



CSA Rolls Out Three New Blanket Order Exemptions to Adapt to Evolving Canadian Marketplace

– Update to Prospectus & Disclosure Requirements –
– New Prospectus Exemption for Distributions Made by New Reporting Issuers –
– Offering Memorandum Investment Limit Increase for Eligible Investors –

In recent years, Canada has witnessed a decrease in the number of public companies in the marketplace. While there are various reasons companies may choose to go or remain private, many choose to do so in order to avoid the costs and regulatory burdens associated with being a public company/reporting issuer in Canada.

On April 17, 2025, the Canadian Securities Administrators (**CSA**) published a [notice](#) publishing three new coordinated blanket orders implemented by CSA members:

- Coordinated Blanket Order [41-930](#), *Exemptions from Certain Prospectus and Disclosure Requirements (Prospectus & Disclosure Blanket Order)*;¹
- Coordinated Blanket Order [45-930](#), *Prospectus Exemption for New Reporting Issuers (New RI Blanket Order)*;² and
- Coordinated Blanket Order [45-933](#), *Exemption from the Investment Limit under the Offering Memorandum Prospectus Exemption to Exclude Reinvestment Amounts (OM Blanket Order)*.³

(together, the **blanket orders**).

The blanket orders, summarized briefly below, are aimed at providing incremental measures making it easier and more cost-effective for businesses to raise capital and grow in Canada, without reducing investor protection.

Prospectus & Disclosure Blanket Order

The Prospectus & Disclosure Blanket Order aims to streamline certain prospectus and financial statement requirements under a prospectus and in certain other required disclosure to reduce the time and cost of raising capital under a long form prospectus and preparing other required disclosure.

The Prospectus & Disclosure Blanket Order includes the following exemptions:

- *No Requirement to Provide Third-Year Historical Financial Statements* – Prospectuses, circulars and material change reports are required to include certain prescribed financial details (i.e., a statement of comprehensive income, a statement of changes in equity and a statement of cash flows or an operating statement for oil and gas acquisitions) for the first, second and third most recently completed financial year.⁴ The Prospectus & Disclosure Blanket Order provides an exemption from the requirement to provide such information for the third most recently completed

year in certain documents, including in long form prospectuses prepared in accordance with Form 41-101F1, as well as for disclosures for restructuring transactions in information circulars and material change reports and in take-over bid and issuer bid circulars, that reference the prospectus requirements in that regard.

This Prospectus & Disclosure Blanket Order exemption effectively extends the exemption from providing the third year of prescribed financial and operating statements, which was previously only available to IPO venture issuers and issuers that are already RIs, to all issuers and offerors.

- ***Standard Term Sheets & Marketing Materials Distributed During the Waiting Period*** – Information disclosed by an investment dealer to potential investors during a waiting period,⁵ in either (a) a standard term sheet,⁶ or (b) marketing materials,⁷ is required to have been disclosed in or derived from the corresponding preliminary (or amended preliminary) prospectus. The Prospectus & Disclosure Blanket Order provides an exemption from requiring certain information to be found in the relevant preliminary (or amended preliminary) prospectus if: (1) the term sheet or marketing materials contain specified pricing information, (2) the issuer issues and files a news release which includes the specified pricing information before the standard term sheet is provided to potential investors, and (3) all other information apart from the specified pricing information is disclosed in or derived from the corresponding preliminary (or amended preliminary) prospectus.
- ***Promoter Certificate*** – A prospectus (and any amendment) is required to include a certificate signed by each promoter of the issuer.⁸ The Prospectus & Disclosure Blanket Order provides an exemption from such requirement, provided that either: (1) the promoter is an individual and signs a certificate in the applicable issuer certificate form in a capacity other than that of a promoter; or (2) the issuer has been an RI in at least one jurisdiction in Canada for at least 24 months, the prospectus (or amendment) does not qualify the distribution of an asset-backed security, and the promoter is not an officer, director, or control person of the issuer at the time of filing the prospectus (or amendment). This Prospectus & Disclosure Blanket Order exemption is an acknowledgement that a promoter that has signed a prospectus in a capacity other than promoter, will have already assumed liability for a misrepresentation in the prospectus, and provides relief to the issuer from having to submit an exemptive relief application.

New RI Blanket Order

The New RI Blanket Order aims to simplify capital raising for new reporting issuers (**RI**s), other than investment funds. The order provides that the prospectus requirement does not apply to a distribution by an issuer of a security of the issuer's own issue if a list of 25 prescribed criteria all apply.

