~
- ~~(b) — as an ultimate designated person, or~~
- ~~(c) — as a chief compliance officer;~~

~~“registered funding portal” means a person or company ~~who~~ that~~

- (a) is registered in the category of ~~restricted investment~~ dealer, or exempt market dealer under National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, and
- (b) acts or proposes to act as an intermediary in a distribution of eligible securities made through an online platform in reliance on the crowdfunding prospectus exemption, and
- (c) ~~is in compliance with the restrictions and obligations imposed on a registered funding portal in Part 3 of this Instrument;~~

~~“related issuer” has the same meaning as in section 1.1 [Definitions] of National Instrument 33-105 Underwriting Conflicts;~~

~~“restricted dealer funding portal” means a person or company that~~

- (a) is registered in the category of restricted dealer under National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations,
- (b) is authorized under the terms and conditions of its restricted dealer; registration to distribute securities under this Instrument.

~~“restricted portfolio manager” means a person acts or company registered proposes to act as an intermediary in the category a distribution of restricted portfolio manager eligible;~~

~~“SEC issuer” has the same meaning as in section 1.1 [Definitions] of NI 52-107;~~

~~“subsidiary” means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary;~~

~~“U.S. GAAP” has the same meaning as in section 1.1 [Definitions] of NI 52-107.~~

Interpretation of affiliate

~~2. For the purpose of this Instrument, an issuer is an affiliate of another issuer if~~

- (a) ~~one of them is the subsidiary of the other, or~~
- (b) ~~each of them is controlled by the same person.~~

Control

~~3. For the purpose of this Instrument, a person (first person) is considered to control another person (second person) if~~

- (a) ~~the first person beneficially owns or directly or indirectly exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation,~~
- (b) ~~the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or~~

~~(c) the second person is a limited partnership and the general partner of the limited partnership is the first person.~~

Registration requirement

~~(c) An exemption in this Instrument from the through an online platform in reliance on the crowdfunding prospectus requirement that refers to an exemption,~~

~~(d) is not registered dealer is only available for a trade in a security if the any other registration category, and~~

~~(e) in Ontario, is not an affiliate of another registered dealer is, registered in a category that permits adviser, or registered investment fund manager;~~

~~“right of withdrawal” means the trade right referred to in section 8 [Right of withdrawal] or a comparable right described in securities legislation of the jurisdiction in which the purchaser resides;~~

~~“risk acknowledgement form” means a completed Form 45-108F2 Risk Acknowledgement;~~

~~“SEC issuer” means an SEC issuer as defined in National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards;~~

~~“U.S. AICPA Financial Statement Review Standards” means the standards of the American Institute of Certified Public Accountants for a review of financial statements by a public accountant, as amended from time to time.~~

Terms defined or interpreted in other instruments

~~4.2. (1) Unless otherwise defined herein, in Part 2 [Crowdfunding prospectus exemption], each term has the meaning ascribed, or interpretation given, to it in National Instrument 45-106 Prospectus Exemptions.~~

~~Definition of trade (2) Unless otherwise defined herein, in Part 3 [Requirements for funding portals], each term has the meaning ascribed, or interpretation given, to it in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations.~~

Purchaser

~~3. References to a “client” in a provision of any instrument with which a funding portal is required to comply under Part 3 [Requirements for funding portals], must be read as if the references are to a “purchaser”.~~

Specifications – Québec

~~5.4. For the purpose of this Instrument, in (1) In Québec, “trade” in this Instrument refers to any of the following activities:~~

~~(a) the activities described in the definition of “dealer” in section 5 of the Securities Act (R.S.Q., c. chapter V-1.1), including the following activities:~~

~~(i) the sale or disposition of a security by onerous title, whether the terms of payment be on margin, installment or otherwise, but does not include a transfer~~

- or the giving in guarantee of securities in connection with a debt or the purchase of a security, except as provided in paragraph (b);
- (ii) participation as a trader in any transaction in a security through the facilities of an exchange or a quotation and trade reporting system;
- (iii) the receipt by a registrant of an order to buy or sell a security;
- (b) a transfer or the giving in guarantee of securities of an issuer from the holdings of a control person in connection with a debt.

Language

(2) In Québec, ~~an issuer must file a~~the crowdfunding offering document and ~~any other document required~~materials that are made available to ~~be delivered under~~purchasers by a reporting issuer in accordance with this Instrument ~~are documents authorized by the Autorité des marchés financiers for use in lieu of a prospectus.~~

~~6.~~(3) In Québec, the crowdfunding offering document and materials that are made available to purchasers in accordance with this Instrument must be drawn up in French only or in French and English.

PART 2 CROWDFUNDING PROSPECTUS EXEMPTION

Division 1: ~~Offering~~Distribution requirements

Crowdfunding prospectus exemption

~~7.5.~~(1) The prospectus requirement does not apply to a distribution by an eligible crowdfunding issuer of ~~securities~~an eligible security of its own issue to a ~~purchaser~~person or company that purchases the security as principal if all of the following apply:

- ~~(a) — the securities are eligible securities of an eligible crowdfunding issuer;~~
- ~~(b) — the sum of the following does not exceed \$1,500,000:~~

~~(a) — the aggregate~~ the issuer offers the securities during the distribution period and the distribution period ends no later than 90 days after the date the issuer first offers its securities to purchasers;

~~(i) — the total proceeds to be raised under the distribution;~~

~~(ii) — the aggregate proceeds to be raised under a concurrent distribution under the crowdfunding prospectus exemption by any issuer in the issuer group;~~

~~(iii)~~(b) ~~the aggregate proceeds received by the issuer group under distributions made in reliance on the crowdfunding prospectus exemption during~~ does not exceed \$1,500,000 within the 12-month period immediately preceding ~~ending on the beginning last day of the distribution period;~~

- (c) in Ontario, the acquisition cost of the securities acquired by the purchaser
 - (i) in the case of a purchaser that is not an accredited investor, does not exceed
 - (A) \$2,500 for the distribution, and
 - (B) \$10,000 for all distributions in reliance on the crowdfunding prospectus exemption in the same calendar year,
 - (ii) in the case of a purchaser that is an accredited investor that is not a permitted client, does not exceed
 - (A) \$25,000 for the distribution, and
 - (B) \$50,000 for all distributions in reliance on the crowdfunding prospectus exemption in the same calendar year, and
 - (iii) in the case of a purchaser that is a permitted client, is not limited;
 - (d) except is conducted in Ontario, the acquisition cost of the securities acquired by the purchaser
 - (i) in the case of a purchaser that is not an accredited investor, does not exceed \$2,500 for the distribution, and
 - (ii) in the case of a purchaser that is an accredited investor, does not exceed \$25,000 for the distribution;
 - ~~(e)~~(e) the issuer distributes the securities through a ~~registered~~single funding portal;
 - ~~(d)~~ the distribution is made during the distribution period;
 - ~~(e)~~ the purchaser purchases the securities as principal;
 - (f) at or before the time that the purchaser enters into an agreement to purchase the security, securities, the issuer makes available to the purchaser, through the funding portal, a crowdfunding offering document that is in compliance with
 - (i) the issuer makes available to the purchaser the section 7 [*Certificates*] and section 8 [*Right of withdrawal*], and
 - (ii) section 9 [*Liability for misrepresentation – reporting issuers*] or section 10 [*Liability for untrue statement – non-reporting issuers*], as applicable.
- (2) The crowdfunding offering document through the registered funding portal in compliance with section 15 [*Disclosure at time of prospectus exemption*] is not available if any of the following apply:**
- (a) the proceeds of the distribution –are used by the issuer to invest in, merge with or acquire an unspecified business;

- ~~(b)~~ the issuer is not a reporting issuer, and the issuer previously distributed securities in reliance on the crowdfunding ~~offering document~~, and prospectus exemption and is not in compliance with any of the following:
- ~~(i)~~ section 15 [*Filing or delivery of distribution materials*];
 - ~~(ii)~~ section 16 [*Annual financial statements*];
 - ~~(iii)~~ section 17 [*Annual disclosure of use of proceeds*];
 - ~~(iv)~~ section 19 [*Period of time for providing ongoing disclosure*];
 - ~~(v)~~ section 20 [*Books and records*];
 - ~~(vi)~~ in New Brunswick, Nova Scotia and Ontario, section 18 [*Notice of specified key events*];
- ~~(c)~~ the issuer is a reporting issuer and is not in compliance with its reporting obligations under securities legislation, including under this Instrument;
- ~~(d)~~ the issuer has previously commenced a distribution under this section and that distribution has not closed, been withdrawn or otherwise terminated.

