

## Annex D

### Summary of New Information Requirements

The table below summarizes the new information requirements in the New Report, together with an explanation of the rationale for each requirement.

Information Required	Rationale
<b>Identifiers<sup>1</sup></b>	
<b>Firm NRD number for the underwriter, investment fund manager and registrant being compensated</b>	This unique identifier allows securities regulators to accurately link information available through NRD to assist in our compliance programs. Using the NRD number also reduces duplication of certain information required to be disclosed in the New Report, which is available in NRD.
<b>SEDAR profile number</b>	The SEDAR profile number assists securities regulators in accessing information about the issuer that is filed on SEDAR and the issuer's SEDAR profile. Issuers that provide a SEDAR profile number are not required to complete certain sections of the New Report.
<b>Legal entity identifier of issuer</b>	<p>The Global Legal Entity Identifier System is a system that provides a globally accepted standard for unique identification of parties to financial transactions. This system is overseen by the Legal Entity Identifier Regulatory Oversight Committee. Disclosure of issuers' legal entity identifiers:</p> <ul style="list-style-type: none"> <li>• addresses long-standing issues with entity identification,</li> <li>• provides a mechanism for linking exempt market reporting with other financial reporting, and</li> <li>• builds a more comprehensive risk profile for entities that operate in the exempt market.</li> </ul>
<b>CUSIP number</b>	<p>A CUSIP number is a nine character alphanumeric identifier that uniquely identifies a financial security. The first six digits of a CUSIP number are unique to the issuer, and the last three digits identify securities unique to the issuer.</p> <p>Disclosure of CUSIP numbers facilitates additional information gathering about the issuer and the securities being distributed to better inform policy making and monitor exempt market activity.</p>

<sup>1</sup> The New Report only requires these identifiers to be provided if the issuer, underwriter, investment fund manager or registrant has such identifiers.

Information Required	Rationale
<b>Website of issuer, underwriter and investment fund manager</b>	Website information facilitates additional information gathering about the issuer, underwriter and investment fund manager to assist in our compliance programs. If a firm NRD number is provided for the underwriter or investment fund manager in the New Report, website information is not required.
<b>Previous legal name of issuer</b>	If the issuer's name has changed in the last 12 months, the issuer's most recent previous legal name must be provided. This information allows us to link information about issuers to assist in our compliance programs.
<b>Item 5 – Issuer Information (Non-Investment Fund Issuers)</b>	
<b>Primary industry of issuer</b>	<p>The Current Reports require the issuer to select its industry group from a limited number of categories that do not match any standard industry classification. These categories also do not include all issuer industries, resulting in a large proportion of uncategorized issuers. To resolve these issues, we have changed the industry categories to align with the North American Industry Classification System (<b>NAICS</b>) that is maintained in Canada by Statistics Canada. NAICS is widely used to track industry statistics by a number of North American government agencies, such as the Canada Revenue Agency, Industry Canada and British Columbia Statistics.</p> <p>The New Report requires issuers to disclose the six-digit NAICS code that most closely corresponds to their main business activity. Based on our research, we believe NAICS will be familiar to many issuers. Statistics Canada also provides a web-based search tool for issuers to locate their industry category.</p> <p>This comprehensive and standardized industry classification system enables us to better understand exempt market activity and link it with other macro-level statistics to assist in more informed policy-making.</p> <p>The New Report also requires issuers in the mining industry to disclose their stage of operations and issuers involved in certain investment activities to disclose the areas of their primary asset holdings. We believe these classifications are consistent with how these industries are often analyzed.</p>
<b>Number of employees of the issuer</b>	Issuers are required to indicate their total number of employees, which serves as a proxy for the size of the issuer. Information about the size of the issuer assists us in policy development, helping to assess whether capital raising prospectus exemptions

