



# Report of Exempt Distribution: How to complete it, when to file, what to avoid, and what's new



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# Disclaimer

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# OSC SME Institute — Objectives

- Help SMEs navigate regulatory waters
- Demystify disclosure requirements so issuers can focus on building their business
- Help SMEs reduce the cost of compliance
- Provide an opportunity for informal dialogue with OSC staff

*Disclosure requirements, including those for technical reporting,  
are a cornerstone of investor confidence*

# Agenda

| <b>Topic</b>  | <b>Slide</b> |
|---|--------------|
| About the Exempt Market   | 5            |
| Timing Requirements   | 6-8          |
| Late fees   | 9            |
| Where and how to File   | 10-15        |
| Key Changes to Form 45-106F1                                      | 16-25        |
| Save Draft Function / Amendments                                  | 26-28        |
| Activity Fees   | 29-30        |
| Offering Memorandum (OM) Exemption (s.2.9) / Related Requirements | 31-34        |
| Electronic Filing Portal (General Submissions)                    | 35-36        |
| Common Form Compliance Errors                                     | 37-45        |
| Technical Difficulties  | 46           |
| Questions   | 47           |
| Additional Resources  | 48           |
| Contact Information   | 49           |

# What is the Exempt Market?



- A section of Canada’s capital markets where selling securities is exempt from the prospectus requirements.
- Utilized by Canadian and foreign companies, both public and private, selling securities to institutional investors and qualified investors.
- Prospectus exemptions can help a company raise money without the time and expense of preparing a prospectus.
- Investors often receive less information about the companies selling and securities being purchased. These securities may be more difficult to resell.

# Timing Requirements for filing a 45-106F1

- Companies and underwriters must report certain exempt distributions to the OSC by completing and filing Form 45-106F1 Report of Exempt Distribution (Form 45-106F1)
  - Form 45-106F1s for non-investment fund issuers must be filed no later than 10 days after the distribution. **Note: days = calendar days**
  - An issuer may use one report for multiple distributions occurring within 10 days of each other, provided the report is filed on or before the 10th day following the **first distribution date**.
  - If the 10<sup>th</sup> day falls on a weekend or a statutory holiday in Ontario, the filing would be due on the next business day in Ontario.
  - Eastern Standard Time is used to determine due dates and filing times.
-

# Timing Requirements for filing a 45-106F1 Cont'd

Sample calculation #1 Distribution period and late filing

## October

| Sunday | Monday                                    | Tuesday | Wednesday | Thursday          | Friday     | Saturday |
|--------|---|---------|-----------|-------------------|------------|----------|
| 1      | 2<br>1 <sup>st</sup> Distribution<br>Date | 3       | 4         | 5                 | 6          | 7        |
| 8      | 9   | 10      | 11        | 12<br>Due<br>Date | 13<br>Late | 14       |
| 15     | 16  | 17      | 18        | 19                | 20         | 21       |

\*Oct 2 – Oct 12 sample distribution period.

\*\*Report is filed on Oct 13 and is 1 business day late.

# Timing Requirements for filing a 45-106F1 Cont'd

Sample calculation #2 Distribution period and late filing

## October

| Sunday | Monday            | Tuesday    | Wednesday                                 | Thursday                                   | Friday | Saturday                      |
|--------|-------------------|------------|---|--|--------|-------------------------------|
| 1      | 2                 | 3          | 4<br>1 <sup>st</sup> Distribution<br>Date | 5  | 6      | 7                             |
| 8      | 9                 | 10         | 11  | 12<br>2 <sup>nd</sup> Distribution<br>Date | 13     | 14<br>10 <sup>th</sup><br>Day |
| 15     | 16<br>Due<br>Date | 17<br>Late | 18  | 19   | 20     | 21                            |

\*If start date was Oct 4 the filing would be due on Oct 16.

\*\*Report is filed on Oct 17 and is 1 business day late.

\*\*\*Multiple distribution dates of Oct 4 and Oct 12 can be combined in one report.



# Late Fees

- Note that OSC Rule 13-502 *Fees* (effective April 6, 2015) provides information regarding late fees applicable to the late filing of certain documents in Appendix D, Columns A and B. Specifically, for the exempt market Form 45-106F1:

## (C) Fee for late filing Form 45-106F1

- \$100 for every **business** day following the date the form was required to be filed by a person or company until the date the form is filed, to a maximum of \$5,000 for all forms required to be filed by the person or company in the calendar year.

**NOTE:** We prefer that issuers, underwriters and service providers wait for their fee letter before sending payment for late fees, if applicable.

# The Exempt Market Page

Home / Industry / Industry Resources / The Exempt Market

**What is the exempt market?**

**Who needs to register?**

**What do investors need to know?**

**What are the available prospectus exemptions?**

**How do companies raise capital in the exempt market?**

**Reports of exempt distribution**

**Exempt market data**

**Exempt market publications**

**Check registration**  
(opens in new tab)

**On this page**

**What's New?**

**Forms and Filing Requirements**

- Reports of exempt distribution
- Offering materials and ongoing disclosure documents
- Other forms and filing requirements

**Exempt Market Data**

**Exempt Market Publications**

**Resources**

**Contact Us**


# How to File a 45-106F1

- You can access the e-form via the Exempt Market page at: <http://www.osc.gov.on.ca/en/exempt-market.htm>
- Via the OSC's [website](#) and accessing the OSC's Electronic Filing Portal [link](#) (found under Quick Links) and then selecting [Form 45-106F1](#) Report of Exempt Distribution.
- Scroll down to "File a Form 45-106F1". Or, via the Exempt Market page, go to "Forms and Filing Requirements" first. Check "Non-Investment Fund" or "Investment Fund", as applicable.

## File a Form 45-106F1

### Select your issuer type

For guidance determining regarding whether an issuer is an investment fund, refer to section 1.1 of National Instrument 81-106 *Investment Fund Continuous Disclosure* and the companion policy to NI 81-106, or consult with a lawyer.

- Non-investment Fund 
- Investment Fund

# How to File a 45-106F1 Cont'd

- Next, enter the distribution period. A calendar will pop-out for start and end dates.