Conditions for closing of the distribution

6. A distribution in reliance on the crowdfunding prospectus exemption must not close unless

- ~~(a)~~ the right of withdrawal has expired,
- ~~(b)~~ the aggregate ~~the issuer obtains a signed~~ minimum proceeds have been raised through one or both of the following:
 - ~~(i)~~ the distribution;
 - ~~(ii)~~ any concurrent distributions by any member of the issuer group, provided that the proceeds from those distributions are unconditionally available to the eligible crowdfunding issuer at the time of closing of the distribution,
- ~~(c)~~ the issuer has provided to the funding portal written confirmation of the proceeds of the concurrent distributions referred to in subparagraph (b)(ii), if any,
- ~~(d)~~ the issuer has received
 - ~~(i)~~ the purchase agreement entered into between the issuer and the purchaser,
 - ~~(ii)~~ a risk acknowledgement ~~from form for~~ the purchaser ~~in compliance with section 20~~ [*Risk acknowledgement*].

~~Availability of crowdfunding prospectus exemption to issuers~~

~~8. (1) For where the purposes of section 7 [Crowdfunding prospectus exemption], an eligible crowdfunding issuer means an issuer if all of purchaser positively confirms having read and understood the following apply:~~

~~risk warnings~~

~~(a) the issuer, and if applicable, the parent and the principal operating subsidiary of the issuer, are incorporated or organized under the laws of Canada or a jurisdiction of Canada;~~

~~(b) the head office of the issuer is situated in Canada;~~

~~(c) a majority of the directors of the issuer are resident in Canada.~~

~~(2) Despite subsection (1), a real estate issuer that is not a reporting issuer is not an eligible crowdfunding issuer.~~

~~(3) Despite subsection (1), an investment fund is not an eligible crowdfunding issuer.~~

~~(ii) Despite section 7 [Crowdfunding prospectus exemption], information in the crowdfunding prospectus exemption does not apply to a distribution of offering document.~~

~~(4) except in Ontario, confirmation and validation that the purchaser is an issuer in a distribution period accredited investor if~~

~~(a) the issuer does not have a written business plan setting out its business or proposed business, its goals or milestones and the plan for reaching those goals or milestones; or~~

~~(b) the proceeds of the distribution will be used primarily by the issuer to invest in, merge with or acquire another unspecified business.~~

~~(5) Despite section 7 [Crowdfunding prospectus exemption], the crowdfunding prospectus exemption does not apply to a distribution of an issuer in a distribution period if the issuer has previously distributed securities in reliance on the crowdfunding prospectus exemption and the issuer is not in compliance with sections 23, 24, 25, 26 and 27 with respect to that distribution.~~

~~Investment limits~~

~~9. Despite section 7 [Crowdfunding prospectus exemption], a distribution of securities to a purchaser may not be made in reliance of the crowdfunding prospectus exemption if~~

~~(a) the acquisition cost to the purchaser of securities distributed under the crowdfunding prospectus exemption exceeds \$2,500, or~~

~~(b) the sum of the following exceeds \$10,000:~~

~~(i) the acquisition cost referred to in paragraph (a);~~

~~(ii)(iii) the acquisition cost of all other securities previously distributed to the purchaser in the same calendar year in reliance on the crowdfunding prospectus exemption is greater than \$2,500, and~~

Restriction on lending

(iv) ~~_____ An issuer, or in Ontario, a director or executive officer confirmation of the issuer, must not lend or finance, or arrange lending or financing, investment limits form for at the purchaser to purchase securities, and~~

(e) ~~_____ the closing occurs within 30 days of the issuer under end of the distribution period.~~

Certificates

~~10. (1) A crowdfunding prospectus exemption.~~

Prohibition on distributions through multiple registered funding portals

~~11. _____ For the purposes of offering document made available under paragraph 7(5)(f) [Crowdfunding prospectus exemption], during the distribution period, an issuer must not use more than one registered funding portal to conduct a distribution of securities under the crowdfunding prospectus exemption.~~

~~1~~

Terms and conditions of securities to be distributed

~~12. _____ Despite section 7 [Crowdfunding prospectus exemption], all securities distributed under the crowdfunding prospectus exemption during a distribution period must have the same price, terms and conditions.~~

Full subscription of distribution and financial resources available

~~13. (1) _____ Despite section 7 [Crowdfunding prospectus exemption], a distribution in reliance on the crowdfunding prospectus exemption must not be completed by the issuer unless~~

~~(a) _____ the minimum amount of funds to be raised under the crowdfunding prospectus exemption, as specified in the crowdfunding offering document, has been subscribed for, and~~

~~(b) _____ at the time of completion of the distribution, the issuer has~~

~~(i) _____ financial resources sufficient to achieve the next milestone set out in the issuer's written business plan, or~~

~~(ii) _____ if the issuer does not have any milestones set out in the issuer's written business plan, financial resources sufficient to carry out the activities set out in the written business plan.~~

~~(2) _____ For the purposes of subsection (1), the issuer's financial resources include~~

~~(a) _____ the net proceeds of the distribution under the crowdfunding prospectus exemption;~~

~~(b) _____ the net proceeds of any distribution under a prospectus exemption, other than the crowdfunding prospectus exemption; and~~

~~(c) _____ any other financial resources of the issuer.~~

~~(3) _____ Prior to proceeds being transferred to the issuer, the issuer must confirm to the registered funding portal that the conditions in subsection (1) have been satisfied.~~

~~Concurrent distributions under other prospectus exemptions~~

~~14. If an issuer distributes a security under a prospectus exemption other than the crowdfunding prospectus exemption during the period beginning on the first day of the distribution period and ending one month after the end of the distribution period, the security must have the same price, terms and conditions as the security distributed under the crowdfunding prospectus exemption.~~

~~Disclosure at time of distribution – crowdfunding offering document~~

~~15. (1) For the purposes of subparagraph 7(f)(i) [Crowdfunding prospectus exemption], a crowdfunding offering document must contain~~

~~(a) the disclosure required by Form 45-108F1, and~~

~~7. a certificate signed~~executed~~ by the issuer in accordance with the applicable ~~provision~~provisions of Appendix A, ~~stating~~which~~

~~(b)(a) if the issuer is a reporting issuer, states that “This crowdfunding offering document does not contain a misrepresentation. Purchasers of securities have ~~rights~~a right of action ~~and withdrawal~~ in the case of a misrepresentation.””, or~~

~~(b) if the issuer is not a reporting issuer, states that “This crowdfunding offering document does not contain an untrue statement of a material fact. Purchasers of securities have a right of action in the case of an untrue statement of a material fact.”~~

~~(2) A certificate under ~~paragraph subsection~~ (1)(b) must be true as at the date the certificate is signed ~~and as of the date the~~, the date the crowdfunding offering document is made available to purchasers and the time of the closing of the distribution.~~

~~(3) If a certificate under subsection (1) ceases to be true after a crowdfunding offering document is made available to a ~~potential purchaser~~, the issuer must~~

~~(3) Despite section 7 [Crowdfunding prospectus exemption], if a certificate under paragraph (1)(b) ceases to be true after it is made available to a potential purchaser, amend the issuer must not accept an offer to purchase the security from the purchaser unless~~

~~(a) an amended and restated crowdfunding offering document ~~is posted on the website of the registered funding portal and is made available to the purchaser,~~~~

~~(b)(a) ~~the amended and restated crowdfunding offering document contains~~ and provide a newly dated certificate ~~signed~~executed by the issuer in accordance with the applicable provisions of Appendix A, and~~

~~(c) provide the purchaser reconfirms its offer, or does not withdraw its offer, to purchase the security prior to the end of the distribution period.~~

~~(4) A amended crowdfunding offering document ~~cannot be posted on any website other than the website of the registered~~ to the funding portal ~~through which~~for the distribution is being conducted.~~

~~Disclosure at time~~ purpose of ~~distribution — marketing materials~~

~~(b) (1) — The only materials that may be made~~ making it available to ~~potential~~ purchasers.