Information Required	Rationale
	<p>are benefiting small and medium sized businesses.</p> <p>The New Report lists four broad ranges of employee numbers for issuers to select. The selected ranges provide a sufficient metric for the size of an issuer because they are broadly consistent with those used by Statistics Canada to differentiate between small, medium and large businesses and so will already be familiar to some issuers. We believe that reporting such a range is likely to be less commercially sensitive than reporting the actual number of employees or revenue of the issuer.</p>
<p><b>Additional information from issuers without a SEDAR profile</b></p>	<p>Certain information about an issuer can be obtained from its SEDAR profile. Recent changes to National Instrument 13-101 <i>System for Electronic Document Analysis and Retrieval (SEDAR)</i> will require filing of reports of exempt distribution on SEDAR beginning May 24, 2016, for distributions in Canadian jurisdictions other than British Columbia and Ontario. As a result, non-reporting issuers will also have SEDAR profiles. Changes have been made to SEDAR to allow voluntary filing until May 24, 2016.</p> <p>The New Report requires disclosure of the following if the issuer does not have a SEDAR profile:</p> <ul style="list-style-type: none"> <li>• date of formation,</li> <li>• financial year-end,</li> <li>• jurisdictions where reporting,</li> <li>• stock exchange listings, and</li> <li>• size of assets.</li> </ul> <p>This information is relevant for our analysis of exempt market activity and allows us to have comparable information across all issuers.</p>
<p><b>Item 6 – Investment Fund Issuer Information</b></p>	
<p><b>Type of investment fund</b></p>	<p>The New Report requires investment fund issuers to identify what type of investment fund they are in order to better understand fund types that are most active in the exempt market. This reporting increases our ability to profile exempt market activity by the investment fund industry and supports the CSA's policy initiatives.</p>
<p><b>Net asset value (NAV)</b></p>	<p>Information about the NAV of an investment fund assists securities regulators to understand the size of funds operating in the exempt market, such as foreign investment funds accessing the Canadian market, and further informs policy development for investment funds.</p>

Information Required	Rationale
<b>Other</b>	<p>The New Report requires the following information from investment fund issuers that would provide additional insight into the profile of issuers that operate in the exempt market:</p> <ul style="list-style-type: none"> <li>• date of formation,</li> <li>• financial year-end,</li> <li>• jurisdictions where reporting, and</li> <li>• stock exchange listings.</li> </ul>
<b>Item 7 – Information About the Distribution</b>	
<b>Currency</b>	<p>Information about the currencies in which the distribution was made provides us with greater insight into the distribution and exempt market activity.</p>
<b>Type of securities distributed</b>	<p>The New Report requires an issuer to indicate the type of securities distributed using specific 3-letter codes. Although the Current Reports require a description of the type of securities distributed, the 3-letter codes provide a more structured format for collecting this information.</p> <p>Receiving this information in a structured format improves the consistency of the information we receive in reports, making our oversight processes more efficient. Having greater insight into the types of securities that are being distributed in the exempt market assists us in trend analysis, our compliance programs and policy development.</p>
<b>Summary of distribution by exemption</b>	<p>The Current Reports require information about the distribution (number of purchasers and dollar amount raised) for each jurisdiction where a purchaser resides. The New Report requires this information about the distribution to be provided for each jurisdiction where a purchaser resides, and also for:</p> <ul style="list-style-type: none"> <li>• each exemption relied on in the jurisdiction where a purchaser resides, if a purchaser resides in a jurisdiction of Canada, and</li> <li>• each exemption relied on in Canada, if a purchaser resides in a foreign jurisdiction.</li> </ul> <p>If an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, the issuer is required to include distributions to purchasers resident in that jurisdiction of Canada only.</p> <p>This provides us with better information about the exemptions relied on to distribute securities and assists us in our analysis of exempt market activity, our compliance</p>