## Enter distribution period

Enter the distribution start and end dates for the distribution period covered by the report. If the report is being filed for distributions occurring on multiple dates, please note that such distributions must occur within a 10-day period. If the report is being filed for distributions occurring only on one date, enter the distribution date as both the start and end dates.



| Start date                              |    |    |    |    |    |    | End date   |    |    |    |    |    |    |
|---|----|----|----|----|----|----|--|----|----|----|----|----|----|
| <input type="text" value="10/13/2017"/> |    |    |    |    |    |    | <input type="text" value="10/13/2017"/>                                    |    |    |    |    |    |    |
| < Oct 2017 >                            |    |    |    |    |    |    | Nov 2017 >   |    |    |    |    |    |    |
| Su                                      | Mo | Tu | We | Th | Fr | Sa | Su   | Mo | Tu | We | Th | Fr | Sa |
| 24                                      | 25 | 26 | 27 | 28 | 29 | 30 | 29   | 30 | 31 | 1  | 2  | 3  | 4  |
| 1                                       | 2  | 3  | 4  | 5  | 6  | 7  | 5  | 6  | 7  | 8  | 9  | 10 | 11 |
| 8                                       | 9  | 10 | 11 | 12 | 13 | 14 | 12   | 13 | 14 | 15 | 16 | 17 | 18 |
| 15                                      | 16 | 17 | 18 | 19 | 20 | 21 | 19   | 20 | 21 | 22 | 23 | 24 | 25 |
| 22                                      | 23 | 24 | 25 | 26 | 27 | 28 | 26   | 27 | 28 | 29 | 30 | 1  | 2  |
| 29                                      | 30 | 31 | 1  | 2  | 3  | 4  | 3  | 4  | 5  | 6  | 7  | 8  | 9  |
|   |    |    |    |    |    |    | <input type="button" value="Apply"/> <input type="button" value="Cancel"/> |    |    |    |    |    |    |

# How to File Cont'd - 72-503F Prompt

- **NEW** – OSC Rule 72-503 *Distributions Outside of Canada*
- Effective March 31, 2018, Rule 72-503's purpose is to provide Ontario market participants with greater certainty in cross-border transactions. It provides new exemptions from the prospectus requirement for certain distributions of securities outside Canada that comply with the laws of the foreign jurisdiction.
- The OSC's Electronic Filing Portal will prompt issuers with the following note:

**NOTE:** If you are relying on a prospectus exemption in NI 45-106 and you are required to file Form 45-106F1, please enter the distribution period below.

**If you are relying on a prospectus exemption in OSC Rule 72-503 and are required to file Form 72-503F, this is not the correct page.** Please continue to the [Reporting Issuer and Issuer Forms](#) page, complete the fillable PDF form and file it via the electronic filing portal.

- If an issuer is not relying on NI 45-106 exemptions for offshore distributions and is relying on OSC Rule 72-503 instead, a 72-503F must be filed.
- This is a simple, fillable PDF form without corresponding schedule data.

# How to File a 45-106F1 Cont'd

- Refer to the Instructions to New Form [link](#) for guidance.
- Click “Online Form (New Form)” to begin filling out the form.



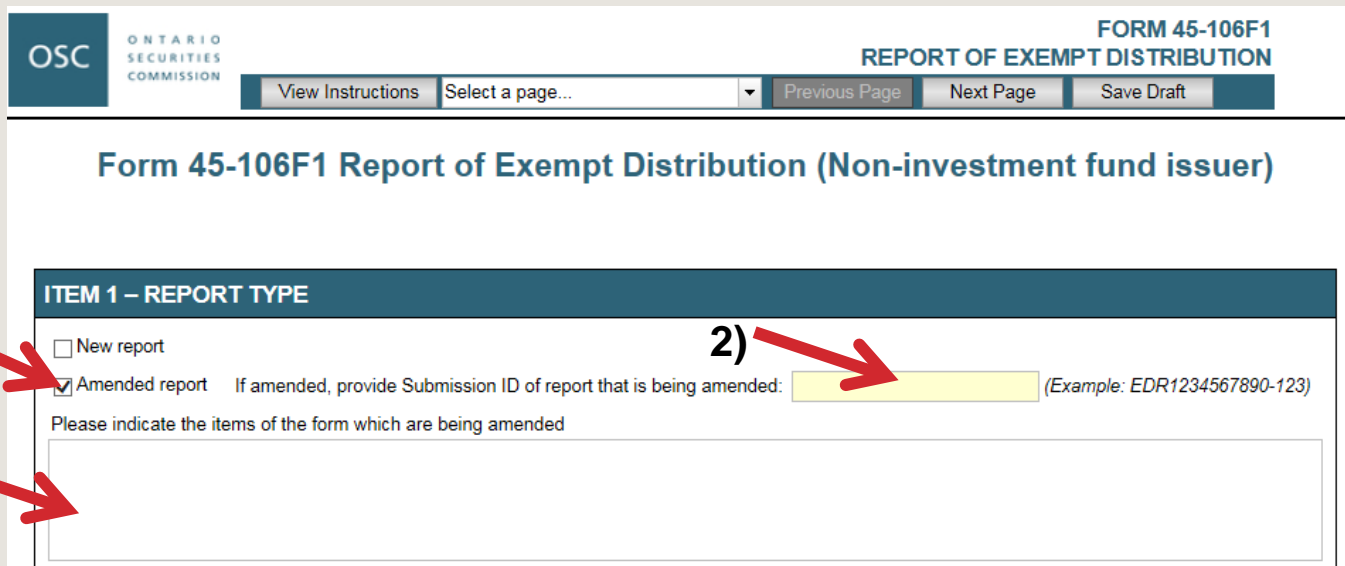
The screenshot shows a navigation menu with the following items:

- Instructions to New Form** (with an information icon)
- Contacts - securities regulatory authorities and regulators**
- Contact information of public officials regarding indirect collection of information**
- Online Form (New Form)** (with a document and pencil icon) and a right-pointing arrow. Below this link is the text: "Non-investment fund issuer - 45-106F1 Report of Exempt Distribution".

# How to File a 45-106F1 Cont'd

## Report Type (Item 1)

- Select “New report” in order to report new distributions
- Select “Amended report” and reference the original submission ID (EDR) number in order to make changes to a prior submission.
- Indicate in the comment box what the amendment is changing.



OSC ONTARIO SECURITIES COMMISSION

FORM 45-106F1  
REPORT OF EXEMPT DISTRIBUTION

View Instructions Select a page... Previous Page Next Page Save Draft

### Form 45-106F1 Report of Exempt Distribution (Non-investment fund issuer)

#### ITEM 1 – REPORT TYPE

New report

Amended report If amended, provide Submission ID of report that is being amended:  (Example: EDR1234567890-123)

Please indicate the items of the form which are being amended

1) 2) 3)

# NEW Key Changes to the 45-106F1

## Issuer Name and Other Identifiers (Item 3)

- Enter full legal name of Issuer
- Previous legal name, Website and Legal entity identifier are optional fields
- **NEW** Indicate whether co-issuers distributed a single security. If yes, enter additional legal names in box provided

**ITEM 3 – ISSUER NAME AND OTHER IDENTIFIERS**

*Provide the following information about the issuer, or if the issuer is an investment fund, about the fund.*

Full legal name

Previous full legal name *If the issuer's name changed in the last 12 months, provide most recent previous legal name.*

Website (if applicable)

*If the issuer has a legal entity identifier, provide below. Refer to Part B of the Instructions for the definition of "legal entity identifier".*

Legal entity identifier

Did two or more co-issuers distribute a single security?  No  Yes

*If two or more issuers distributed a single security, provide the full legal name(s) of the co-issuer(s) other than the issuer named above.*

Full legal name(s) of co-issuer(s)