Right of withdrawal

~~16. — by an issuer during a distribution period in connection with a distribution under~~ If the securities legislation of the jurisdiction in which a purchaser resides does not provide a comparable right, the crowdfunding prospectus exemption are

~~(a) — the crowdfunding offering document,~~

~~(b) — a document that is described in the crowdfunding offering document, and~~

~~(c) — a term sheet or other summary, including a video, of the information that is included in the crowdfunding offering document.~~

~~8. (2) — The documents referred to in subsection (1) must be made available to potential purchasers through the website of the registered funding portal through which the distribution will be made.~~

Delivery of distribution materials

~~17. — The issuer must deliver a copy of the documents referred to in subsection 16(1) [*Disclosure at the time of distribution — marketing materials*] to the securities regulatory authority at the time that they are posted on the website of the registered funding portal.~~

Advertising and general solicitation

~~18. (1) — An issuer, the registered funding portal through which a distribution is being made and any other person involved with a distribution under the crowdfunding prospectus exemption must not advertise the distribution or solicit potential purchasers.~~

~~(2) — Despite subsection (1), a person referred to in subsection (1) may~~

~~(a) — make the materials referred to in section 16 [*Disclosure at time of distribution — marketing materials*] available to potential purchasers, and~~

~~(b) — advise potential purchasers, including customers and clients of the issuer, that the issuer is proposing to distribute securities under the crowdfunding prospectus exemption and refer the potential purchasers to the website of the registered funding portal through which the distribution will be made.~~

~~(2) (3) — Despite subsection (1), a registered funding portal may advertise the fact that a distribution in reliance on the crowdfunding prospectus exemption is being made to potential purchasers through the registered funding portal and may carry on the activities contemplated by this Instrument.~~ the purchaser

~~Commissions or fees~~

~~19.~~ — An issuer may not, directly or indirectly, pay a commission, finder's fee, referral fee or similar payment to any person in connection with a distribution in reliance on the crowdfunding prospectus exemption, other than to a registered funding portal.

~~Risk acknowledgement~~

~~20. (1)~~ A risk acknowledgement under paragraph ~~7(5)(1)(f)(ii)~~ [*Crowdfunding prospectus exemption*] must be in Form 45-108F2.

~~9. (2)~~ — An issuer must retain the signed risk acknowledgment for 8 years provide the purchaser with a contractual right to withdraw from any agreement to purchase the security by delivering a notice to the funding portal within 48 hours after the distribution date of the agreement to purchase and any subsequent amendment to the crowdfunding offering document.

~~Division 2- Rights of security holders~~

~~Right of withdrawal~~

Liability for misrepresentation – reporting issuers

~~21.~~ If the securities legislation of the jurisdiction in which ~~the purchaser resides does not provide a comparable right~~, an issuer of securities under the crowdfunding prospectus exemption that makes a crowdfunding offering document available to a purchaser must provide the purchaser with a contractual right to withdraw any offer or agreement to purchase the security by delivering a notice to the issuer within at least 48 hours prior to the date of completion of the distribution disclosed in the crowdfunding offering document.

~~Liability for misrepresentation~~

~~22.10. (1)~~ — If the securities legislation of the jurisdiction in which ~~the~~ a purchaser resides does not provide a comparable right, ~~an issuer of securities under the crowdfunding prospectus exemption that makes a crowdfunding offering document or any other document or video of a reporting issuer, made available to potential purchasers~~ the purchaser under paragraph 5(1)(f) [*Crowdfunding prospectus exemption*], must provide a contractual right of action against the issuer for rescission ~~or~~ and damages that

(a) is available to the purchaser if the crowdfunding offering document, ~~or other document or video~~ materials made available to the purchaser ~~contains~~ contain a misrepresentation, without regard to whether the purchaser relied on the misrepresentation,

~~(b)(a) is enforceable by the purchaser delivering a notice to the issuer~~

~~in the case of an action for rescission, within 180 days after the~~

(b) is enforceable by the purchaser ~~agrees~~ delivering a notice to the issuer

(i) in the case of an action for rescission, within 180 days after the date of purchase by the security purchaser, or

~~(ii)(i) in the case of an action for damages, before the earlier of~~

(ii) in the case of an action for damages, before the earlier of

(A)- 180 days after the purchaser first has knowledge of the facts giving rise to the cause of action, or

(B)- 3 years after the date ~~the purchaser agrees to of~~ purchase ~~the security,~~

(c) is subject to the defence that the purchaser had knowledge of the misrepresentation,

(d) in the case of an action for damages, provides that the amount recoverable

(i) does not exceed the price at which the security was ~~offered~~distributed, and

(ii) does not include all or any part of the damages that the issuer proves ~~does~~do not represent the depreciation in value of the security resulting from the misrepresentation, and

(e) is in addition to, and does not detract from, any other right of the purchaser.

~~— (2) In addition to subsection (1), in Québec~~

the Liability for untrue statement – non-reporting issuers

11. The crowdfunding offering document and any other document or videos of an issuer that are is not a reporting issuer, made available to potential purchasers are documents authorized by a purchaser under paragraph 5(1)(f) [Crowdfunding prospectus exemption], must provide a contractual right of action against the issuer for rescission and damages that

~~(b)~~ is available to the Autorité des marchés financiers for use in lieu of a prospectus; purchaser if the crowdfunding offering document or other materials made available to the purchaser contain an untrue statement of a material fact, without regard to whether the purchaser relied on the statement,

~~(c)~~ is enforceable by the purchaser delivering a notice to the issuer

(ii) in the case of an action for rescission, within 180 days after the date of purchase by the purchaser, or

(iii) in the case of an action for damages, before the earlier of

(A) 180 days after the purchaser first has knowledge of the facts giving rise to the cause of action, or

(B) 3 years after the date of purchase,

(d) is subject to the defence that the purchaser had knowledge of the untrue statement of a material fact,

(e) in the case of an action for damages, provides that the amount recoverable

(i) does not exceed the price at which the security was distributed, and

(ii) does not include all or any part of the damages that the issuer proves do not represent the depreciation in value of the security resulting from the untrue statement of a material fact, and

(e) is in addition to, and does not detract from, any other right of the purchaser.

Advertising and general solicitation

12. (1) An issuer must not, directly or indirectly, advertise a distribution, or solicit purchasers, under the crowdfunding prospectus exemption.

(2) Despite subsection (1), the issuer may inform purchasers that it proposes to distribute securities under the crowdfunding prospectus exemption and may refer purchasers to the funding portal facilitating the distribution.

Additional distribution materials

13. (1) In addition to the crowdfunding offering ~~is considered~~ document required to be made available to a securities distribution to which purchaser under paragraph 5(1)(f) [Crowdfunding prospectus exemption], an issuer may make available to a ~~special disclosure scheme is established by regulation~~ under-purchaser only through the funding portal the following materials:

(a) a term sheet;

(b) a video;

(c) other materials summarizing the information in the crowdfunding offering document.

(3) The materials referred to in subsection (1) must be consistent with the information in the crowdfunding offering document.

(4) If an amended crowdfunding offering document is made available to purchasers, all materials made available to purchasers under this section must be amended, if necessary, and made available to purchasers through the funding portal.

Commissions or fees⁶⁴

(b) 14. No person or company in the issuer group or director or executive officer of the ~~Securities Act (Québec)~~ an issuer in the issuer group may, directly or indirectly, pay a commission, finder's fee, referral fee or similar payment to any person or company in connection with a distribution in reliance on the crowdfunding prospectus exemption, other than to a funding portal.

57. Restriction on lending

15. No person or company in the issuer group or director or executive officer of an issuer in the issuer group may, directly or indirectly, lend or finance, or arrange lending or financing, for a purchaser to purchase securities of the issuer under the crowdfunding prospectus exemption.

Filing or delivery of distribution materials

16. (1) An issuer must, no later than 10 days after the closing of the distribution, file with the securities regulatory authority or regulator Form 45-106F1 *Report of Exempt Distribution*.

(2) At the same time that the issuer files the form referred to in subsection (1), the issuer must file a copy of the crowdfunding offering document and the materials referred to in paragraphs 12(1)(a) and (c) [*Additional distribution materials*].

(3) Upon request, the issuer must deliver to the securities regulatory authority or regulator any video referred to in paragraph 12(1)(b) [*Additional distribution materials*].

