



Financial and
Consumer
Affairs Authority

601-1919 Saskatchewan Drive
Regina, SK S4P 4H2
Phone: 306-787-5645

**In the Matter of
*The Securities Act, 1988***

and

**In the Matter of
Finhaven Capital Inc.**

ORDER

(Section 160(1) of the Act)

WHEREAS Finhaven Capital Inc. (**Applicant**) has filed an application dated September 24, 2020 with the Financial and Consumer Affairs Authority of Saskatchewan (the **FCAA**) requesting an order pursuant to section 160(1) of *The Securities Act, 1988* (**Act**) exempting the Applicant from the requirement to be recognized as a clearing agency pursuant to section 21.2 of the Act; (**Exemption Sought**)

AND WHEREAS section 21.2 of the Act establishes that a person or company shall not carry on business as a clearing agency in Saskatchewan unless the person or company is recognized by the Authority pursuant to section 21.3 of the Act;

AND WHEREAS the Authority has assigned to the Executive Director, Securities Division, FCAA (**Executive Director**) the power to make exemption orders and rulings under the provisions of the Act;

AND WHEREAS the terms defined in the Act and National Instrument 14-101 *Definitions* have the same meaning if used in this Order, unless otherwise herein defined;

AND WHEREAS the Applicant has represented to the FCAA that:

1. The Applicant is a registered exempt market dealer (EMD) in Saskatchewan that facilitates distributions of digital securities (Security Tokens) on its platform (Distribution Platform) by issuers that meet its issuer and product due diligence standards.
2. The Applicant also offers a permissioned distributed ledger technology-based secondary trading platform (Secondary Trading Platform) to its investor clients, all of whom must be accredited investors or permitted clients (Investor Clients) as that those terms are defined in National Instrument 45-106 *Prospectus Exemptions* and National Instrument 31-103 *Registration Requirement, Exemptions and Ongoing Registrant Obligations* respectively, to hold an account with the Applicant. The Secondary Trading Platform enables Investor Clients to privately negotiate secondary

trades of Securities Tokens acquired either on the Distribution Platform or the Secondary Trading Platform.

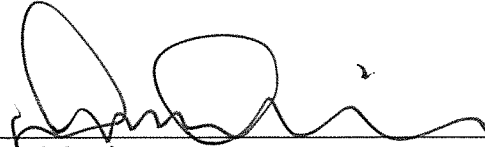
3. The Applicant will conduct clearing activities on the Secondary Trading Platform.
4. The Applicant falls within the scope of a clearing agency as defined by section 2(1) (d.1) (i) of the Act and would otherwise be required to be recognized as such pursuant to section 21.2 of the Act.
5. To facilitate trading on the Secondary Trading Platform, Applicant filed an application with its Principal Regulator, the British Columbia Securities Commission (BCSC), under the process in National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* to be exempted in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, and Québec (the Jurisdictions) from:
 - (a) the requirements of National Instrument 21-101 *Marketplace Operation*, in whole;
 - (b) the requirements of National Instrument 23-101 *Trading Rules*, in whole;
 - (c) the requirements of National Instrument 23-103 *Electronic Trading and Direct Access to Marketplaces*, in whole; and
 - (d) the requirements of National Instrument 24-102 *Clearing Agency Requirements*, in whole (collectively, the Rules).
6. The BCSC granted the Applicant an exemption from the Rules on November 2, 2020 (the Coordinated Review Relief). The Jurisdictions, including Saskatchewan, have opted into the Coordinated Review Relief. The Coordinated Review Relief expires on December 31, 2022.
7. The Applicant operates a novel business focused on the initial distribution of Security Tokens on its Distribution Platform and secondary trading of Security Tokens on its Secondary Trading Platform. The Applicant's EMD registration, the Coordinated Review Relief, and the exemption from the requirement to be recognized as a clearing agency have been considered in the context of the CSA Regulatory Sandbox initiative. The CSA Regulatory Sandbox has committed to a more flexible approach to regulation, allowing innovative businesses, such as the Applicant, to test their proposed technologies on a time limited basis provided that sufficient controls are in place to ensure effective regulatory oversight.
8. The Applicant made representations to its Principal Regulator, the BCSC and the FCAA, in connection with the Coordinated Review Relief relating to its business and proposed clearing activities.

AND WHEREAS based on the Application and the representations the Applicant has made to its Principal Regulator, and the FCAA, in the Coordinated Review Relief application, the Executive Director has determined that granting the Exemption Sought for a time-limited test period would not be prejudicial to the public interest;

IT IS HEREBY ORDERED by the Executive Director pursuant to section 160(1) of the Act that the Exemption Sought is granted provided that;

- (i) the Applicant complies with the terms and conditions of the Coordinated Review Relief;
- (ii) this Order expires on December 31, 2022.

DATED at the city of Regina, in the province of Saskatchewan, this 25 day of November, 2020.

A handwritten signature in black ink, appearing to read 'Dean Murrison', written over a horizontal line.

Dean Murrison
Executive Director, Securities Division
Financial and Consumer Affairs Authority
of Saskatchewan