# NEW Key Changes to the 45-106F1 Cont'd

## Issuer Information (Item 5a)

- Enter NAICS code. If code is mining related, check relevant industry box
- In all other cases, check primary industry box(es) or N/A
- Indicate Number of employees

| ITEM 5 – ISSUER INFORMATION  |
|--|
| <b>a) Primary industry</b>   |
| <i>Provide the issuer's North American Industry Classification Standard (NAICS) code (6 digits only) that in your reasonable judgment most closely corresponds to the issuer's primary business activity.</i>  |
| NAICS industry code<br><input type="text"/>  |
| <i>If the issuer is in the <b>mining industry</b>, indicate the stage of operations. This does not apply to issuers that provide services to issuers operating in the mining industry. Select the category that best describes the issuer's stage of operations.</i>           |
| <input type="checkbox"/> Exploration <input type="checkbox"/> Development <input type="checkbox"/> Production  |
| <i>Is the issuer's primary business to invest all or substantially all of its assets in any of the following? If yes, select all that apply.</i>   |
| <input type="checkbox"/> Mortgages <input type="checkbox"/> Real estate <input type="checkbox"/> Commercial/business debt <input type="checkbox"/> Consumer debt <input type="checkbox"/> Private companies <input type="checkbox"/> Cryptoassets <input type="checkbox"/> N/A |
| <b>b) Number of employees</b>  |
| <input type="checkbox"/> 0 - 49 <input type="checkbox"/> 50 - 99 <input type="checkbox"/> 100 - 499 <input type="checkbox"/> 500 or more   |

# NEW Key Changes to the 45-106F1 Cont'd

## Issuer Information (Item 5c)

- Indicate whether Issuer has SEDAR profile / provide number
- In all other cases, populate Items d-h

|  |                      |   |                      |
|--|----------------------|---|----------------------|
| <b>c) SEDAR profile number</b>   |                      |   |                      |
| Does the issuer have a <a href="#">SEDAR</a> profile ?   |                      | If yes, provide SEDAR profile number.   |                      |
| <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes  |                      | <input type="text"/>  |                      |
|  |                      | If the issuer's SEDAR profile is a "private" profile, please provide a screenshot of the issuer's profile by e-mail to <a href="mailto:exemptmarketfilings@osc.gov.on.ca">exemptmarketfilings@osc.gov.on.ca</a> |                      |
| <b>d) Head office address</b> <span style="float: right;">If the issuer does not have a SEDAR profile, complete Item 5(d) – (h).</span>  |                      |   |                      |
| Street address   | Municipality         | Province/State  | Postal/ZIP code      |
| <input type="text"/>   | <input type="text"/> | <input type="text"/>  | <input type="text"/> |
| Country  | Telephone number     |   |                      |
| <input type="text"/>   | <input type="text"/> |   |                      |
| <b>e) Date of formation and financial year-end</b>   |                      |   |                      |
| Date of formation  | Financial year-end   |   |                      |
| <input type="text"/>   | <input type="text"/> |   |                      |
| <b>f) Reporting issuer status</b>  |                      |   |                      |
| Is the issuer a reporting issuer in any jurisdiction of Canada?  |                      |   |                      |
| <input type="checkbox"/> No <input type="checkbox"/> Yes   |                      |   |                      |
| If yes, select the jurisdictions of Canada in which the issuer is a reporting issuer.  |                      |   |                      |
| <input type="checkbox"/> All <input type="checkbox"/> AB <input type="checkbox"/> BC <input type="checkbox"/> MB <input type="checkbox"/> NB <input type="checkbox"/> NL <input type="checkbox"/> NT |                      |   |                      |
| <input type="checkbox"/> NS <input type="checkbox"/> NU <input type="checkbox"/> ON <input type="checkbox"/> PE <input type="checkbox"/> QC <input type="checkbox"/> SK <input type="checkbox"/> YT  |                      |   |                      |

# NEW Key Changes to the 45-106F1 Cont'd

## Issuer Information (Item 5g, h)

- Indicate whether Issuer has SEDAR profile

| g) Public listing status   |   |  |   |
|--|---|--|---|
| Does the issuer have a CUSIP number?   | CUSIP number (provide first 6 digits only)              |  |   |
| <input type="checkbox"/> No <input type="checkbox"/> Yes   | <input type="text"/>                                    |  |   |
| <i>If the issuer is publicly listed, provide the name of the exchange on which the issuer's <u>equity securities primarily trade</u>. Provide only the name of an exchange and not a trading facility such as, for example, an automated trading system.</i>                                 |   |  |   |
| Exchange name:   |   |  |   |
| <input type="checkbox"/> Not Applicable  | <input type="checkbox"/> Toronto Stock Exchange         | <input type="checkbox"/> TSX Venture Exchange    | <input type="checkbox"/> Canadian Securities Exchange |
| <input type="checkbox"/> Aequitas Neo Exchange   | <input type="checkbox"/> Australian Securities Exchange | <input type="checkbox"/> Deutsche Boerse         | <input type="checkbox"/> Euronext                     |
| <input type="checkbox"/> London Stock Exchange   | <input type="checkbox"/> Nasdaq                         | <input type="checkbox"/> New York Stock Exchange | <input type="checkbox"/> Shanghai Stock Exchange      |
| <input type="checkbox"/> Shenzhen Stock Exchange   | <input type="checkbox"/> Stock Exchange Of Hong Kong    | <input type="checkbox"/> Tokyo Stock Exchange    | <input type="checkbox"/> OTHER                        |
| If other, describe: <input type="text"/>   |   |  |   |
| h) Size of issuer's assets   |   |  |   |
| <i>Select the size of the issuer's assets based on its most recently available annual financial statements (Canadian \$). If the issuer has not prepared annual financial statements for its first financial year, provide the size of the issuer's assets at the distribution end date.</i> |   |  |   |
| <input type="checkbox"/> \$0 to under \$5M   | <input type="checkbox"/> \$5M to under \$25M            | <input type="checkbox"/> \$25M to under \$100M   |   |
| <input type="checkbox"/> \$100M to under \$500M  | <input type="checkbox"/> \$500M to under \$1B           | <input type="checkbox"/> \$1B or over            |   |

# NEW Key Changes to the 45-106F1 Cont'd

- Investment Fund Issuer Information (Item 6)

| b) Type of investment fund   |   |
|--|---|
| <i>Type of investment fund that most accurately identifies the issuer (select only one).</i>   |   |
| <input type="checkbox"/> Money Market  | <input type="checkbox"/> Equity                       |
| <input type="checkbox"/> Fixed income  | <input type="checkbox"/> Balanced                     |
| <input type="checkbox"/> Alternative strategies  | <input type="checkbox"/> Cryptoasset                  |
| <input type="checkbox"/> Other (describe): <input type="text"/>  |   |
| <i>Indicate whether any of the following apply to the investment fund (select all that apply).</i>   |   |
| <input type="checkbox"/> Invests primarily in other investment fund issuers  | <input type="checkbox"/> Is a UCITs Fund <sup>1</sup> |
| <input type="checkbox"/> N/A   |   |
| <sup>1</sup> Undertaking for the Collective Investment of Transferable Securities funds (UCITs Funds) are investment funds regulated by the European Union (EU) directives that allow collective investment schemes to operate throughout the EU on a passport basis on authorization from one member state. |   |

