

ASC NOTICE
CONTINUATION OF ASC BLANKET ORDER 31-505
REGISTRATION EXEMPTION FOR TRADES IN
CONNECTION WITH CERTAIN PROSPECTUS-EXEMPT
DISTRIBUTIONS

March 11, 2019

Introduction

Blanket Order 31-505 *Registration Exemption for Trades in Connection with Certain Prospectus-Exempt Distributions* (BO 31-505), which contains limited relief from the requirement to register for a trade in a security in connection with certain prospectus-exempt distributions known as the Northwestern Exemption, will not be revoked at this time. The Alberta Securities Commission (ASC) is considering possible alternatives to the Northwestern Exemption including amendments to the current exemption.

Background

On August 15, 2018 the securities regulatory authorities in each of British Columbia, Manitoba, Nunavut, the Northwest Territories and the Yukon (collectively, the NWE Jurisdictions) published Multilateral CSA Notice 32-302 *Notice of Revocation for Certain Local Orders Providing Registration Exemption for Trades in Connection with Certain Prospectus-Exempt Distributions and Update on BC Instrument 32-517 Exemption from Dealer Registration Requirement for Trades in Securities of Mortgage Investment Entities* (Notice 32-302). Notice 32-302 announced that the substantially harmonized registration exemptions in each of the NWE Jurisdictions that form the Northwestern Exemption (the local orders) will cease to be effective in their local jurisdictions on April 30, 2019.

On August 15, 2018 the ASC published a notice (Notice) requesting comment on the proposed revocation of the Northwestern Exemption contained in Blanket Order 31-505. The comment period was open until September 19, 2018. The ASC has given consideration to all comments received and has determined not to revoke BO 31-505 at this time and to conduct a further review of the Northwestern Exemption and possible changes to the exemption.

As reinforced by the creation of its New Economy division, the ASC continues to actively consider whether there are ways to facilitate access to capital by Alberta businesses while still providing appropriate investor protection. It is within this comprehensive mandate that the decision was made not to revoke BO 31-505.

Change to Reporting under the Northwestern Exemption

A market participant that relies on the Northwestern Exemption must file an information report (in the form of Appendix B to BO 31-505) with the ASC within 10 days of relying on this

exemption. Where a market participant has previously filed an information report pursuant to this exemption and is subsequently relying on this exemption to trade in securities, the market participant is required to update any changes to the previously filed report, within 10 days of relying on this exemption.

Until April 30, 2019 market participants will continue to file the information report and updates electronically through the ASC's website where they will be directed to the British Columbia Securities Commission e-filing system. After April 30, 2019 market participants will no longer be directed to the British Columbia Securities Commission e-filing system to do their filings but will be directed to an ASC webpage which will provide further filing instructions. The current link on the ASC website for filing the information report and updates will remain the same and can be found under "Securities Law & Policy" / "Blanket Orders and Designation Orders".

Questions

Please refer your questions to:

Bonnie L. Kuhn
Senior Legal Counsel, Market Regulation
(403) 355-3890
Bonnie.kuhn@asc.ca