



**IN THE MATTER OF
*THE SECURITIES ACT, 1988***

AND

**IN THE MATTER OF
GENERAL ORDER 45-538
*SELF-CERTIFIED INVESTOR PROSPECTUS EXEMPTION***

**AMENDMENT AND RESTATEMENT OF EXEMPTION ORDER
(Subsection 158(4) of *The Securities Act, 1988*)**

WHEREAS the Financial and Consumer Affairs Authority of Saskatchewan (FCAA) issued an order dated March 31, 2021, as amended July 28, 2022 and October 26, 2022 titled General Order 45-538 *Self-Certified Investor Prospectus Exemption* pursuant to section 160 of *The Securities Act, 1988* to help facilitate the capital raising efforts of early stage businesses (**Previous Order**);

AND WHEREAS the Previous Order was issued on a three-year pilot basis and is set to expire on April 1, 2024;

AND WHEREAS the FCAA has determined that it is not prejudicial to the public interest to issue an order that amends and restates the Previous Order to remove the expiration date and amend Annex 2 in the Previous Order, to clarify certain requirements in the Previous Order;

IT IS ORDERED pursuant to subsection 158(4) of the Act that the Previous Order be amended and restated as follows:

General Order 45-538
Self-Certified Investor Prospectus Exemption

In the Matter of
The Securities Act, 1988

Exemption Order
(Section 160 of *The Securities Act, 1988*)

WHEREAS the Financial and Consumer Affairs Authority of Saskatchewan (the **FCAA**) has assigned to the Executive Director of the Securities Division, FCAA (the **Executive Director**) the power to make exemption orders under the provision of *The Securities Act, 1988* (the **Act**) including orders of general application;

AND WHEREAS section 58 of the Act requires that a prospectus relating to the distribution of a security has been filed and the Executive Director has issued a receipt for it;

AND WHEREAS National Instruments have been adopted as regulations in Saskatchewan under *The Securities Commission (Adoption of National Instruments) Regulations* that allow for certain exemptions from the prospectus requirement in section 58 of the Act;

AND WHEREAS FCAA Securities Division staff (**Staff**) applied to the Executive Director for an Order pursuant to section 160 of the Act that the prospectus requirement in section 58 of the Act does not apply to certain distributions of securities by an issuer as outlined below;

AND WHEREAS terms defined in the Act, National Instrument 14-101 *Definitions* (**NI 14-101**), National Instrument 45-102 *Resale of Securities* (**NI 45-102**) and National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**) have the same meaning in this Order;

AND WHEREAS in this Order:

"Accredited Investor" has the meaning ascribed to it in NI 45-106;

"Acknowledgement" means a document in the form specified in Annex 2 *Acknowledgement* to this General Order;

"Corresponding Exemption" means Alberta Securities Commission Blanket Order 45- 538 *Self-Certified Investor Prospectus Exemption* and any order or ruling of another securities regulatory authority or securities regulator in Canada that provides

an exemption from the prospectus requirement that is substantially similar to this General Order;

"Listed Issuer Investment" means the distribution of a security where both of the following apply:

- (a) the issuer has a class of equity security currently listed and posted for trading on the TSX Venture Exchange, the Toronto Stock Exchange, the Canadian Securities Exchange or Neo Exchange Inc. and is not in default of the periodic and timely disclosure requirements applicable to it as a reporting issuer, and
- (b) the purchaser has received advice regarding the suitability of the investment from a person or company, registered under securities legislation in the jurisdiction of the purchaser, that is qualified in the circumstances to provide such advice;

"Participating Jurisdiction" means Alberta and Saskatchewan and each other jurisdiction of Canada that adopts a Corresponding Exemption;

"Private Issuer" has the meaning ascribed to it in NI 45-106;

"Qualifying Criteria" means the criteria specified in Schedule A *Qualifying Criteria* to Annex 2 *Acknowledgement* to this General Order, as amended from time to time;

"Self-Certified Investor" means a person or company that has completed the Acknowledgement and has solemnly declared a Statutory Declaration, as contemplated in subsection 1(e) of this General Order; and

"Seller" means the person or company distributing a security;

"SPV" means an entity formed as a special purpose vehicle in which investors invest with a view to investing in one or more other issuers;

"Statutory Declaration" means a completed statutory declaration in the form specified in Annex 1 *Statutory Declaration* to this General Order.