| e) Public listing status of the investment fund  |   |
|--|---|
| <i>Does the investment fund have a CUSIP number?</i>   | <i>CUSIP number (provide first 6 digits only)</i>       |
| <input type="checkbox"/> No <input type="checkbox"/> Yes   | <input type="text"/>                                    |
| <i>If the investment fund is publicly listed, provide the name of the exchange on which the investment's fund securities primarily trade. Provide only the name of an exchange and not a trading facility such as, for example, an automated trading system.</i> |   |
| <i>Exchange name:</i>  |   |
| <input type="checkbox"/> Not Applicable  | <input type="checkbox"/> Toronto Stock Exchange         |
| <input type="checkbox"/> TSX Venture Exchange  | <input type="checkbox"/> Canadian Securities Exchange   |
| <input type="checkbox"/> Aequitas Neo Exchange   | <input type="checkbox"/> Australian Securities Exchange |
| <input type="checkbox"/> Deutsche Boerse   | <input type="checkbox"/> Euronext                       |
| <input type="checkbox"/> London Stock Exchange   | <input type="checkbox"/> Nasdaq                         |
| <input type="checkbox"/> New York Stock Exchange   | <input type="checkbox"/> Shanghai Stock Exchange        |
| <input type="checkbox"/> Shenzhen Stock Exchange   | <input type="checkbox"/> Stock Exchange Of Hong Kong    |
| <input type="checkbox"/> Tokyo Stock Exchange  | <input type="checkbox"/> OTHER                          |
| <i>If other, describe:</i> <input type="text"/>  |   |



# NEW Key Changes to the 45-106F1 Cont'd

## Information About The Distribution (Item 7f)

- The summary of the distribution section has revised language regarding entering “unique purchasers”.
- This will be highlighted in the Common Form Compliance Errors section.

**f) Summary of the distribution by jurisdiction and exemption**

State the total dollar amount of securities distributed and the number of purchasers for each jurisdiction of Canada and foreign jurisdiction where a purchaser resides and for each exemption relied on in Canada for that distribution. However, if an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, include distributions to purchasers resident in that jurisdiction of Canada only. This table requires a separate line item for (i) each jurisdiction where a purchaser resides (ii) each exemption relied on in the jurisdiction where a purchaser resides, if a purchaser resides in a jurisdiction of Canada, and (iii) each exemption relied on in Canada, if a purchaser resides in a foreign jurisdiction. For jurisdictions within of Canada, state the province or territory, otherwise state country.

| Province or country                                   | Exemption relied on | No. of unique purchasers <sup>2a</sup> | Total amount (Canadian \$) |
|---|---------------------|--|----------------------------|
|   |                     |  |                            |
| <b>Total dollar amount of securities distributed</b>  |                     |  | 0.0000                     |
| <b>Total number of unique purchasers<sup>2b</sup></b> |                     |  |                            |

<sup>2a</sup>In calculating the number of unique purchasers per row, count each purchaser only once. Joint purchasers may be counted as one purchaser.  
<sup>2b</sup>In calculating the total number of unique purchasers to which the issuer distributed securities, count each purchaser only once, regardless of whether the issuer distributed multiple types of securities to, and relied on multiple exemptions for, that purchaser.

Add Distribution

# NEW Key Changes to the 45-106F1 Cont'd

## Directors, Executive Officers and Promoters of the Issuer (Item 9)

- Select only one box. If multiple boxes apply, select the most applicable option.

### ITEM 9 – DIRECTORS, EXECUTIVE OFFICERS AND PROMOTERS OF THE ISSUER

Indicate whether the issuer is any of the following (select the one that applies - if more than one applies, select only one).

Reporting issuer in any jurisdiction of Canada

Foreign public issuer

Wholly owned subsidiary of a reporting issuer in any jurisdiction of Canada<sup>6</sup>

Provide name of reporting issuer

Wholly owned subsidiary of a foreign public issuer<sup>6</sup>

Provide name of foreign public issuer

Issuer distributing only eligible foreign securities and the distribution is to permitted clients only<sup>7</sup>

**If the issuer is at least one of the above, do not complete Item 9(a) – (c). Proceed to Item 10.**

<sup>6</sup> An issuer is a wholly owned subsidiary of a reporting issuer or a foreign public issuer if all of the issuer's outstanding voting securities, other than securities that are required by law to be owned by its directors, are beneficially owned by the reporting issuer or the foreign public issuer, respectively.

<sup>7</sup> Check this box if it applies to the current distribution even if the issuer made previous distributions of other types of securities to non-permitted clients. Refer to the definitions of "eligible foreign security" and "permitted client" in Part B(1) of the Instructions.

If the issuer is none of the above, check this box and complete Item 9(a) – (c).

# NEW Key Changes to the 45-106F1 Cont'd

## Certification (Item 10)

- Inclusion of agent as authorized delegate to certify report.

### ITEM 10 – CERTIFICATION

Provide the following certification and business contact information of an officer, director or agent of the issuer or underwriter. If the issuer or underwriter is not a company, an individual who performs functions similar to that of a director or officer may certify the report. For example, if the issuer is a trust, the report may be certified by the issuer's trustee. If the issuer is an investment fund, a director or officer of the investment fund manager (or, if the investment fund manager is not a company, an individual who performs similar functions) may certify the report if the director or officer has been authorized to do so by the investment fund.

The certification may be delegated, but only to an agent that has been authorized by an officer or director of the issuer or underwriter to prepare and certify the report on behalf of the issuer or underwriter. If the report is being certified by an agent on behalf of the issuer or underwriter, provide the applicable information for the agent in the boxes below.

If the individual completing and filing the report is different from the individual certifying the report, provide the name and contact details for the individual completing and filing the report in Item 11.

The signature on the report must be in typed form rather than handwritten form. The report may include an electronic signature provided the name of the signatory is also in typed form.

Securities legislation requires an issuer or underwriter that makes a distribution of securities under certain prospectus exemptions to file a completed report of exempt distribution.

By completing the information below, I certify, on behalf of the issuer/underwriter, to the securities regulatory authority or regulator, as applicable, that I have reviewed this report and to my knowledge, having exercised reasonable diligence, the information provided in this report is true and, to the extent required, complete.

|                                  |                      |                       |  |
|----------------------------------|----------------------|-----------------------|--|
| Name of issuer/underwriter/agent | <input type="text"/> |                       |  |
| Full legal name - Family name    | First given name     | Secondary given names |  |
| <input type="text"/>             | <input type="text"/> | <input type="text"/>  |  |
| Title                            | Telephone number     | Email address         |  |
| <input type="text"/>             | <input type="text"/> | <input type="text"/>  |  |
| Signature                        | Date                 | <input type="text"/>  |  |