Division 32: Ongoing disclosure requirements for ~~issuers that have relied on the crowdfunding prospectus exemption~~ non-reporting issuers

Annual financial statements

~~23. (1)~~ A reporting issuer that distributes securities under the crowdfunding prospectus exemption must comply with its disclosure obligations under securities legislation, including the requirement to file annual financial statements as and when required under sections 4.1 and 4.2 of NI 51-102.

~~(2)~~

17. (1) An issuer that is not a reporting issuer that ~~distributes~~ has distributed securities under the crowdfunding prospectus exemption must deliver to the securities regulatory authority or regulator and make reasonably available to each purchaser, within 120 days after the end of its most recently completed financial year, the financial statements listed in paragraphs 4.1(1)(a), (b), (c) and (e) [*Comparative annual financial statements and audit*] of National Instrument 51-102 *Continuous Disclosure Obligations*.

~~(i)~~ — annual financial statements reviewed by an independent public accounting firm, if the issuer has incurred any expenditures and has

~~(i)~~ — raised an aggregate of \$500,000 or less under the crowdfunding prospectus exemption or any other prospectus exemption since its formation, or

~~(ii)~~ — expended \$150,000 or less since its formation,

~~(ii)~~ — annual financial statements audited by an independent public accounting firm, if the issuer has

~~(i)~~ — raised an aggregate of more than \$500,000 under the crowdfunding prospectus exemption or any other prospectus exemption since its formation, and

~~(ii)~~ — expended more than \$150,000 since its formation.

(2) (3) — The financial statements referred to in subsection (21) must

- (a) be approved by management of the issuer and be accompanied by
 - (i) a review report or auditor's report if the amount raised by the issuer under one or more prospectus exemptions from the date of the formation of the issuer until the end of its most recently completed financial year, is \$250,000 or more but is less than \$750,000, or
 - (ii) an auditor's report if the amount raised by the issuer under one or more prospectus exemptions from the date of the formation of the issuer until the end of its most recently completed financial year, is \$750,000 or more,
- (b) comply prepared in accordance with paragraph (a) of subsection 3.2(1)(a) [Acceptable accounting principles – general requirements], subparagraph 3.2(1)(b)(i) [Acceptable accounting principles – general requirements], and subsection 3.2(5) [Acceptable accounting principles – general requirements] of ~~NI~~National Instrument 52-107 Acceptable Accounting Principles and include the disclosure required by paragraph (b)(i) of subsection 3.2(1) [Acceptable accounting principles – general requirements] of NI 52-107-Auditing Standards, and
- (c) ~~(4)~~ Despite subsection (3), comply with section 3.5 [Presentation and functional currencies] of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards.

If the financial statements of an SEC issuer may be prepared referred to in accordance with U.S. GAAP:

- ~~(5)~~ Despite subsection (3), (1) are accompanied by a review report, the financial statements of an issuer that is not a publicly accountable enterprise may be prepared in accordance with Canadian GAAP for private enterprises.
- ~~(3)~~ ~~(6)~~ The financial statements referred to in paragraph (2)(a) must be reviewed in accordance with the relevant standards set out in the Handbook for a review of financial statements by a public accounting firm. Canadian Financial Statement Review Standards and the review report must
 - (a) ~~(7)~~ Thenot include a reservation or modification,
 - (b) identify the financial periods that were subject to review,
 - (c) be in the form specified by Canadian Financial Statement Review Standards, and
 - (d) refer to IFRS as the applicable financial reporting framework.
- ~~(4)~~ If the financial statements referred to in paragraph (2)(b) subsection (1) are accompanied by an auditor's report, the auditor's report must be audited
 - (a) prepared in complianceaccordance with section 3.3 [Acceptable auditing standards – general requirements] of ~~NI~~National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, and
 - (b) signed by an auditor that complies with section 3.4 [Acceptable auditors] of ~~NI~~National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards.

(5) If the financial statements referred to in subsection (1) are those of an SEC issuer,

(a) the financial statements may be prepared in accordance with section 3.7 [*Acceptable accounting principles for SEC issuers*] of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*,

(b) ~~(8)~~ — Despite paragraph 2(a) and subsections (6) and (7), the financial statements may be reviewed in accordance with U.S. AICPA Financial Statement Review Standards and accompanied by a review report prepared in accordance with U.S. AICPA Financial Statement Review Standards that

(i) does not include a modification or exception,

(ii) identifies the financial periods that were subject to review,

(iii) identifies the review standards used to conduct the review and the accounting principles used to prepare the financial statements, and

(iv) refers to IFRS as the applicable financial reporting framework if the financial statements of an SEC issuer comply with paragraph 3.2(1)(a) [*Acceptable accounting principles – general requirements*] of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*, and

(c) the financial statements may be audited in accordance with section 3.8 [*Acceptable auditing standards for SEC issuers*] of ~~NI 52-107~~ National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*.

(6) If the financial statements referred to in subsection (5) are accompanied by a review report and the statements have been reviewed in accordance with Canadian Financial Statement Review Standards, the review report must be in compliance with paragraphs (3)(a) to (c) and must

(a) refer to IFRS as the applicable financial reporting framework if the financial statements comply with paragraph 3.2(1)(a) [*Acceptable accounting principles – general requirements*] of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*, or

(b) refer to U.S. GAAP as the applicable financial reporting framework if the financial statements comply with section 3.7 [*Acceptable accounting principles for SEC issuers*] of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*.

(7) For the purpose of subsection (3) and paragraph (5)(b), the review report must be prepared and signed by a person or company authorized to sign a review report under the laws of a jurisdiction of Canada or a foreign jurisdiction, and that meets the professional standards of that jurisdiction.

(8) If any of the financial statements referred to in subsection (1) are not accompanied by an auditor's report or a review report prepared by a public accountant, the statements must include the following statement: "*These financial statements were not audited or subject to a review by a public accountant, as permitted by securities legislation where an issuer has not raised more than a pre-defined amount under prospectus exemptions.*"

Annual disclosure of use of proceeds

24.18. (1)- The financial statements of an issuer referred to in section ~~23~~16 [Annual financial statements] and the financial statements required under section 4.1 [Comparative annual financial statements and audit] of National Instrument 51-102 Continuous Disclosure Obligations must be accompanied by a notice ~~of the issuer disclosing in reasonable detail~~ that details, as at the actual date of the issuer's most recently completed financial year, the use of the gross proceeds received by the issuer ~~under the~~ from a distribution made under the crowdfunding prospectus exemption.

~~(2)~~- An issuer is not required to provide ~~the~~ at notice referred to in subsection (1) if

- (a) ~~the issuer~~ the issuer has disclosed in one or more prior notices the ~~actual~~ use of the entire gross proceeds from the distribution ~~under the crowdfunding prospectus exemption~~, or
- (b) ~~the issuer~~ the issuer is no longer required to deliver, and make available to purchasers, annual financial statements.

Notice of specified key events

25.19. ~~(1)~~ (1)—~~An~~ In New Brunswick, Nova Scotia and Ontario, an issuer that is not a reporting issuer that distributes securities in reliance on the crowdfunding prospectus exemption must make reasonably available to each holder of a security acquired under the crowdfunding prospectus exemption ~~within 10 days of their occurrence~~, a notice in Form 45-108F4 Notice of Specified Key Events of each of the following events within 10 days of their occurrence:

- (a) ~~a fundamental change in the nature, or a discontinuation,~~ of the issuer's business;
- (b) a change in the issuer's industry;
- (b) ~~a material change to the issuer's capital structure;~~
- (c) ~~a major reorganization, amalgamation or merger involving of control of~~ the issuer;
- (d) ~~a take-over bid, issuer bid or insider bid involving the issuer;~~
- (e) ~~a significant acquisition or disposition of assets, property or joint venture interests;~~
- (f)(c) ~~changes to the issuer's board of directors or executive officers, including the departure of the issuer's chief executive officer, chief financial officer, chief operating officer or president or persons acting in similar capacities.~~

Period of time for providing ongoing disclosure

26.20. ~~—~~ An The obligations of an issuer that is not a reporting issuer ~~must continue to provide the disclosure required by sections 23~~ under section 16 [Annual financial statements] and ~~25, in New Brunswick, Nova Scotia and Ontario, under section 18~~ [Notice of specified key events] apply until the earliest of the following events:

- (a) the issuer becomes a reporting issuer;
- (b) the issuer ~~ceases to carry on business~~ has completed a winding up or dissolution;