Noteworthy requirements to qualify for this prospectus exemption include, but are not limited to:

- The issuer must have had a receipt for a long form prospectus issued by a Canadian securities regulator or regulatory authority within 12 months preceding the date of the prescribed news release announcing the offering,⁹ and such prospectus must have included a signed certificate of an underwriter;¹⁰
- The issuer must be a reporting issuer in at least one jurisdiction of Canada, must not be an investment fund, must have listed equity securities and must have filed all required periodic and timely disclosure documents;¹¹
- The security to be distributed must be the same class of security as, and the offering price for such security must not be less than, that which was qualified to be distributed under the prospectus referenced above;¹²

- Before soliciting an offer to purchase, the issuer must file and post on its website, an offering document which includes certain prescribed information relating to the offering, which includes a certificate of the CEO and CFO that the offering document includes all material facts relating to the securities being distributed and does not contain a misrepresentation. If the offering is being made in Québec the offering document must also be prepared in French;¹³
- The issuer must not allocate proceeds described in the offering document to certain types of transactions, as prescribed (including a restructuring transaction, a transaction for which securityholder approval is required, or for venture issuers, a significant acquisition);¹⁴
- The issuer must reasonably expect to have available funds to meet business needs and liquidity requirements for 12 months following the distribution;¹⁵
- The total dollar amount of the distribution combined with any other offerings under the Prospectus & Disclosure Blanket Order over the previous 12 months must not exceed \$100,000,000;¹⁶
- If the issuer has closed any other offerings under the Prospectus & Disclosure Blanket Order over the previous 12 months, the aggregate market value of the securities to be distributed combined with any other distributions under this blanket order, over the previous 12 months, must not exceed 20% of the aggregate market value of the issuer's listed equity securities;¹⁷
- If the issuer has not closed any other offerings under the Prospectus & Disclosure Blanket Order over the previous 12 months, the aggregate market value of the securities in the distribution must not exceed 20% of the aggregate market value of the issuer's listed equity securities;¹⁸ and
- The distribution must not result in a new control person, result in a person or company acquiring beneficial ownership of, or control or direction of a number of securities that would result in such person or company being entitled to elect a majority of the board of the issuer, nor be made to the issuer's employees, insiders or consultants.¹⁹
- The offering must close within 45 days after the issuance of the announcement news release.²⁰

OM Blanket Order

The OM Blanket Order aims to increase opportunities for issuers to raise capital and for investors to participate in financings. An offering memorandum exemption exists for three categories of individual purchasers who are not accredited investors: (i) those who are not eligible investors; (ii) those who are eligible investors; and (iii) those who are eligible investors who have received advice from a portfolio manager, investment dealer or exempt market dealer as to suitability of the investment.²¹

The OM Blanket Order does not change investment limits in the first two categories noted above (which are \$10,000 and \$30,000, respectively, over the previous 12 months). It does, however, increase the limit for the third category from \$100,000 over the previous 12 months, to the total of \$100,000 and all realizable proceeds of disposition of securities of the same issuer during the preceding 12 months, up to \$100,000.²²

Takeaways

For assistance navigating the evolving Canadian marketplace and inquiries regarding whether your company can take advantage of the blanket orders, reach out to any member of our [Business Law](#) group.

¹ The Prospectus & Disclosure Blanket Order has been implemented by all Canadian CSA members.

² The New RI Blanket Order has been implemented by all Canadian CSA members.

³ The OM Blanket Order has been implemented by the securities regulators of Alberta, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan.

⁴ Specifically, such disclosure is required pursuant to: (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; and (e) item 21 of Form 62-104F2 Issuer Bid Circular.

⁵ As per section 1.1 of NI 41-101, "waiting period" means the period of time between the issuance of a receipt by the regulator for a preliminary prospectus and the issuance of a receipt by the regulator for a final prospectus.

⁶ NI 41-101, section 13.5(1)(b).

⁷ NI 41-101, section 13.7(1)(b).

⁸ NI 41-101, section 5.11(1).

⁹ New RI Blanket Order, section 4(a).

¹⁰ New RI Blanket Order, section 4(b).

¹¹ New RI Blanket Order, section 4(c), (d), (e), (g).

¹² New RI Blanket Order, section 4(h), (i).

¹³ New RI Blanket Order, section 4(j), (k), (p), (q).

¹⁴ New RI Blanket Order, section 4(l), (m).

¹⁵ New RI Blanket Order, section 4(r).

¹⁶ New RI Blanket Order, section 4(s).

¹⁷ New RI Blanket Order, section 4(u).

¹⁸ New RI Blanket Order, section 4(t).

¹⁹ New RI Blanket Order, section 4(v), (w), (x).

²⁰ New RI Blanket Order, section 4(y).

²¹ NI 45-106, section. 2.9(2.1)(b).

²² OM Blanket Order, section 8(c).