## NEW Key Changes to the 45-106F1 Cont'd

- A number of new security codes have been added for the purposes of disclosing security types throughout the e-form

| Security code       | Security type   |
|---------------------|---|
| BND                 | Bonds   |
| CER                 | Certificates <i>(including pass-through certificates, trust certificates)</i>                               |
| CMS                 | Common shares   |
| CVD                 | Convertible debentures  |
| CVN                 | Convertible notes   |
| CVP                 | Convertible preferred shares  |
| <a href="#">DCT</a> | <a href="#">Digital coins or tokens</a>   |
| DEB                 | Debentures  |
| <a href="#">DRS</a> | <a href="#">Depository receipts (such as American or Global depository receipts/shares)</a>                 |
| FTS                 | Flow-through shares   |
| FTU                 | Flow-through units  |
| LPU                 | Limited partnership units <a href="#">and limited partnership interests (including capital commitments)</a> |
| <a href="#">MTG</a> | <a href="#">Mortgages (other than syndicated mortgages)</a>   |
| NOT                 | Notes <i>(include all types of notes except convertible notes)</i>  |
| OPT                 | Options   |
| PRS                 | Preferred shares  |
| RTS                 | Rights  |
| <a href="#">SMG</a> | <a href="#">Syndicated mortgages</a>  |
| <a href="#">SUB</a> | <a href="#">Subscription receipts</a>   |
| UBS                 | Units of bundled securities <i>(such as a unit consisting of a common share and a warrant)</i>              |
| UNT                 | Units <i>(exclude units of bundled securities, include trust units and mutual fund units)</i>               |
| WNT                 | Warrants <a href="#">(including special warrants)</a>   |
| OTH                 | Other securities not included above <i>(if selected, provide details of security type in Item 7d)</i>       |





# Save Draft / Amendment Feature

- Click on the "Save" button, located at the upper right corner of the E-Form



OSC ONTARIO SECURITIES COMMISSION

FORM 45-106F1  
REPORT OF EXEMPT DISTRIBUTION

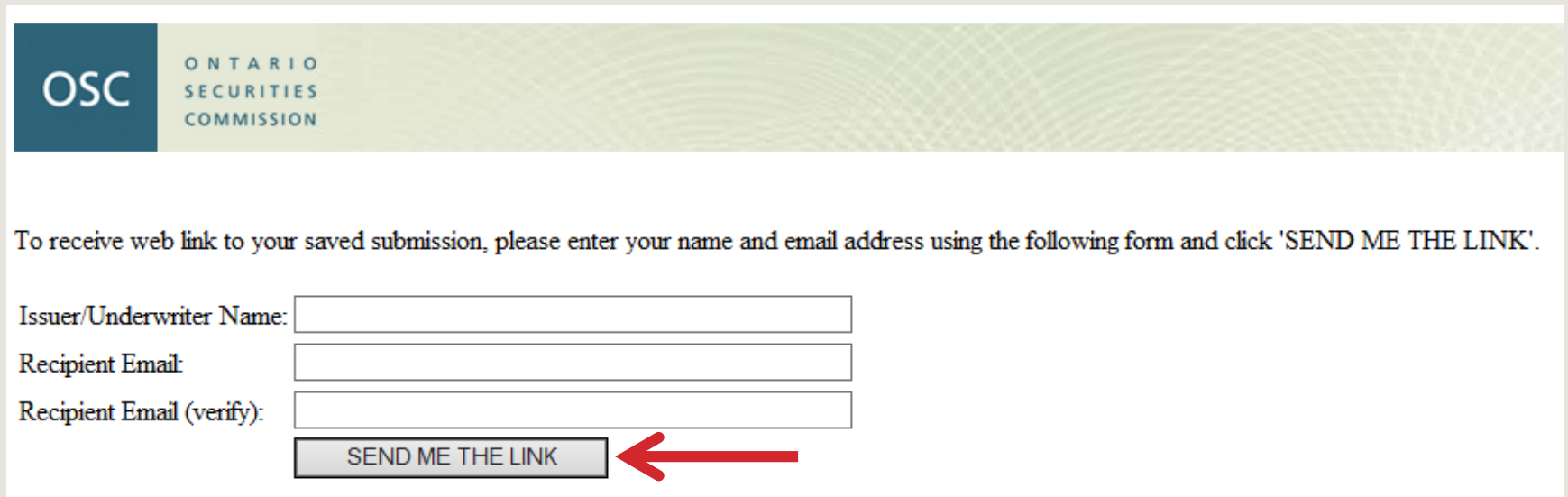
View Instructions Select a page... Previous Page Next Page Save Draft

**Form 45-106F1 Report of Exempt Distribution (Non-investment fund issuer)**

- A link to the saved E-Form will be emailed to you.
  - The link to the saved E-Form will remain active for 30 days prior to submission.
  - Once you have submitted the E-Form, the link will only be available for 14 days from the date of submission.
- You can print or save a copy of the E-Form or email the link to others for review.

# Save Draft / Amendment Feature Cont'd

- Enter the issuer or underwriter name and email address in order to receive an email link to draft



The screenshot shows the top of a web page with the OSC logo and name. Below is a form with three input fields and a button. A red arrow points to the button.

OSC ONTARIO SECURITIES COMMISSION

To receive web link to your saved submission, please enter your name and email address using the following form and click 'SEND ME THE LINK'.

Issuer/Underwriter Name:

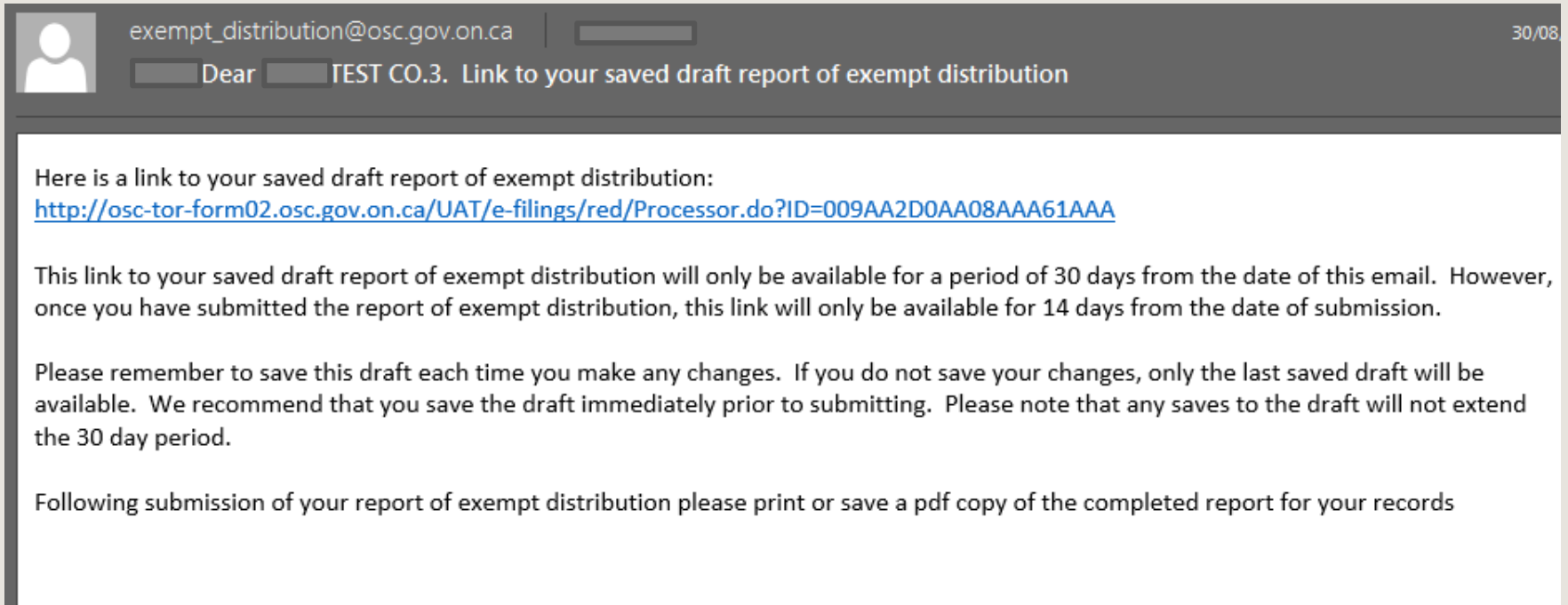
Recipient Email:

Recipient Email (verify):

←

# Save Draft / Amendment Feature Cont'd

Sample Email with Link to form:



# Activity Fees and Supplementary Fees

- Pursuant to OSC Rule 13-502 *Fees* (effective April 6, 2015), Part 6 – Activity Fees item 6.1 reads:

*Activity fees — General — A person or company must, when filing a document or taking an action described in any of Rows A to O of Column A of Appendix C, pay the activity fee shown opposite the description of the document or action in Column B.*

- In particular: Appendix C – Activity Fees, Row B2 states:

| <b>B. Fees relating to exempt distributions under OSC Rule 45-501<br/>Ontario Prospectus and Registration Exemptions and NI 45-106</b> |  |       |
|--|--|-------|
| B1   | Application for recognition, or renewal of recognition, as an accredited investor  | \$500 |
| B2   | Filing of a Form 45-106F1 for a distribution of securities of an issuer under an exemption from the prospectus requirement other than section 2.9 [Offering memorandum] of NI 45-106 | \$500 |

# Activity Fees and Supplementary Fees

- Activity fees can be paid by:
  - **Credit Card** (at the time of filing only);
  - **Wire Transfer** (please send an email request for wire payment instructions) Note that wire transfers have an additional \$15 fee.
  - **Cheque** made payable to the “**Ontario Securities Commission**” and sent to:

Corporate Finance Department  
20 Queen Street West, Suite 2200, P.O. Box 55  
Toronto, Ontario M5H 3S8  
Attention: Exempt Market Filings

**Note:** When submitting payment, please include the fee letter and reference the EDR number and issuer or underwriter name for the report.

# Use of the OM (s.2.9) exemption in Ontario

- The offering memorandum (OM) prospectus exemption came into force in Ontario on January 13, 2016.
- Issuers must file the OM and any marketing materials used in connection with a distribution under the OM Exemption with the OSC. It can be attached or referenced by a prior filing number at item 7h) of the 45-106F1. This documentation may also be submitted via the Electronic Filing Portal under the appropriate document types.

**ITEM 7 – INFORMATION ABOUT THE DISTRIBUTION**

**h) Offering materials - This section applies only in Saskatchewan, Ontario, Québec, New Brunswick and Nova Scotia.**

*If a distribution has occurred in Saskatchewan, Ontario, Québec, New Brunswick or Nova Scotia, complete the table below by listing the offering materials that are required under the prospectus exemption relied on to be filed with or delivered to the securities regulatory authority or regulator in those jurisdictions.  
In Ontario, if the offering materials listed in the table are required to be filed with or delivered to the Ontario Securities Commission (OSC), attach an electronic version of the offering materials that have not been previously filed with or delivered to the OSC.*

**Not Applicable**

| Description  | Date of document or other material | Previously filed with or delivered to regulator?      | Previously filed Submission ID | Filename             |
|--|------------------------------------|---|--------------------------------|----------------------|
| 1. <div style="background-color: yellow; border: 1px solid black; height: 15px; width: 100%;"></div> | <input type="text"/>               | <input type="checkbox"/> Y <input type="checkbox"/> N | <input type="text"/>           | <input type="text"/> |

## Activity Fees and Supplementary Fees Cont'd

- If an issuer relies on the section 2.9 (Offering Memorandum) exemption in Ontario, additional, supplementary activity fees *may* apply. Specifically, if the Ontario distribution amount raised under section 2.9 exceeds \$2,000,000.
- In particular, OSC Rule 13-502 *Fees* (effective April 6, 2015), Appendix C – Activity Fees, Row B2.1 states:

*Greater of (i) \$500 or (ii) 0.025% of the gross proceeds realized by the issuer from the distribution in Ontario*
- For example, ABC Capital Inc. raises \$2,600,000 in Ontario under s.2.9. The total activity fee owing would be \$650, (.025 of \$2,600,000). If the company paid \$500 upon filing their report, an additional \$150 would be owed.
- The Fees Administrator will send a fee letter for the correct total activity fee or additional supplementary amount, as applicable.



# Use of the OM (s.2.9) exemption in Ontario

## Cont'd

### CONTINUOUS DISCLOSURE REQUIREMENTS

- Generally, pursuant to ss.2.9(17.5) of NI 45-106, an issuer must, within 120 days after the end of each of its financial years, deliver **annual financial statements** to the securities regulatory authority.
  - See 45-106CP 3.8(8) for further detail
- For a change in financial year end, a **Notice of change in financial year end** is required to be delivered to the OSC pursuant to ss.2.9(17.13) of NI 45-106.
- A **Notice of Use of Proceeds** (Form 45-106F16) must also be delivered concurrently with **annual financial statements** the OSC. This document must be filed using the prescribed form.

# Late Fees for Annual Financial Statements

- As previously mentioned, OSC Rule 13-502 *Fees* provides information regarding late fees applicable to the late filing of certain documents in Appendix D, Columns A and B. Specifically, regarding financial statements:

## (A) Annual financial statements


- \$100 for every business day following the date the form was required to be filed by a person or company until the date the form is filed, to a maximum of \$5,000 for all forms required to be filed by the person or company in the calendar year.

**NOTE: This annual cap is independent of the cap for issuers and underwriters and their late form 45-106F1 submissions.**

# Electronic Filing Portal (General Submissions)

- Ongoing continuous disclosure documents, including annual audited financial statements can be filed via the [General PDF Submissions](#) e-form of the [OSC's Electronic Filing Portal](#).

## PDF Submissions

Except as provided below, any documents or notices that are required to be filed electronically under OSC Rule 11-501 but are not listed above as web-based forms must be submitted in PDF Format by clicking [here](#). 

These include any documents or notices that are required to be filed or delivered electronically for distributions made in reliance on the **offering memorandum exemption** under s.2.9 of NI 45-106 (in force as of January 13, 2016) and the **crowdfunding exemption** under MI 45-108 (in force as of January 25, 2016).

If you are filing a [Form 45-106F1 Report of Exempt Distribution](#) for a distribution made in reliance on these two exemptions, we request that electronic versions of the offering document, related marketing materials and any other offering materials, if applicable, be submitted as attachments to the Form 45-106F1.