- (c) the securities of the issuer are beneficially owned, directly or indirectly, by fewer than 51 security holders worldwide ~~that acquired such securities under the crowdfunding prospectus exemption.~~

Books and records

27.21. ~~_____~~ An issuer that is not a reporting issuer that distributes securities under the crowdfunding prospectus exemption must maintain the following books and records relating to the distribution for 8 years following the closing of the distribution:

- (a) the crowdfunding offering document and the ~~other documents and things described~~ materials referred to in section 16; subsection 12(1) [Additional distribution materials];
- (b) the risk acknowledgement ~~form described~~ forms;
- ~~(b)(c)~~ except in section 20;
Ontario, confirmation and validation that the purchaser is an accredited investor if the acquisition cost is greater than \$2,500;
- (d) in Ontario, the confirmation of investment limits forms;
- ~~(e)~~(e) the ongoing disclosure documents described in Division 3;
2 [Ongoing disclosure requirements for non-reporting issuers];
- ~~(f)~~(f) the aggregate number of securities issued ~~by the issuer~~ under the crowdfunding prospectus exemption, and the date of issuance and the price ~~per for each~~ security; and
- ~~(g)~~(g) the names of all security holders of the issuer ~~together with~~ and the number and the type of securities held by each security holder.

Market participant

28. ~~_____~~ In Ontario, a non-reporting issuer that distributes securities in reliance on the crowdfunding prospectus exemption is designated a market participant under the *Securities Act (Ontario)*.

- (h) such other books and records as are necessary to record the business activities of the issuer and to comply with this Instrument.

PART 3

~~REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING OBLIGATIONS FOR REGISTERED FUNDING PORTALS~~

Division 1: ~~Obligations of a registered~~ Registration requirements, general

Restricted dealer ~~funding portal and its registered individuals~~

General

22. ~~(1)~~ (1) ~~_____~~ A ~~registered~~ restricted dealer funding portal and a registered individual of a ~~registered~~ the restricted dealer funding portal that distributes securities in reliance on the crowdfunding prospectus exemption must comply with all of the following:

~~(a)~~ the requirements in this section and in Division 2 [Registration requirements, funding portals] and Division 3 [Additional requirements, restricted dealer funding portal] of this Part;

~~(b)~~ the terms, conditions, restrictions ~~or~~ and requirements applicable to ~~an exempt market dealer under N/A~~ a registered dealer and to a registered individual, respectively, including

~~(i)~~ National Instrument 31-102 *National Registration Database*,

~~29.~~~~(ii)~~ National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, except for the following ~~requirements~~:

~~(a)~~ ~~section 12.3 [Insurance - dealer];~~

~~(A)~~ paragraph Division 2 of Part 3 [Education and experience requirements], except for subsection 3.4(2) [Proficiency – initial and ongoing] and section 3.9 [Exempt market dealer - dealing representative];

~~(B)~~ section 6.2 [If IIROC approval is revoked or suspended];

~~(C)~~ section 6.3 [If MFDA approval is revoked or suspended];

~~(D)~~ Part 8 [Exemptions from the requirement to register];

~~(E)~~ Part 9 [Membership in a self-regulatory organization];

~~(F)~~ paragraphs 11.5(2)(i), and (j) [General requirements for records];

~~(G)~~ paragraphs 13.2(2)(c) and (d) and subsection 13.2(6) [Know your client];

~~(H)~~ section 13.3 [Suitability];

~~(I)~~ Division 3 of Part 13 [Referral arrangements], if the restricted dealer funding portal does not enter into a referral arrangement permitted under subsection 40(2) [Restriction on referral arrangements] of this Instrument;

~~(J)~~ section 13.13 [Disclosure when recommending the use of borrowed money];

~~(K)~~ section 13.16 [Dispute resolution service];

~~(L)~~ paragraphs 14.2(2)(i), (j), (k), (m), and (n) [Relationship disclosure information];

~~(e)~~ ~~division 3 of Part 14 [Client assets];~~

~~(f)~~ ~~division 4 of Part 14 [Client accounts], except for:~~

~~(i)~~ ~~section 14.10 [Allocating investment opportunities];~~

~~(ii) section 14.11 [Selling or assigning client accounts];~~

~~(g)(M) division Division 5 of Part 14 [Reporting to clients], except for section 14.12 [Content and delivery of trade confirmation].~~

~~(2) Subsection (1) only applies (iii) National Instrument 33-105 Underwriting Conflicts,~~

~~(iv) National Instrument 33-109 Registration Information, and~~

~~(v) the requirement to pay fees under securities legislation;~~

~~(c) the requirement to deal fairly, honestly and in good faith with purchasers;~~

~~(d) any other terms, conditions, restrictions or requirements imposed by a registered securities regulatory authority or regulator on the restricted dealer funding portal and/or on a registered individual of a registered the restricted dealer funding portal if the registered,~~

Note: In Ontario, a number of requirements in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* do not apply because similar requirements are contained in provisions of the *Securities Act* (Ontario). To the extent that (a) one or more requirements of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* made applicable under section 21 [*Restricted dealer funding portal*] do not apply in Ontario, and (b) there is a similar requirement in the *Securities Act* (Ontario) that is referenced in a note in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, a restricted dealer funding portal or a registered individual of the restricted dealer funding portal operating in Ontario is subject to the similar requirement referenced in the *Securities Act* (Ontario).

Registered and dealer funding portal

23. A registered dealer funding portal and a registered individual of the registered individual dealer funding portal that distributes securities in reliance on the crowdfunding prospectus exemption must comply with the terms, conditions, restrictions and all of the following:

(a) the requirements in this instrument, section and Division 2 [*Registration requirements, funding portals*] of this Part;

~~(2) A registered funding portal and every registered individual of a registered funding portal must deal fairly, honestly and in good faith with purchasers.~~

Proficiency

(b) (1) A the terms, conditions, restrictions or requirements applicable to its registration category and to a registered individual, respectively, under securities legislation.

Note: In Ontario, a number of requirements in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* do not apply because similar requirements are contained in provisions of the *Securities Act* (Ontario). To the extent that (a) one or more requirements of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* made applicable under section 22 [*Registered dealer funding portal*] do not apply in Ontario, and (b) there is a similar requirement in the *Securities Act* (Ontario) that is referenced in a note in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, a registered dealer

funding portal or a registered individual of the registered dealer funding portal operating in Ontario is subject to the similar requirement referenced in the *Securities Act* (Ontario).

Division 2: Registration requirements, funding portals

58. Restricted dealing activities

of

24. (1) A funding portal and a registered individual of the funding portal must not act as intermediaries in connection with a distribution of or trade in securities of an eligible crowdfunding issuer that is a related issuer of the funding portal.

(2) For the purposes of subsection (1), an issuer is not a related issuer where a funding portal, an affiliate of the funding portal, or any officer, director, significant shareholder, promoter or control person of the funding portal or of any affiliate of the funding portal, has beneficial ownership of, or control or direction over, issued and outstanding voting securities of the issuer, or securities convertible into voting securities of the issuer that alone or together constitute 10 percent or less of the outstanding voting securities of the issuer.

Advertising and general solicitation

25. (1) A funding portal must not, directly or indirectly, advertise a distribution or solicit purchasers under the crowdfunding prospectus exemption.

(2) A funding portal may only make available to purchasers the crowdfunding offering document and the materials under section 12 [*Additional distribution materials*].

(3) A funding portal must ensure that the information about an eligible crowdfunding issuer and a distribution of eligible securities of the issuer is presented or displayed on its online platform in a fair, balanced and reasonable manner.

Access to funding portal

26. (1) Prior to allowing an eligible crowdfunding issuer to access the funding portal for the purposes of posting a distribution, a funding portal must

(a) enter into an issuer access agreement with the issuer,

(b) obtain a personal information form from each director, executive officer and promoter of the issuer, and

(c) conduct or arrange for the following:

(i) backgrounds checks on the issuer;

(ii) criminal record and background checks on each individual referred to in paragraph (b).

(2) In respect of each individual who becomes a director, executive officer or promoter of the issuer during the distribution period, the funding portal must

(a) obtain a personal information form, and

(b) conduct or arrange for criminal record and background checks to be conducted.

