

Ontario Securities Commission

Policy 62-602

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OSC POLICY 62-602

BUSINESS AND ASSET COMBINATIONS

- 1.** The Ontario Securities Commission is of the view that it is important, in order to maintain confidence in the integrity of the capital market, that adequate disclosure be made of complex and multi-step transactions. Such disclosure should provide a global view of the transactions and a more detailed analysis of the effect of the transaction on the security holders of each of the issuers involved in the transaction. Disclosure can be made in a variety of ways including press releases and informal communications as well as in the types of disclosure documents required under the *Securities Act* (Ontario) or the applicable corporate statutes.
- 2.** Certain complex business combinations are structured in such a manner that security holder approval is not required by the applicable statutes although the effect of the reorganization or combination is akin to that of an amalgamation where security holder approval would clearly be required. Issuers should give serious consideration to providing security holders with an opportunity to approve the corporate restructuring contemplated in such circumstances.
- 3.** Issuers proposing to proceed with complex business and asset combination transactions may wish to discuss them with the Director of the Commission in order to review the proposed level of disclosure and to discuss whether security holder approval or a certain level of security holder approval would be appropriate in these circumstances. The Commission is prepared to review the Director's views with the interested parties.

(Former Policy 3-37: First published (1977) O.S.C.B. 253; amended (1977) O.S.C.B. 268; notices (1977) O.S.C.B. 273, (1978) O.S.C.B. 60; exceptions (1978) O.S.C.B. 114; amended (1978) O.S.C.B. 224; interpretation statement (1978) O.S.C.B. 323; draft amendment (1981) 1 O.S.C.B. 7E; addendum to draft (1981) 1 O.S.C.B. 24E; published as 7.4 (1982) 4 O.S.C.B. 535E.)