# Electronic Filing Portal (General Submissions) cont'd

## Common Exempt Market Document Categories

- **NEW** OSC Rule 72-503 Distributions Outside of Canada
- Delivery of an offering memorandum including investor presentations, or any amendment pursuant to s. 5.4 of OSC Rule 45-501 Ontario Prospectus and Registration Exemptions [Non-Investment Funds]
- Marketing materials required to be filed pursuant to s.2.9(17.1) of NI 45-106 Prospectus Exemptions
- 45-106F16 Notice of Use of Proceeds
- Annual financial statements required to be delivered pursuant to s. 2.9(17.5) of NI 45-106 Prospectus Exemptions
- Notice of change in financial year end required to be delivered pursuant to s. 2.9(17.13) of NI 45-106 Prospectus Exemptions

**NOTE: Refer to Electronic Filing Portal for a complete document list.**

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# Common Form Compliance Errors

## 1. UNIQUE PURCHASER COUNT

- The number of unique Ontario purchasers indicated on the Schedule 1 does not match the number indicated on the Form 45-106F1.
  - In calculating the number of unique purchasers per row, count each purchaser only once.

**f) Summary of the distribution by jurisdiction and exemption**

State the total dollar amount of securities distributed and the number of purchasers for each jurisdiction of Canada and foreign jurisdiction where a purchaser resides and for each exemption relied on in Canada for that distribution. However, if an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, include distributions to purchasers resident in that jurisdiction of Canada only.

This table requires a separate line item for (i) each jurisdiction where a purchaser resides (ii) each exemption relied on in the jurisdiction where a purchaser resides, if a purchaser resides in a jurisdiction of Canada, and (iii) each exemption relied on in Canada, if a purchaser resides in a foreign jurisdiction. For jurisdictions within of Canada, state the province or territory, otherwise state country.

| Province or country                                   | Exemption relied on | No. of unique purchasers <sup>2a</sup> | Total amount (Canadian \$) |
|---|---------------------|--|----------------------------|
|   |                     |  |                            |
| <b>Total dollar amount of securities distributed</b>  |                     |  | 0.0000                     |
| <b>Total number of unique purchasers<sup>2b</sup></b> |                     |  |                            |

<sup>2a</sup>In calculating the number of unique purchasers per row, count each purchaser only once. Joint purchasers may be counted as one purchaser.

<sup>2b</sup>In calculating the total number of unique purchasers to which the issuer distributed securities, count each purchaser only once, regardless of whether the issuer distributed multiple types of securities to, and relied on multiple exemptions for, that purchaser.

Add Distribution

# Common Form Compliance Errors

## 2. ONTARIO DISTRIBUTION AMOUNT

- The total Ontario distribution amount specified on the Schedule 1 does not match the form.

## 3. DISTRIBUTION DATES

- The distribution dates indicated on the Schedule 1 appear to be different than those referred to on the Form 45-106F1.
  - Could have fee implications or additional report(s)

| b) Distribution date(s)  |                      |
|--|----------------------|
| <i>State the distribution start and end dates. If the report is being filed for securities distributed on only one distribution date, provide the distribution date as both the start and end dates. If the report is being filed for securities distributed on a continuous basis, include the start and end dates for the distribution period covered by the report.</i> |                      |
| Start Date   | End Date             |
| <input type="text"/>   | <input type="text"/> |

# Common Form Compliance Errors

## 4. EXEMPTIONS DO NOT MATCH

- The exemptions relied on in the Schedule 1 appear to be different than those referred to on the Form 45-106F1. Also, subsections should be added, if applicable, in the appropriate columns.

| Q   |  | R   | S  | T   |   | U | V | W   |
|---|--|---|--|---|---|---|---|---|
| Details of exemption relied on                                    |  |   | If relying on section 2.3 of NI 45-106   | If relying on section 2.5 of NI 45-106                                |   |   |   | If relying on subsection 2.9(2) or 2.9(2.1) of NI 45-106 and purchaser is an eligible investor                          |
| Rule, section and subsection number                               | If "Other", specify exemption relied on (provide number of local rule, order or blanket order) | Paragraph number in the definition of <b>accredited investor</b> that applies to the purchaser ( <i>select only one</i> ) | Paragraph number in subsection 2.5(1) that applies to the purchaser ( <i>select only one</i> ) | Name of individual at issuer claiming a relationship to the purchaser | Position at issuer (D/O/C/F) of individual claiming a relationship to the purchaser |   |   | Paragraph number in the definition of <b>eligible investor</b> that applies to the purchaser ( <i>select only one</i> ) |
| NI 45-106 2.3 [Accredited investor]                               |  | d and/or q  |  |   |   |   |   |   |
| NI 45-106 2.5 [Family, friends and business associates]           |  |   | a  | John Smith  | Founder (F)   |   |   |   |
| NI 45-106 2.9(2.1) [Offering memorandum] (AB, SK, ON, QC, NB, NS) |  |   |  |   |   |   |   | d   |
| Other [describe in next column]                                   | s.2.24 of NI-45-106  |   |  |   |   |   |   |   |

# Common Form Compliance Errors

## 5. PURCHASER DATA IS INCORRECT/MISSING

- All purchaser information must be completed and correct.
- Our preference is that fields be left blank if the data is not required.
- Please do not add additional fields such as investment account numbers or "In Trust For" / "ITF" references, or Joint Tenants "JTWROS", etc.
- If two or more individuals have purchased a security as joint purchasers, complete the Schedule 1 by providing information for each purchaser under the columns for family name, first given name and secondary given names, if applicable, and separating the individuals' names by an ampersand.
  - For example, if Jane Jones and Robert Smith are joint purchasers, indicate "Jones & Smith" in the family name column, and "Jane & Robert" in the first given name column of the Schedule 1 Excel template.



# Common Form Compliance Errors

## 6. NRD NUMBER OR REGISTRANT NAME IS DEFICIENT ON FORM

- The NRD number and registrant firm name do not match with the following item(s) on the Form 45-106F1: **4 (Underwriter Information)** or **Item 8 (Compensation Information)**.

**ITEM 4 – UNDERWRITER INFORMATION**

*If an underwriter is completing the report, provide the underwriter's full legal name and firm National Registration Database (NRD) number.*

Full legal name

Does the Underwriter's Firm have an NRD Number?  No  Yes Firm NRD number  [\(Registrant Search\)](#)

*If the underwriter does not have a firm NRD number, provide the head office contact information of the underwriter.*

Street address  Municipality  Province/State  Postal/ZIP code

Country  Telephone number  Website (if applicable)

**PERSON 1** Add Person Delete Current < 1 of 1 >

**a) Name of person compensated and registration status**

Indicate whether the person compensated is a registrant.  No  Yes Is the person an individual or non-individual?  Individual  Non-Individual

*If the person compensated is an individual, provide the full legal name of the individual.*

Family name  First given name  Secondary given names

*If the person compensated is not an individual, provide the following information.*

Full legal name of non-individual  Firm NRD number (if applicable)  [\(Registrant Search\)](#)

# Common Form Compliance Errors

## 7. COMPENSATED PERSON FIELD IS DEFICIENT ON SCHEDULE 1

|  |                                |  |  |
|--|--------------------------------|--|--|
|  | Is the purchaser a registrant? | Is the purchaser an insider of the issuer? | Full legal name of person compensated for distribution to this purchaser |
|  | N                              | N  | XYZ Capital Inc.   |

- if the person compensated is a registered firm, provide the firm NRD number only
- Otherwise, provide the full legal name of person compensated
- When indicating multiple compensated persons in the same line, separate them using a semi-colon

# Common Form Compliance Errors

- The name provided must be consistent with name of the person compensated as provided in Item 8 of the report.

|                   |  |
|-------------------|--|
|                   |  |
| Example Firm Inc. |  |
|                   |  |

=

*If the person compensated is not an individual*

Full legal name of non-individual

Example Firm Inc.