Information Required	Rationale
	programs and policy development.
<b>Net proceeds to the investment fund</b>	<p>The New Report requires an investment fund issuer to provide the net proceeds to the investment fund for each jurisdiction where a purchaser resides. If an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, the issuer is required to include net proceeds for that jurisdiction of Canada only.</p> <p>As most investment funds offer some redemption rights, reporting only the purchase amount likely overstates the size of the market. Gathering information about redemptions as well as purchases provides us with a more complete picture of fund flows by investment fund issuers in the exempt market.</p>
<b>Offering materials (applicable only in Saskatchewan, Ontario, Québec, New Brunswick and Nova Scotia)</b>	<p>The New Report requires issuers to list and provide certain details about offering materials that are required to be filed or delivered in connection with a distribution under the securities legislation of Saskatchewan, Ontario, Québec, New Brunswick and Nova Scotia.</p> <p>For example, issuers are required to list:</p> <ul style="list-style-type: none"> <li>• offering memoranda and any other documents (marketing materials) that are required to be filed under section 2.9 of NI 45-106.</li> <li>• offering memoranda that are voluntarily provided, and required to be delivered to the OSC under section 5.4 of OSC Rule 45-501 <i>Ontario Prospectus and Registration Exemptions</i>.</li> <li>• crowdfunding offering documents and any other distribution documents (term sheets and other materials summarizing information in a crowdfunding offering document) required to be filed under Multilateral Instrument 45-108 <i>Crowdfunding</i> (MI 45-108).</li> </ul> <p>This is a reporting requirement only; the New Report does not impose any new requirements to file or deliver offering documents. The New Report requires reporting that such materials have been filed or delivered only where required by the securities legislation of the applicable jurisdictions.</p> <p>In Ontario only, if the offering materials listed are required to be filed or delivered to the OSC, electronic versions of those offering materials are to be attached to and submitted electronically with the New Report on the OSC's Electronic Filing Portal (if not previously filed or delivered to the OSC).</p>

Information Required	Rationale
<b>Item 8 – Compensation Information</b>	
<b>Funding portals</b>	<p>The New Report requires issuers to indicate whether the person compensated in connection with the distribution facilitated the distribution through a “funding portal” or an “internet-based portal”. These terms generally refer to an intermediary that provides an online platform for issuers to offer and sell securities to investors. These include funding portals as defined under MI 45-108.</p> <p>This information provides us with insight into the role of funding portals in the distribution of securities in the exempt market and supports our compliance programs and policy development.</p>
<b>Relationship to issuer of person being compensated</b>	<p>The New Report requires disclosure about whether the person compensated in connection with the distribution is a registrant or an insider of the issuer.</p> <p>While the BCSC currently requires disclosure of this information in Form 45-106F6, this is a new requirement for jurisdictions that currently require filing of Form 45-106F1.</p> <p>The New Report also requires disclosure of whether a person compensated is an employee of the issuer, or connected to the issuer. This additional information enables us to assess the prevalence of financial relationships among issuers and those persons they compensate.</p> <p>Having detailed information about these arrangements allows us to enhance our existing compliance programs, and supports policy development.</p>
<b>Terms of deferred compensation</b>	<p>The New Report requires issuers to indicate whether any deferred compensation will or may be paid to a person in connection with a distribution, and to describe the terms of the deferred compensation. While the Current Reports require disclosure of any compensation paid or to be paid in connection with a distribution, there is no requirement for deferred compensation to be specifically identified as such or for the terms of the deferred compensation to be described.</p> <p>Disclosure of this information supports our compliance programs, provides us with better information about the financial relationships that exist between issuers and the persons being compensated, and brings greater transparency to these arrangements.</p>