Issuer access agreement

27. The issuer access agreement referred to in paragraph 25(1)(a) [Access to funding portal] must include all of the following:

- (a) confirmation that the issuer will comply with the funding portal's policies and procedures concerning information posted by issuers on the funding portal's online platform;
- (b) confirmation that the information that the issuer provides to the funding portal or posts on the funding portal's online platform will only contain permitted materials that are reasonably supported, and will not contain a promotional statement, a misrepresentation or an untrue statement of a material fact or otherwise be misleading;
- (c) confirmation from each of the issuer and the funding portal that each is responsible for compliance with applicable securities legislation, including compliance with this Instrument;
- (d) a requirement that the funding portal must terminate any distribution and report immediately to the securities regulatory authority or regulator if, at any time during the distribution period, it appears to the funding portal that the business of the issuer is not being, or may not be, conducted with integrity;
- (e) in Ontario, confirmation that the funding portal is the agent of the issuer for the purposes of a distribution under the crowdfunding prospectus exemption.

Obligation to review materials of eligible crowdfunding issuer

28. (1) A funding portal is required to review the crowdfunding offering document, the materials referred to in subsection 12(1) [Additional distribution materials], the personal information forms, the results of the criminal record and background checks, and any other information about an issuer or a distribution made available to the funding portal or of which the funding portal is aware.

(2) If it appears to the funding portal that, based upon its review of the information and materials in subsection (1), the disclosure in the crowdfunding offering document and other materials referred to in subsection 12(1) [Additional distribution materials] is incorrect, incomplete or misleading, the funding portal must require that the issuer correct, complete or clarify the incorrect, incomplete or misleading disclosure prior to its posting on the funding portal's online platform.

Denial of issuer access and termination

29. (1) The funding portal must not allow an issuer access to its online platform for the purposes of a distribution under the crowdfunding prospectus exemption if

- (a) after reviewing the information about the issuer or the distribution made available to the funding portal or of which the funding portal is aware, the funding portal makes a good faith determination that
 - (i) the business of the issuer may not be conducted with integrity because of the past conduct of
 - (A) the issuer, or

- (B) any of the issuer’s directors, executive officers, or promoters,
 - (ii) the issuer is not complying with one or more of its obligations under this Instrument, or
 - (iii) the crowdfunding offering document or the materials referred to in subsection 12(1) [Additional distribution materials] contain a statement or information that constitutes a misrepresentation or an untrue statement of a material fact and the issuer has not corrected the statement or information as requested by the funding portal under section 27 [Obligation to review materials of eligible crowdfunding issuer], or
 - (b) the issuer or any of its directors, executive officers or promoters has pled guilty to or has been found guilty of an offence related to or has entered into a settlement agreement in a matter that involved fraud, or securities violations.
- (2) A funding portal must terminate a distribution if, at any time during the distribution period, it appears to the funding portal that the business of the issuer is not being, or may not be, conducted with integrity.

Return of funds

30. A funding portal must promptly return to the purchaser all funds or assets received from a purchaser in connection with a distribution under the crowdfunding prospectus exemption if any of the following apply:

- (a) the purchaser exercises its right of withdrawal;
- (b) the requirements set out in section 6 [Conditions for closing of the distribution] are not met;
- (c) the issuer withdraws the distribution;
- (d) the distribution is otherwise terminated.

Notifications

31. If an amended crowdfunding offering document has been made available to purchasers under paragraph 7(3)(b) [Certificates], the funding portal must notify each purchaser that entered into an agreement to purchase securities prior to the amended crowdfunding offering document being made available that an amended crowdfunding offering document and, if applicable, other materials referred to in subsection 12(1) [Additional distribution materials] have been made available on the funding portal’s online platform.

Removal of distribution materials

32. A funding portal must remove a crowdfunding offering document and the materials referred to in subsection 12(1) [Additional distribution materials] on the earliest of the following:

- (a) the end of the distribution period;

- (b) the withdrawal of the distribution;
- (c) the date on which the funding portal becomes aware that the crowdfunding offering document or the materials may contain a statement or information that is false, deceptive, misleading or that may constitute a misrepresentation or untrue statement of a material fact.

Monitoring purchaser communications

33. If a funding portal establishes an online communication channel through which purchasers may communicate with one another and with the eligible crowdfunding issuer about a distribution, the funding portal must monitor postings and remove any statement by, or information from, the issuer that is inconsistent with the crowdfunding offering document or is not in compliance with this Instrument.

Online platform acknowledgement

34. Prior to allowing a person or company entry to its online platform, a funding portal must require the person or company to acknowledge all of the following:

- (a) that a distribution posted on the funding portal's online platform
 - (i) has not been reviewed or approved in any way by a securities regulatory authority or regulator, and
 - (ii) is risky and may result in the loss of all or most of an investment;
- (b) that the person or company may receive limited ongoing information about an issuer or an investment made through the funding portal;
- (c) that the person or company is entering an online platform operated by a funding portal that
 - (i) is registered in the category of restricted dealer subject to the terms and conditions of this Instrument, and will not provide advice about the suitability of the purchase of the security, or
 - (ii) is registered in the category of investment dealer or exempt market dealer, and is required to provide advice about the suitability of the purchase of the security.

Purchaser requirements prior to purchase

35. Prior to a purchaser entering into an agreement to purchase securities under the crowdfunding prospectus exemption, a funding portal must

- (a) obtain from the purchaser a risk acknowledgement form where the purchaser positively confirms having read and understood the risk warnings and the information in the crowdfunding offering document,
- (b) except in Ontario, confirm and validate that the purchaser is an accredited investor if the acquisition cost is greater than \$2,500, and

- (c) in Ontario, obtain from the purchaser, and validate, a confirmation of investment limits form.

Required online platform disclosure

36. A funding portal must include on its online platform prominent disclosure of all compensation, including fees, costs and other expenses that the funding portal may charge to, or impose on, an eligible crowdfunding issuer or a purchaser, and any such other disclosure that may be required under securities legislation.

Delivery to the issuer

37. On or before the closing of a distribution, the funding portal must deliver to the issuer the following:

- (a) the purchase agreement entered into between the issuer and the purchaser;
- (b) a risk acknowledgement form from the purchaser where the purchaser positively confirms having read and understood the risk warnings and the information in the crowdfunding offering document;
- (c) except in Ontario, confirmation and validation that the purchaser is an accredited investor, if the acquisition cost is greater than \$2,500;
- (d) in Ontario, a confirmation of investment limits form for the purchaser.

Release of funds

38. A funding portal must not release the funds raised under the distribution to the eligible crowdfunding issuer unless the requirements set out in section 6 [*Conditions for closing of the distribution*] have been met.

Reporting requirements

39. (1) A funding portal must immediately notify the securities regulatory authority or regulator in writing if, at any time during the distribution period, the funding portal terminates a distribution pursuant to subsection 28(2) [*Denial of issuer access and termination*].

(2) A funding portal must deliver to the securities regulatory authority or regulator, in a format acceptable to the securities regulatory authority or regulator, within 30 days of the end of the second and fourth quarters of its financial year, a report containing the following information for the immediately preceding two quarters:

- (a) each distribution through the funding portal, including the name of the issuer, the type of security, the amount of the distribution, the industry of the issuer and the number of purchasers participating in the distribution;
- (b) the name and industry of each issuer denied access to the funding portal and the reason for the denial;
- (c) the name and industry of each issuer

- (i) that was granted access to the funding portal but the distribution did not close and the reason the distribution did not close, or
- (ii) that was granted access to the funding portal but was subsequently removed from the funding portal and the reason for removal;
- (d) such other information as a securities regulatory authority or regulator may reasonably request.

Division 3: Additional requirements, restricted dealer funding portal

Prohibition on providing recommendations or advice

40. A restricted dealer funding portal and a registered individual of the restricted dealer funding portal must not, directly or indirectly, provide a recommendation or advice to a purchaser

- (a) to purchase securities under the crowdfunding prospectus exemption or in connection with any other trade in a security, or
- (b) to use borrowed money to finance any part of a purchase of securities under the crowdfunding prospectus exemption or in connection with any other trade in a security.

Restriction on referral arrangements

41. (1) A restricted dealer funding portal must not participate in a referral arrangement.

(2) Despite subsection (1), a funding portal may compensate a third party for referring an issuer to the funding portal.