- For individuals and non-registered firms, please include the full name of the firm and not short forms or initials.

|                   |   |
|-------------------|---|
| Example Firm Inc. | ✓ |
| Example           | ✗ |
| EFI               | ✗ |

- Please do not indicate "N/A" if there is no compensated person.

# Common Form Compliance Errors


## 8. ISSUER NAME

- The Issuer name and/or certification date was omitted or incorrect on the Schedule 1.


**ITEM 3 – ISSUER NAME AND OTHER IDENTIFIERS**

*Provide the following information about the issuer, or if the issuer is an investment fund, about the fund.*

Full legal name



|   | A   | B   | C | D | E |
|---|---|---|---|---|---|
| 1 | <b>SCHEDULE 1 TO FORM 45-106F1 (CONFIDENTIAL PURCHASER INFORMATION)</b>   |   |   |   |   |
| 2 | <i>The information in this schedule will not be placed on the public file of any securities regulatory authority or</i> |   |   |   |   |
| 3 | <i>Do not alter the order of columns or the column titles. If you add totals to assist you in completing this form,</i> |   |   |   |   |
| 4 | Name of issuer  | Certification date of the report (YYYY-MM-DD) |   |   |   |
| 5 |   |   |   |   |   |
| 6 |   |   |   |   |   |



# Common Form Compliance Errors

## 9. INCORRECT TEMPLATE/CANNOT OPEN SCHEDULE

- Schedule 1 and/or 2 were filed using an incorrect template or cannot be opened.

CSA approved templates can be found:



[File a Form 45-106F1 →](#)

If you are relying on a prospectus exemption in OSC Rule 72-503 and are required to file Form 72-503F, please continue to the [Reporting Issuer and Issuer Forms](#) page, complete the fillable PDF form and file it via the OSC electronic filing portal.

### **New report of exempt distribution (in force as of June 30, 2016, amended October 5, 2018)**

A new report of exempt distribution, Form 45-106F1, came into force in all CSA jurisdictions, including Ontario, on June 30, 2016. See [CSA Notice of Amendments to National Instrument 45-106 Prospectus Exemptions relating to Reports of Exempt Distributions](#) for more information on the new report.

The schedules to the new report must be filed using the Excel templates ([Schedule 1](#) / [Schedule 2](#)) developed by the CSA.

# Temporary Technical Difficulties

- If you experience technical issues when filing your 45-106F1, please contact the OSC's Inquiries and Contact Centre during business hours.
  - Local (Toronto) 416-593-8314
  - Toll-free (North America) 1-877-785-1555
  - TTY 1-866-827-1295
  - E-mail [inquiries@osc.gov.on.ca](mailto:inquiries@osc.gov.on.ca)
- If you cannot file before the deadline, an electronic version of the form can be sent by email with the Schedule 1 and, if applicable, Schedule 2 to the [exemptmarketfilings@osc.gov.on.ca](mailto:exemptmarketfilings@osc.gov.on.ca) inbox and also with a copy to [efilings@osc.gov.on.ca](mailto:efilings@osc.gov.on.ca).
- Please also explain your technical issue(s) and indicate that the report is being filed under a temporary technical difficulties exemption and also note that a copy must be transmitted through the e-filing portal as soon as practical after the technical difficulty has been resolved.

# Questions?



# Appendix A - Additional Resources

- The OSC's Exempt Market Website

<http://www.osc.gov.on.ca/en/exempt-market.htm>

- CSA Staff Notice 45-308 (Revised) Guidance for Preparing and Filing Reports of Exempt Distribution under National Instrument 45-106 Prospectus Exemptions

[http://www.osc.gov.on.ca/en/SecuritiesLaw\\_rule\\_20180719\\_45-308\\_prospectus-exemptions.htm](http://www.osc.gov.on.ca/en/SecuritiesLaw_rule_20180719_45-308_prospectus-exemptions.htm)

- Unofficial version of OSC Rule 13-502 *Fees*

[http://www.osc.gov.on.ca/documents/en/Securities-Category1/rule\\_20170208\\_13-502\\_unofficial-consolidated.pdf](http://www.osc.gov.on.ca/documents/en/Securities-Category1/rule_20170208_13-502_unofficial-consolidated.pdf)

- OSC Report on Exempt Market Activity (2017)

[http://www.osc.gov.on.ca/en/NewsEvents\\_nr\\_20170615\\_report-exempt-market-activity.htm](http://www.osc.gov.on.ca/en/NewsEvents_nr_20170615_report-exempt-market-activity.htm)



# Appendix B – Contact Information

| Contact   | Information  |
|---|--|
| <i>Evan Marquis</i><br><i>Exempt Market Review Officer</i><br><i>Corporate Finance</i>              | <ul style="list-style-type: none"> <li>Email: <a href="mailto:emarquis@osc.gov.on.ca">emarquis@osc.gov.on.ca</a></li> </ul>  |
| <i>Yan Kiu Chan</i><br><i>Legal Counsel</i><br><i>Corporate Finance</i>                             | <ul style="list-style-type: none"> <li>Email: <a href="mailto:ychan@osc.gov.on.ca">ychan@osc.gov.on.ca</a></li> </ul>  |
| <i>Kian Sleggs</i><br><i>Business Analyst</i><br><i>Compliance and Registrant Regulation Branch</i> | <ul style="list-style-type: none"> <li>Email: <a href="mailto:ksleggs@osc.gov.on.ca">ksleggs@osc.gov.on.ca</a></li> </ul>  |
| <i>Eden Williams</i><br><i>Manager, Regulatory Administration,</i><br><i>Corporate Finance</i>      | <ul style="list-style-type: none"> <li>Email: <a href="mailto:ewilliams@osc.gov.on.ca">ewilliams@osc.gov.on.ca</a></li> </ul>  |
| Exempt Market Inquiries   | <ul style="list-style-type: none"> <li>Email: <a href="mailto:exemptmarketfilings@osc.gov.on.ca">exemptmarketfilings@osc.gov.on.ca</a></li> </ul>  |
| OSC Contact Centre  | <ul style="list-style-type: none"> <li>Email: <a href="mailto:inquiries@osc.gov.on.ca">inquiries@osc.gov.on.ca</a></li> <li>Phone: <b>416-593-8314</b> or <b>1-877-785-1555</b></li> </ul> |