Information Required	Rationale
<b>Item 9 – Directors, Executive Officers and Promoters of the Issuer</b>	
<b>Name, title and province, state or country of residence of directors, executive officers and promoters of certain issuers</b>	<p>Disclosure of this information is required for directors, executive officers and promoters of certain issuers. If the promoter is not an individual, information about the directors and executive officers of the promoter is also required.</p> <p>We believe this information is necessary to facilitate our oversight of the exempt market, enhance our compliance programs and bring transparency to the exempt market. This information allows us to identify connections between issuers through related executives, directors and promoters.</p> <p>While the BCSC currently requires disclosure of information about directors, executive officers and promoters in Form 45-106F6, this is a new requirement for all other CSA jurisdictions.</p> <p>In response to comments we received on the New Report, we have moved the information about control persons to Schedule 2, which is not publicly available.</p> <p>The New Report does not require this information to be provided by:</p> <ul style="list-style-type: none"> <li>• investment fund issuers,</li> <li>• reporting issuers and their wholly owned subsidiaries,</li> <li>• foreign public issuers and their wholly owned subsidiaries, and</li> <li>• issuers distributing eligible foreign securities only to permitted clients.</li> </ul>
<b>Schedule 1 – Confidential Purchaser Information<sup>2</sup></b>	
<b>Email address of purchaser</b>	<p>The New Report requires the email address of the purchaser to be provided if the purchaser has provided this information to the issuer. This information enhances our ability to contact purchasers if needed as part of our compliance programs.</p>
<b>Information about exemption relied on</b>	<p>To assist in our compliance programs and future policy development, the New Report requires the issuer or underwriter to identify the exemption relied on in more detail, by requiring the section, subsection and paragraph of the exemption, where applicable.</p> <p>For example, the New Report requires the issuer to specify which category of accredited investor or eligible investor the</p>

<sup>2</sup> Purchaser information provided in Schedule 1 is not publicly available.

Information Required	Rationale
	<p>purchaser met. The New Report requires the issuer to identify only one category for each purchaser.</p>
<p><b>Identification of whether the purchaser is an insider of the issuer or a registrant</b></p>	<p>In the New Report, the issuer is required to identify whether the purchaser is an insider of the issuer or a registrant.</p> <p>While the BCSC currently requires disclosure of this information in Form 45-106F6, this is a new requirement for all other CSA jurisdictions.</p> <p>This information is useful for identifying connections between purchasers and issuers, which facilitates our oversight of the exempt market and supports our compliance programs.</p>
<p><b>Identification of person being compensated for each purchaser</b></p>	<p>The New Report requires the issuer to specifically identify the person compensated for a distribution made to each purchaser. If the person is a registered firm, only the firm NRD number must be provided. The names of the persons compensated must be consistent with those provided in Item 8.</p> <p>This information supports our compliance programs, provides us with better information about the financial relationships that exist between issuers and the persons being compensated, and allows us to monitor unregistered finders, compensation rates of finders and whether registrants are trading in jurisdictions where they are not registered.</p>
<p><b>Schedule 2 – Confidential Director, Executive Officer, Promoter and Control Person Information<sup>3</sup></b></p>	
<p><b>Business contact information for CEO of issuer</b></p>	<p>The New Report requires the telephone number and email address of the chief executive officer to be provided for an issuer that is required to complete Item 9(a) of the New Report. We are requesting this information to assist us in addressing past challenges with contacting persons at issuers who are capable of answering questions about the distribution.</p>
<p><b>Full residential address of directors, executive officers, promoters and control persons</b></p>	<p>The New Report requires full residential address information to be provided for directors, executive officers, promoters and control persons of issuers that are required to complete Item 9(a) of the New Report. If a promoter or control person is not an individual, this information is required for each director and executive officer of the promoter and control person.</p>

<sup>3</sup> Information provided in Schedule 2 is not publicly available. The information in Schedule 2 is only required to be provided by issuers that are required to complete Item 9(a).



Information Required	Rationale
	<p>While the BCSC currently requires disclosure of municipality and country of these individuals in Form 45-106F6, this is a new requirement for all other CSA jurisdictions.</p> <p>This information supports our compliance programs by allowing the CSA to more effectively allocate its resources.</p>
<p><b>Name and location of non-individual control person</b></p>	<p>If a control person is not an individual, the New Report requires the name and location of the control person to be provided.</p> <p>This information supports our compliance programs by allowing us to identify connections between issuers and control persons.</p>