



Canadian Securities  
Administrators

Autorités canadiennes  
en valeurs mobilières

**For Immediate Release**  
**November 29, 2018**

### **Canadian securities regulators caution issuers about problematic promotional activities**

**Vancouver** – The Canadian Securities Administrators (CSA), today published CSA Staff Notice 51-356, *Problematic promotional activities by issuers*, cautioning companies to avoid promotional activities that may artificially increase an issuer’s share price or trading volume, or may mislead investors.

The notice outlines CSA Staff’s concerns with certain promotional practices, including dissemination of unbalanced or unsubstantiated material claims. Such practices have been observed among issuers in the venture market, though expectations about disclosure and promotional activities apply to all issuers.

“Misleading promotional activity by issuers undermines the integrity of our capital markets and puts investors at risk of harm,” said Louis Morisset, CSA Chair and President and CEO of the Autorité des marchés financiers. “We are publishing this notice to remind issuers of our expectations in this area.”

Examples of promotional activities that may be misleading include:

- Disseminating presentations, marketing materials, social media posts, or other information that describe early-stage plans with unwarranted certainty, or make unsupported assertions about growth of markets or demand for a product;
- Announcing an issuer name or business change to reference an emerging industry or technology without a supporting business plan or comprehensive risk disclosure;
- Compensating third parties who use social media and general investing blogs to promote issuers, but do not disclose their agency, compensation or financial interest.

CSA members will continue to monitor promotional activities undertaken by, or on behalf of, issuers, and will take action as necessary, including ordering a clarifying news release, a removal of overly promotional language from company communications, or a re-filing of disclosure documents.

The CSA notice, which can be found on CSA members’ websites, urges companies to familiarize themselves with prohibitions against misleading statements, acts or conduct.

The CSA, the council of the securities regulators of Canada's provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

**For Investor inquiries, please refer to your respective securities regulator. You can contact them [here](#).**

**For media inquiries, please refer to the list of provincial and territorial representatives below or contact us at [media@acvm-csa.ca](mailto:media@acvm-csa.ca).**

Kristen Rose  
Ontario Securities Commission  
416-593-2336

Hilary McMeekin  
Alberta Securities Commission  
403-592-8186

Brian Kladko  
British Columbia Securities Commission  
604-899-6713

Sylvain Théberge  
Autorité des marchés financiers  
514-940-2176

Jason (Jay) Booth  
Manitoba Securities Commission  
204-945-1660

Sara Wilson  
Financial and Consumer Services  
Commission, New Brunswick  
506-643-7045

David Harrison  
Nova Scotia Securities Commission  
902-424-8586

Steve Dowling  
Government of  
Prince Edward Island,  
Superintendent of Securities  
902-368-4550

Craig Whalen  
Office of the Superintendent  
of Securities  
Newfoundland and Labrador  
709-729-5661

Rhonda Horte  
Office of the Yukon Superintendent  
of Securities  
867-667-5466

Jeff Mason  
Nunavut Securities Office  
867-975-6591

Tom Hall  
Office of the Superintendent  
of Securities  
Northwest Territories  
867-767-9305

Shannon McMillan  
Financial and Consumer Affairs  
Authority of Saskatchewan

306-798-4160