Permitted dealing activities

42. A restricted dealer funding portal and a registered individual of the restricted dealer funding portal may only act as intermediaries in connection with

- (a) a distribution of securities made in reliance on the crowdfunding prospectus exemption, and
- (b) except in Ontario, a distribution of securities made in reliance on a start-up crowdfunding registration and prospectus exemptive relief order granted by a securities regulatory authority or regulator, provided that the restricted dealer funding portal and a registered individual of the restricted dealer funding portal are in compliance with the terms, conditions, restrictions and requirements in this Instrument.

Chief compliance officer

43. A restricted dealer funding portal must not designate an individual as its chief compliance officer under section 11.3 [Designating a chief compliance officer] of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations unless the individual has

- (a) passed the Exempt Market Products Exam or the Canadian Securities Course Exam,

- (b) passed the PDO Exam or the Chief Compliance Officers Qualifying Exam, and
- (c) gained 12 months of experience and training that a reasonable person would consider necessary to perform the functions of a chief compliance officer for a restricted dealer funding portal.

Proficiency

~~30.44.~~ (1) A restricted dealer funding portal must not permit an individual to perform an activity in connection with a distribution ~~of securities made through the registered funding portal under the crowdfunding prospectus exemption~~ unless the individual has the education, training and experience, which may include appropriate registration, that a reasonable person would consider necessary to perform the activity competently, including understanding the structure, features and risks of ~~each security distributed, the distribution.~~

~~(2)~~ (2) For the purposes of subsection (1), the obligation to understand the structure, features and risks of ~~each security~~ the distribution does not include any obligation to assess

- (a) the merits or expected returns of ~~an~~ the investment to purchasers, or
- (b) the commercial viability of the proposed business or ~~offering.~~

~~Division 2: Permitted and restricted dealing activities~~

~~Permitted dealing activities~~

~~31.~~ A registered funding portal and every registered individual of the registered funding portal may only act as an intermediary in connection with a distribution of securities made in reliance on the crowdfunding prospectus exemption.

~~53. Restricted dealing activities~~

~~32.~~ A registered funding portal and its registered individuals must not act as an intermediary in connection with a distribution of or trade in securities of an issuer that is a related issuer of the registered funding portal.

~~Prohibition on providing recommendations or advice~~

~~33. (1)~~ A registered funding portal and its registered individuals must not provide a recommendation or advice to a potential purchaser to purchase securities under the crowdfunding prospectus exemption or in connection with any other trade in a security.

~~(2)~~ Despite subsection (1), and provided that the following would not be viewed by a reasonable person as an assessment of the quality or commercial viability of a crowdfunding offering, a portal may

- ~~(a)~~ present or display information about an issuer or a crowdfunding offering on its website, if the information is presented or displayed in a fair, balanced and reasonable manner,

- ~~(b) — use objective criteria to limit the crowdfunding offerings on its website, provided the objective criteria are disclosed on the website and applied consistently to all offerings on the website,~~
- ~~(c) — prohibit crowdfunding offerings on its website based on a good faith determination that an issuer is not complying with securities law, including the provisions of this instrument,—~~
- ~~(d) — assist an issuer in the preparation of an offering document, business plan or other document contemplated by this instrument, provided that the service is limited to assisting the issuer comply with its disclosure obligations and to ensure the information is presented in a fair, balanced and reasonable manner,~~
- ~~(e) — provide general information and educational materials to potential purchasers about crowdfunding offerings, provided that the information and materials are presented in a fair, balanced and reasonable manner,~~
- ~~(f) — provide on its website search functions or other tools for potential purchasers to search, sort or categorize crowdfunding offerings available on the funding portal's website according to objective criteria, and~~
- ~~(g) — provide communication channels or discussion boards to enable potential purchasers pursuant to a crowdfunding offering, to communicate with one another and with representatives of the issuer about a crowdfunding offering displayed on the funding portal's website provided that communication by a person can be traced back to its author.~~

~~Division 3: Portal obligations — issuer access to the portal~~

~~Issuer access agreement~~

- ~~34. — Prior to allowing an issuer to access the registered funding portal's website, the registered funding portal must enter into an issuer access agreement with that issuer.~~

~~Personal information forms and background checks~~

- ~~35. (1) — Prior to allowing an issuer to access the registered funding portal's website, the registered funding portal must require directors, executive officers and promoters of the issuer~~

- ~~(a) — to complete a personal information form that contains substantially the same information as set out in Appendix A to National Instrument 41-101 *General Prospectus Requirements*, and~~
- ~~(b) — to consent to criminal record and other background checks and the collection of personal information in accordance with applicable privacy legislation.~~

- ~~(2) — For the purposes of paragraph (1)(b), the form containing the consent referred to in that paragraph must acknowledge that~~

- ~~(a) — the registered funding portal will file, as agent of the issuer, a copy of the completed personal information form and the results of any criminal record or other background checks with the Principal Regulator, and~~
- ~~(b) — it is an offence to make a statement in any document required to be filed with the Principal Regulator that, in a material respect, is misleading or untrue or does not state a fact that is required to be stated or that is necessary to make the statement not misleading.~~

Criminal record and background checks

- ~~36. The registered funding portal must arrange for criminal record and background checks to be conducted on~~
- ~~(a) each individual who is, at the time of application for access, a director, executive officer or promoter of an issuer, and~~
 - ~~(b) each individual who subsequently becomes a director, executive officer or promoter of an issuer, in which case section 35 [*Personal information forms and background checks*] and paragraph (a) apply to in respect of the individual with necessary modifications during the distribution period.~~

Issuers' access refusal—general

- ~~37. Prior to allowing an issuer to access the registered funding portal's website, a registered funding portal must~~
- ~~(a) review the information referred to in sections 35 [*Personal information forms and background checks*] and 36 [*Criminal record and background checks*];~~
 - ~~(b) make a good faith determination that it does not appear that~~
 - ~~(a) the issuer or the offering is a fraud,~~
 - ~~(b) the issuer's offering documents or other materials contain a statement or information that is false, deceptive, misleading or that constitutes a misrepresentation,~~
 - ~~(c) the business of the issuer may not be conducted with integrity and in the best interests of security holders because of the past conduct of~~
 - ~~(A) the issuer, or~~
 - ~~(B) any of the issuer's executive officers, directors or promoters,~~
 - ~~(d) the issuer is not complying with this Instrument, and~~

- (c) ~~if it appears to the portal that, based upon its review of the issuer's application for access, completed personal information forms and the results of the criminal records and background checks, any of the following is true, ensure that such information is disclosed in the issuer's crowdfunding offering document:~~
- (i) ~~a director or executive officer of the issuer is or has been, within 10 years before the date of the personal information form, a director or executive officer of an issuer that is or has been~~
 - (A) ~~subject to a cease trade order or similar order, or~~
 - (B) ~~bankrupt or subject to a similar insolvency proceeding;~~
 - (ii) ~~a director or executive officer of the issuer is or has been, within 10 years before the date of such personal information form, bankrupt or subject to a similar insolvency proceeding;~~
 - (iii) ~~a director or executive officer of the issuer is or has been subject to~~
 - (A) ~~penalties or sanctions imposed by a court relating to contraventions of securities legislation or by a securities regulatory authority or who entered into a settlement agreement with a securities regulatory authority, or~~
 - (B) ~~any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable purchaser in making an investment decision.~~

Issuers' access refusal — misleading disclosure

38. ~~A registered funding portal must not include on its website any offering document or information that appears to be false, deceptive, misleading or contains a misrepresentation and must terminate any offering and report immediately to the Principal Regulator if fraud is discovered during the distribution period.~~

Restriction on cross ownership

39. ~~A registered funding portal must not allow an issuer access to the funding portal's website if the registered funding portal, or any officer, director or significant shareholder of the registered funding portal or of any affiliate of the registered funding portal~~

- (a) ~~has beneficial ownership of, or control or direction over, more than 10% of the issued and outstanding securities of the issuer, or securities convertible into securities of the issuer, or~~
- (b) ~~except as permitted under clause (a), otherwise has an economic interest in the issuer.~~

