

**Nova Scotia Securities Commission**

**Rule 51-102 (Amendment)**  
***Continuous Disclosure Obligations***

- and-

**Changes to Companion Policy 51-102CP**  
***Continuous Disclosure Obligations***

- and-

**Changes to Companion Policy to National Instrument 41-101 *General Prospectus Requirements* and Changes to Companion Policy to National Instrument 44-101 *Short Form Prospectus Distributions***

WHEREAS:

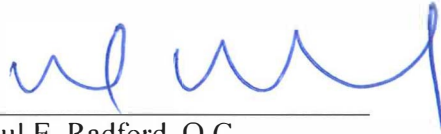
1. Pursuant to section 150 of the *Securities Act*, R.S.N.S. 1989, chapter 418, as amended (the Act), the Nova Scotia Securities Commission (the Commission) has power to make rules subject to compliance with the requirements of the Act;
2. Pursuant to section 19 of the Act, the Commission has power to issue and publish policy statements;
3. Amendments to National Instrument 51-102 *Continuous Disclosure Obligations* (the Rule) and Changes to Companion Policy 51-102CP *Continuous Disclosure Obligations*, Changes to Companion Policy to National Instrument 41-101 *General Prospectus Requirements* and Changes to Companion Policy to National Instrument 44-101 *Short Form Prospectus Distributions* (the Policies), copies of which are attached hereto, have been made a rule by one or more of the Canadian securities regulatory authorities; and
4. The Commission is of the opinion that the attainment of the purpose of the Act is advanced by this Instrument.

NOW THEREFORE the Commission hereby:

- (a) pursuant to the authority contained in section 150 of the Act and subject to compliance with the requirements of section 150A of the Act, approves the Rule and makes the same a rule of the Commission;
- (b) pursuant to the authority contained in section 19 of the Act and subject to publication on the Commission's website, issues the Policies as policies of the Commission; and

- (c) declares that the rule approved and made pursuant to clause (a) and the policies issued pursuant to clause (b) shall take effect on **November 18, 2020**, unless the Minister disapproves the rule or returns it to the Commission in accordance with subsection 150A(3) of the Act in which event the rule shall not become effective until the rule is approved by the Minister.

IN WITNESS WHEREOF this Instrument has been signed by the Chair of the Commission, being the member of the Commission prescribed by the Chair pursuant to subsection 15(3) of the Act to attend the hearing of this matter and the quorum with respect to this matter, on the 3<sup>rd</sup> day of September, 2020.



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Paul E. Radford, Q.C.  
Chair

Attachments

**AMENDMENTS TO  
NATIONAL INSTRUMENT 51-102 *CONTINUOUS DISCLOSURE OBLIGATIONS***

1. *National Instrument 51-102 Continuous Disclosure Obligations is amended by this Instrument.*
2. *Subsection 8.3(1) is amended by replacing “subsection (3) and subsections 8.10(1) and 8.10(2)” with “subsection (5) and subsections 8.10(1) and (2)”.*
3. *Paragraph 8.3(1)(a) is amended by replacing “any of the three” with “2 or more of the”.*
4. *In the following provisions, “20” is replaced with “30”:*
  - (a) *paragraph (b) of subsection 8.3(1);*
  - (b) *paragraphs (a), (b) and (c) of subsection 8.3(2);*
  - (c) *paragraph (b) of subsection 8.3(3);*
  - (d) *paragraphs (a), (b) and (c) of subsection 8.3(4).*
5. *Subsection 8.3(5) is replaced with the following:*
  - (5) Despite subsection (1) and for the purposes of subsection (3), an acquisition of a business or related businesses is not a significant acquisition,
    - (a) for a reporting issuer that is not a venture issuer, if the acquisition does not satisfy at least two of the optional significance tests under subsection (4);  
or
    - (b) for a venture issuer, if the acquisition would not satisfy the optional significance tests set out in paragraphs (4) (a) and (b) if “30 percent” were read as “100 percent”..
6. (1) This Instrument comes into force on November 18, 2020.
  - (2) In Saskatchewan, despite subsection (1), if these regulations are filed with the Registrar of Regulations after November 18, 2020, these regulations come into force on the day on which they are filed with the Registrar of Regulations.

**CHANGES TO  
COMPANION POLICY 51-102CP CONTINUOUS DISCLOSURE OBLIGATIONS**

1. *Companion Policy 51-102CP Continuous Disclosure Obligations is changed by this Document.*

2. *Subsection 8.1(4) is changed by adding the following at the end of the subsection:*

Reporting issuers are reminded that an acquisition may constitute the acquisition of a business for securities legislation purposes, even if the acquired set of activities or assets does not meet the definition of a “business” for accounting purposes..

3. *Subsection 8.2(1) is replaced with the following:*

**8.2 Significance Tests**

(1) **Application of Significance Tests** – Subsection 8.3(2) of the Instrument sets out the required significance tests for determining whether an acquisition of a business by a reporting issuer is a “significant acquisition”. The application of the significance tests depends on the status of the reporting issuer such that:

- (a) if the reporting issuer is not a venture issuer, an acquisition is significant if it satisfies two or more of the significance tests at a 30% threshold; or
- (b) if the reporting issuer is a venture issuer, an acquisition is significant if it satisfies either of the asset or investment test at a 100% threshold.

The test must be applied as at the acquisition date using the most recent audited annual financial statements of the reporting issuer and the business..

4. *Paragraph 8.6(4)(b) is replaced with the following:*

(b) When complete financial records of the business acquired do not exist, carve-out financial statements should be prepared..

5. These changes become effective on November 18, 2020.

**CHANGES TO  
COMPANION POLICY TO NATIONAL INSTRUMENT 41-101 *GENERAL  
PROSPECTUS REQUIREMENTS***

1. *Companion Policy to National Instrument 41-101 General Prospectus Requirements is changed by this Document.*
2. *Subsection 5.9(5) is changed by replacing the text of the first bullet with:*  
  
if the indirect acquisition would be considered a significant acquisition under subsection 35.1(4) of Form 41-101F1 if the issuer applied those provisions to its proportionate interest in the indirect acquisition of the business;.
3. This change becomes effective on November 18, 2020.

**CHANGES TO  
COMPANION POLICY TO NATIONAL INSTRUMENT 44-101 SHORT FORM  
PROSPECTUS DISTRIBUTIONS**

1. *Companion Policy to National Instrument 44-101 Short Form Prospectus Distributions is changed by this Document.*

2. *Subsection 4.9(3) is changed by replacing the text of the first bullet with:*

if the indirect acquisition would be considered a significant acquisition under Part 8 of NI 51-102 if the issuer applied those provisions to its proportionate interest in the indirect acquisition of the business; and.

3. This change becomes effective on November 18, 2020.