AND WHEREAS it has been represented to the Executive Director that:

- (a) This prospectus exemption has the potential to further facilitate the capital raising efforts of businesses in Saskatchewan by allowing purchasers who do not currently meet the financial thresholds or other criteria required to qualify as an accredited investor to invest alongside accredited investors; provided the purchaser meets other criteria intended to demonstrate the purchaser's financial and investment knowledge;

- (b) Staff understands that the securities regulatory authority or regulator in Alberta and Ontario have issued a rule, instrument or blanket order providing self-certified investor prospectus exemptions from the securities law of its respective jurisdiction;

AND WHEREAS the Executive Director is of the opinion that it would not be prejudicial to the public interest to make this Order;

IT IS ORDERED under section 160 of the Act:

1. The prospectus requirement in section 58 of the Act does not apply to a distribution of securities provided all of the following apply:
 - (a) the head office of the issuer is located in a Participating Jurisdiction;
 - (b) except in the case of a Listed Issuer Investment,
 - (i) the aggregate acquisition cost of the securities of the issuer acquired by the purchaser under this Order or a Corresponding Exemption in the calendar year does not exceed \$10,000, and
 - (ii) the purchaser represents to the Seller in the subscription or purchase agreement that the aggregate acquisition cost of the securities of all issuers acquired by the purchaser in the calendar year under this Order or a Corresponding Exemption, other than a Listed Issuer Investment, does not exceed \$30,000;
 - (c) in the case of a distribution by an issuer, the distribution to the purchaser is made concurrently with a distribution to an Accredited Investor;
 - (c. 1) the purchaser is provided access to substantially the same information about the securities being distributed as would be provided to an Accredited Investor;
 - (d) the purchaser purchases as principal;
 - (e) at or before the time the purchaser signs the agreement to purchase the securities, the Seller obtains from the purchaser a completed Statutory Declaration, that is dated within 36 months of the distribution and to which is attached a completed Acknowledgement in which the purchaser has completed both:
 - (i) Part A confirming that the purchaser meets the Qualifying Criteria, and
 - (ii) Part B confirming that the purchaser has read and understood each of the acknowledgements in that part;
 - (f) the Seller does not know and would not reasonably be expected to know that the statements made by the purchaser in the Acknowledgement or the representation referred to in section 1 (b)(ii) of this General Order are false;

- (g) in the case of a distribution by an issuer that is not a Private Issuer, the issuer, on or before the 10th day after the closing of the distribution, files a completed Form 45-106F1 *Report of Exempt Distribution*, together with the applicable fee; and
- (h) the Seller retains a copy of the Statutory Declaration and Acknowledgement for 8 years after the distribution.

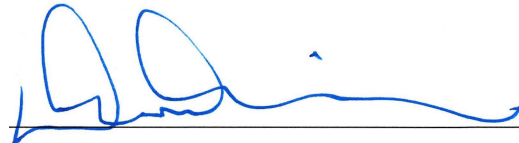
Special Purpose Vehicle Investment

- 2. The prospectus requirement in section 58 of the Act does not apply to a distribution of securities to an SPV provided all of the following apply:
 - (a) all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors are Accredited Investors and Self-Certified Investors,
 - (b) the SPV distributes its securities to Self-Certified Investors in compliance with this Order or a Corresponding Exemption,
 - (c) Self-Certified Investors have not contributed in aggregate more than 25% of the total funds invested in the SPV.

Resale Restrictions

- 3. The first trade of a security acquired under section 1 or 2 is subject to section 2.5 of NI 45-102 *Resale of Securities*.

IT IS HEREBY FURTHER ORDERED that this amended and restated Order is effective on April 1, 2024.



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

Dated March 31, 2021.
Amended and Restated July 28, 2022.
Amended and Restated October 26, 2022.
Amended and Restated March 21, 2024.