

COORDINATED BLANKET ORDER 41-930

In the Matter of Exemptions from Certain Prospectus Requirements

AND

**In the Matter of *The Securities Act, 1988*,
SS 1988-89, C S-42.2, as Amended
(the “Act”)**

GENERAL ORDER

WHEREAS staff of the Securities Division (**Staff**) applied for an order pursuant to section 160 of the Act seeking exemptive relief to streamline certain prospectus and financial statement requirements required in certain disclosure documents, subject to certain terms and conditions, with the goal of reducing the time and costs associated with raising capital under a prospectus and preparing other required disclosure, without compromising investor protection;

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

AND WHEREAS terms defined in the Act, National Instrument 13-103 *System for Electronic Data Analysis and Retrieval + (SEDAR+)*, National Instrument 14-101 *Definitions*, National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**), National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) and National Instrument 62-104 *Take-Over Bids and Issuer Bids* (**NI 62-104**) have the same meaning if used in this Order;

AND WHEREAS in this Order:

“offered securities” means securities proposed to be distributed under a prospectus; and

“specified pricing information” means (i) the price, or the price range, of offered securities; (ii) the total number, or the range of the total number, of offered securities; (iii) the total dollar amount, or the range of the total dollar



amount, of offered securities; (iv) the total number, or the range of the total number, of securities of the issuer of the class proposed to be distributed under the prospectus that would be outstanding post-offering; (v) post-offering ownership, or the range of the post-offering ownership, of the issuer by selling securityholders and principal securityholders; or (vi) any other terms of the offered securities or information regarding the issuer that are mathematically derived from any of the information referred to in clauses (i) to (v).

AND WHEREAS Staff have represented to the Executive Director that:

- a. An issuer or offeror, as applicable, is required to include a statement of comprehensive income, a statement of changes in equity, and a statement of cash flows for the third most recently completed financial year pursuant to the requirements set forth in item 32.2 of Form 41-101F1 *Information Required in a Prospectus*, item 14.2 of Form 51-102F5 *Information Circular*, item 5.2 of Form 51-102F3 *Material Change Report*, item 19 of Form 62-104F1 *Take-Over Bid Circular*, and item 21 of Form 62-104F2 *Issuer Bid Circular*;
- b. An investment dealer that provides a standard term sheet to a potential investor during the waiting period is required under paragraph 13.5(1)(b) of NI 41-101 to ensure that all information in the standard term sheet must be disclosed in, or derived from, the preliminary prospectus or any amendment to the preliminary prospectus;
- c. An investment dealer that provides marketing materials to a potential investor during the waiting period is required under paragraph 13.7(1)(b) of NI 41-101 to ensure that all information in the marketing materials must be disclosed in, or derived from, the preliminary prospectus or any amendment to the preliminary prospectus;
- d. An issuer is required under section 5.11(1) of NI 41-101 to include in a prospectus, or an amendment to the prospectus, a certificate signed by a promoter that is an individual;
- e. It is appropriate to provide exemptive relief to streamline certain prospectus and financial statement requirements required in certain disclosure documents to reduce the time and costs of raising capital under



a prospectus and in preparing other required disclosure, without compromising investor protection;

- f. The additional third year of historical financial and operating statements may provide limited incremental value to investors while imposing costs on potential issuers and offerors. Historically, only IPO venture issuers and issuers that are already reporting issuers did not have to provide a third year of financial statements. Providing the exemption in paragraph 1 of this Order to all issuers and offerors reflects evolving market expectations and takes into consideration that most issuers in comparable jurisdictions do not have the same requirement.
- g. The standard term sheet and marketing materials exemptions included in the paragraphs 2 and 3 of this Order are designed to help facilitate flexibility and deal certainty when marketing securities proposed to be distributed under a prospectus. The exemptions in paragraphs 2 and 3 of this Order do so by eliminating the time and cost of having to file an amended preliminary prospectus to disclose pricing and deal size information before such information can be marketed to potential investors during the waiting period.
- h. The exemptions in paragraphs 2 and 3 of this Order recognize that where an issuer has already publicly disclosed the specified pricing information in a news release filed on SEDAR+, there is limited benefit to the market compared to burden to the issuer to expend the time and cost of filing an amended preliminary prospectus;
- i. The promoter certificate exemption in paragraph 4 of this Order eliminates the time and cost associated with routine exemptive relief applications to exclude a promoter certificate in the context of a prospectus offering where the promoter is assuming liability for a misrepresentation in the prospectus by signing a prospectus certificate in another capacity. Granting this exemption recognizes that the promoter would already have the same statutory liability by virtue of signing the prospectus in another capacity;
- j. The promoter certificate exemption in paragraph 5 is intended to provide clarity by specifically exempting issuers in Alberta, Saskatchewan, Ontario, Manitoba, New Brunswick and Nova Scotia from the promoter certificate requirement where they have been reporting issuers for at least 24 months, where the promoter is not a director, officer or control person of the issuer and where the prospectus is not qualifying the distribution of an asset-backed security; and



