

**For Immediate Release
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CSA issues guidance about regulatory concerns with certain asset or business acquisitions

VANCOUVER – The Canadian Securities Administrators (CSA) today published guidance about regulatory concerns with certain asset or business acquisitions – primarily taking place in venture markets – including concerns with misleading disclosure that could constitute market manipulation.

The guidance relates to reporting issuers that distribute a significant number of securities to acquire assets or businesses that appear to have little or no actual value or operating history, and paying what appear to be significantly inflated prices.

[CSA Staff Notice 51-366 *Regulatory Concerns with Certain Asset or Business Acquisitions*](#) explains the regulatory concerns with these types of acquisitions and reminds issuers of the requirements that may apply. It does not introduce any new requirements.

Key regulatory concerns with these transactions include:

- The potential for misleading disclosure or misrepresentations in a reporting issuer's continuous disclosure record.
- A potential lack of a reasonable basis for the value ascribed to the asset or business being acquired.
- Potentially untrue or unbalanced promotional campaigns to support the acquisition.
- Whether a reporting issuer records all or a portion of the consideration paid as intangible assets or goodwill based on unreasonable or unsupportable assumptions, and impairs them shortly after the acquisition.

Staff will continue to apply additional regulatory scrutiny to reporting issuers involved in acquisitions that appear to raise the concerns set out in the staff notice.

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

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For investor inquiries, please [contact your local securities regulator](#).