
ASC Notice and Request for Comment

Proposed Blanket Order 31-536 *Alberta
Small Business Finder's Exemption* and
Revocation of Blanket Order 31-505

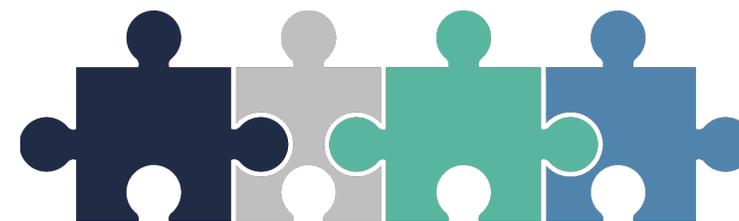


Why do we need a finder's exemption?

- Who is a finder?
- Finders will be subject to the dealer registration requirement if they are:
 - Engaging in activities similar to a registrant;
 - Intermediating trades;
 - Acting with repetition, regularity or continuity;
 - Being remunerated or compensated for the activity;
 - Soliciting.
- Finders play a helpful role in helping companies to raise money.

History of Blanket Order 31-505

- The exempt market dealer category of registration was implemented on September 28, 2009.
- The ASC implemented Blanket Order 31-505 on March 27, 2010.
- On March 11, 2019, the ASC issued a notice indicating it would be considering alternatives to Blanket Order 31-505.



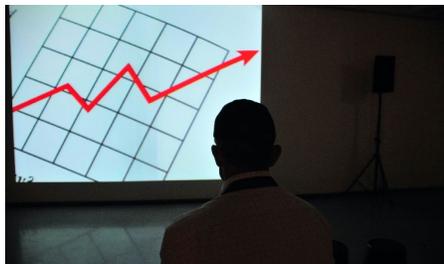
Purpose of Proposed Blanket Order 31-536

- A more targeted exemption for finders that will:
 - enhance investor protection;
 - better integrate with the existing and proposed prospectus exemptions that small businesses in Alberta can rely on.



Which issuers can a finder act for?

- The issuer must have a head office in Alberta.
- The issuer must not have raised more than **\$5,000,000** under exemptions from the prospectus requirement.



When can a finder participate in a financing?

The issuer is relying on one of the following exemptions from the prospectus requirement in [NI 45-106](#):

- accredited investor;
- offering memorandum;
- minimum investment amount;
- a private issuer making a distribution to an accredited investor or a person that is not the public.



When can a finder participate in a financing?

- The issuer is relying on an exemption from the prospectus requirement in one of the following blanket orders:
 - [Blanket Order 45-538 Self-Certified Investor Prospectus Exemption](#);
 - [Proposed Blanket Order 45-539 Small Business Financing](#).



Who can be a finder?

- Must be an individual.
- Must not fall within the bad actor disqualification.



What can't a finder do?

- Cannot be a registrant.
- Cannot provide suitability advice about the security.
- Cannot publically advertise the offering or solicit purchasers without having a substantial pre-existing relationship.
- Cannot hold or have access to the purchaser's assets.



What can't a finder do?

Cannot have had one of the following relationships with the purchaser:

- a registrant other than in connection with a Specified Distribution;
- a financial planner;
- an insurance agent;
- a mortgage broker;
- a similar financial services relationship.



Other requirements

- The purchaser must be resident in Alberta.
- Finder must obtain a signed Risk Acknowledgment Form.
- Finder must file a Finder's Information Report with the ASC.
- Blanket Order 31-505 will remain in effect for 6 months following the implementation of Blanket Order 31-536 to allow for the completion of private placements that are already in progress.



Request for comments

The comment period for the proposed the proposed [Blanket Order 31-536 Alberta Small Business Finder's Exemption](#) will remain open until the end of day May 7, 2021.

- Please send your comments to new.economy@asc.ca

Thank you for joining us!



Questions?

Thank You

