

**For Immediate Release
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Canadian securities regulators propose streamlined capital raising option for Canadian-listed issuers

Vancouver – The Canadian Securities Administrators (CSA) is proposing to introduce a new prospectus exemption for issuers listed on a Canadian stock exchange that is expected to provide a more efficient way for them to raise capital.

“We’ve heard from market participants that the time and cost to prepare a short form prospectus is a barrier to capital raising for many smaller issuers,” said Louis Morisset, CSA Chair and President and CEO of the Autorité des marchés financiers. “The proposal would reduce regulatory burden, while maintaining robust investor protection.”

The proposed Listed Issuer Financing Exemption is expected to reduce costs for issuers raising smaller amounts of capital through the public markets. It would also allow smaller issuers greater access to retail investors and provide retail investors with a broader choice of investments.

The prospectus exemption would not be available to issuers that have been a reporting issuer for less than 12 months, nor to issuers that have not filed all continuous disclosure documents required under Canadian securities legislation. Eligible issuers would file a short offering document and the securities they issue would be freely tradeable. Under the proposed exemption, issuers could raise up to the greater of \$5 million or 10 per cent of the issuer’s market capitalization, to a maximum of \$10 million, annually.

The proposed exemption is in response to comments received from [CSA Consultation Paper 51-404 Considerations for Reducing Regulatory Burden for Non-Investment Fund Reporting Issuers](#). It also reflects research on capital raising requirements in other countries and other stakeholder feedback about the prospectus system.

[CSA Notice and Request for Comment Proposed Amendments to National Instrument 45-106 Prospectus Exemptions](#) to introduce the Listed Issuer Financing Exemption is available on CSA members' websites. Comments should be submitted in writing by October 26, 2021.

The CSA, the council of the securities regulators of Canada’s provinces and territories, co-ordinates and harmonizes regulation for the Canadian capital markets.

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

For inquiries from market participants (issuers and registrants, or their representatives), please refer to the list of subject matter experts at the end of the [Notice](#).