- k. The exemptive relief provided in paragraphs 4 and 5 of this Order is only from the promoter certificate requirement. Issuers must still comply with all prospectus and continuous disclosure requirements related to promoters.

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 that:

Third-Year Historical Financial Statements

1. An issuer or offeror, as applicable, is exempt from the requirement to include a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for the third most recently completed financial year, as required by any of the following:
 - (a) item 32.2 of Form 41-101F1 *Information Required in a Prospectus*;
 - (b) item 14.2 of Form 51-102F5 *Information Circular*;
 - (c) item 5.2 of Form 51-102F3 *Material Change Report*;
 - (d) item 19 of Form 62-104F1 *Take-Over Bid Circular*;
 - (e) item 21 of Form 62-104F2 *Issuer Bid Circular*.

Standard Term Sheets During the Waiting Period

2. An investment dealer that provides a standard term sheet to a potential investor during the waiting period is exempt from the requirement under paragraph 13.5(1)(b) of NI 41-101 that all information in the standard term sheet must be disclosed in, or derived from, the preliminary prospectus or any amendment to the preliminary prospectus if
 - (a) the standard term sheet contains specified pricing information,
 - (b) the issuer issues and files a news release containing the specified pricing information before the standard term sheet is provided to the potential investor, and
 - (c) all information in the standard term sheet, other than the specified pricing information, information mathematically derived from the



specified pricing information and contact information for the investment dealer or underwriters, is disclosed in, or derived from, the preliminary prospectus or any amendment to the preliminary prospectus.

Marketing Materials During the Waiting Period

3. An investment dealer that provides marketing materials to a potential investor during the waiting period is exempt from the requirement under paragraph 13.7(1)(b) of NI 41-101 that all information in the marketing materials must be disclosed in, or derived from, the preliminary prospectus or any amendment to the preliminary prospectus if
 - (a) the marketing materials contain specified pricing information,
 - (b) the issuer issues and files a news release containing the specified pricing information before the marketing materials are provided to the potential investor, and
 - (c) all information in the marketing materials, other than the specified pricing information, information mathematically derived from the specified pricing information, contact information for the investment dealer or underwriters and any comparables, is disclosed in, or derived from, the preliminary prospectus or any amendment to the preliminary prospectus.

Promoter Certificate

4. An issuer is exempt from the requirement under section 5.11(1) of NI 41-101 to include in a prospectus, or an amendment to the prospectus, a certificate signed by a promoter that is an individual, provided that the prospectus or the amendment includes a certificate signed by that individual in a capacity other than that of a promoter, in the applicable issuer certificate form.
5. An issuer is exempt from the requirement under section 5.11(1) of NI 41-101 to include in a prospectus, or an amendment to the prospectus, a certificate signed by a promoter provided that
 - (a) the issuer has been a reporting issuer in at least one jurisdiction of Canada for at least 24 months,



- (b) the prospectus or the amendment does not qualify the distribution of an asset-backed security,
- (c) the promoter is not a control person of the issuer at the time the prospectus or the amendment is filed, and
- (d) the promoter is not a director or officer of the issuer at the time the prospectus or the amendment is filed.

Effective Date

6. This Order comes into effect on April 17, 2025.

Dated April 16, 2025.

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