Division 4: General portal obligations and prohibited activities

Required website disclosure

40. ~~A registered funding portal must~~

- ~~(a) — take reasonable steps to ensure that potential purchaser accessing the registered funding portal's website understands the high risk nature of any investment made under the crowdfunding prospectus exemption,~~
- ~~(b) — include on its website prominent disclosure that discloses
 - ~~(i) — no securities regulatory authority or regulator has approved or expressed an opinion about the securities offered on the registered funding portal's website,~~
 - ~~(ii) — "A crowdfunding investment is highly risky. You may lose all your investment and you may not be able to sell any securities you purchase.",~~
 - ~~(iii) — all compensation, including fees, costs and other expenses that the registered funding portal may charge to, or impose on, an issuer or purchaser.~~~~

~~Monitoring purchaser communications~~

~~41. — If a registered funding portal establishes on its website a communication channel by which potential purchasers may communicate with one another and with representatives of the issuer about offerings of securities displayed on the website, the registered funding portal must monitor postings to confirm that the issuer is not making any statement or providing information that is inconsistent with the crowdfunding offering document or is not in compliance with this Instrument and remove any material that it deems inappropriate, or that raises investor protection concerns.~~

~~Prohibition on holding, handling or having access to purchaser funds or assets~~

~~42. — A registered funding portal and every registered individual of the registered funding portal must not hold, handle or have access to purchaser funds or assets.~~

~~Custodial arrangements~~

~~43. (1) — The portal must arrange for a Canadian financial institution~~

- ~~(a) — to hold in trust all funds or consideration received from a potential purchaser in connection with a distribution of a security under the crowdfunding prospectus exemption until midnight on the second business day after the purchaser agrees to purchase the security, and~~
- ~~(b) — to return all funds or consideration to the purchaser promptly if the purchaser exercises the right to cancel the agreement to purchase the security described under section 21 [Right of withdrawal].~~

~~(2) — The registered funding portal must confirm that the conditions in section 13 [Full subscription of distribution and financial resources available] have been satisfied.~~

~~Insurance~~

~~44. — The registered funding portal must maintain fidelity bonding or insurance of~~

- ~~(a) — \$50,000 per employee, agent and dealing representative or \$200,000, whichever is less, and~~
- ~~(b) — such other amount as may be determined by the regulator.~~

Restriction on lending

~~45. — A registered funding portal, or a director or executive officer of the registered funding portal, must not lend or finance, or arrange lending or financing, for a purchaser to purchase securities of an issuer under the crowdfunding prospectus exemption.~~

Restrictions on referral agreements

~~46. A registered funding portal must not participate in a “referral arrangement” as such term is defined in section 13.7 [Definitions — Referral arrangements] of NI 31-103, except that a registered funding portal may compensate a third party for referring an issuer to the registered funding portal.~~

PART 4 REPORTING REQUIREMENTS

Report of exempt distribution

~~47. (1) — An issuer that distributes securities under section 7 [Crowdfunding prospectus exemption] must file a report within 10 days of completion of the distribution.~~

~~(2) — The required form of report under subsection (1) is~~

~~(a) — in Saskatchewan, Ontario and New Brunswick, Form 45-106F11, and~~

~~(b) — in Manitoba, Nova Scotia and Québec, Form 45-106F1.~~

Registered funding portal reporting requirement

~~48. — A registered funding portal must provide within 30 days of the end of each quarter of its financial year to the Principal Regulator a report on~~

~~(a) — the amounts raised through offerings on the portal that were successfully completed within the quarter based on information received from issuers, on a per offering basis, including the name of the issuer, details on the type and amount of the offering, the industry of the issuer and the number of purchasers participating in each such offering,~~

~~(b) — the names and types of issuers given access to the portal and the types of offerings posted on the portal,~~

~~(c) — the names and types of issuers denied access to the portal at the time of initial application and the reasons for denial of access,~~

~~(d) — the names and types of issuers granted access to the portal at the time of initial application that were subsequently removed from the portal and the reasons for removal,~~

~~(e) — the names of issuers who have not complied with ongoing disclosure obligations to purchasers, and~~

~~(f) — such other information as the Principal Regulator may reasonably request.~~

~~PART 5~~
EXEMPTION

Exemption

- 49.45. (1) Subject to subsection (2), the ~~regulator or the~~ securities regulatory authority or regulator may grant an exemption ~~to~~from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (2) ~~In~~Despite subsection (1), in Ontario, only the regulator may grant an exemption ~~and only from Part 3 [Registration requirements, exemptions and ongoing registrant obligations for registered funding portals] and Part 4 [Reporting requirements]~~, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 *Definitions* opposite the name of the local jurisdiction.

PART ~~5~~65
COMING INTO FORCE

Effective date

- 50.46. This Instrument comes into force on ~~the~~the [date].

Appendix A

Signing Requirements for Certificate of a Crowdfunding Offering Document ~~referred to in~~ (Section ~~457~~)

- 1.- If the eligible crowdfunding issuer is a company, a certificate under paragraph ~~457~~(1)(b) [Certificates] of the Instrument complies with this section if it is signed
 - (a) by the issuer's chief executive officer and chief financial officer or, if the issuer does not have a chief executive officer or chief financial officer, an individual acting in that capacity,
 - (b) on behalf of the directors of the issuer, by
 - (i) any 2 directors who are authorized to sign, other than the persons referred to in paragraph (a), or
 - (ii) all the directors of the issuer, and
 - (c) by each promoter of the issuer.
- 2.- If the eligible crowdfunding issuer is a trust, a certificate under paragraph ~~457~~(1)(b) [Certificates] of the Instrument complies with this section if it is signed by
 - (a) the individuals who perform functions for the issuer similar to those performed by the chief executive officer and the chief financial officer of a company, and
 - (b) each trustee and the manager of the issuer.
- 3.- A certificate under paragraph ~~457~~(1)(b) [Certificates] of the Instrument complies with this section
 - (a) if a trustee or manager signing the certificate is an individual, the individual signs the certificate,
 - (b) if a trustee or manager signing the certificate is a company, the certificate is signed
 - (i) by the chief executive officer and the chief financial officer of the trustee or the manager, and
 - (ii) on behalf of the board of directors of the trustee or the manager, by
 - (A)- any two directors of the trustee or the manager, other than the persons referred to in subparagraph (i), or
 - (B)- all of the directors of the trustee or the manager,
 - (c) if a trustee or manager signing the certificate is a limited partnership, the certificate is signed by each general partner of the limited partnership as described in section 5 in relation to an eligible crowdfunding issuer that is a limited partnership, or

- (d) in any other case, the certificate is signed by any person ~~or company~~ with authority to act on behalf of the trustee or the manager.
- 4.— Despite sections 2 and 3, if the trustees of an eligible crowdfunding issuer, do not perform functions for the issuer similar to those performed by the directors of a company, the trustees are not required to sign the certificate of the issuer if at least two individuals who perform functions for the issuer similar to those performed by the directors of a company sign the certificate.
- 5.— If the eligible crowdfunding issuer is a limited partnership, a certificate under paragraph 157(1)(b) [Certificates] of the Instrument complies with this section if it is signed by
- (a) each individual who performs a function for the issuer similar to any of those performed by the chief executive officer or the chief financial officer of a company, and
- (b) each general partner of the issuer.
- 6.— A certificate under paragraph 157(1)(b) [Certificates] of the Instrument complies with this section
- (a) if a general partner of the eligible crowdfunding issuer is an individual, the individual signs the certificate,
- (b) if a general partner of the eligible crowdfunding issuer is a company, the certificate is signed
- (i) by the chief executive officer and the chief financial officer of the general partner, and
- (ii) on behalf of the board of directors of the general partner, by
- (A)— any two directors of the general partner, other than the persons referred to in subparagraph (i), or
- (B)— all of the directors of the general partner,
- (c) if a general partner of the eligible crowdfunding issuer is a limited partnership, the certificate is signed by each general partner of the limited partnership and, for greater certainty, this section applies to each general partner required to sign,
- (d) if a general partner of the eligible crowdfunding issuer is a trust, the certificate is signed by the trustees of the general partner as described in section 72 in relation to an issuer that is a trust, or
- (e) in any other case where there is a general partner of the eligible crowdfunding issuer, the certificate is signed by any person ~~or company~~ with authority to act on behalf of the general partner.
- 7.— If an eligible crowdfunding issuer is not a company, trust or limited partnership, a certificate under paragraph 157(1)(b) [Certificates] of the Instrument complies with this section if it is signed by the persons that, in relation to the issuer, are in a similar position or perform a similar function to any of the persons referred to in section 1, 2, 3, 4, 5 or 6.

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