

Reminder



Investment Funds Have a January 30 Filing Deadline to Report Exempt Distributions

Background:

In Canada, National Instrument 45-106 – Prospectus Exemptions (NI 45-106) exempts certain distributions of securities from the prospectus requirements. To rely on many of these exemptions, however, Part 6 of NI 45-106 requires issuers to report prospectus-exempt distributions to every securities regulator where a distribution of securities was made to a resident in that province. Generally, the deadline for issuers to file a completed Form 45-106F1 Report of Exempt Distribution (Form 45-106F1) is ten days after the date of distribution.



Investment funds get a bit of a break on filing deadlines for certain distributions:

For certain types of distributions, issuers that are investment funds can opt to file their Form 45-106F1 once yearly by January 30 for distributions made in the preceding calendar year, instead of within ten days of the date of distribution. This option is available for exempt distributions in reliance on any of the following prospectus exemptions:

- Accredited investor;
- Minimum investment of \$150,000; and
- Additional investment in investment fund units.

But there's a catch, or two:

First, that January 30 deadline is fast approaching. Form 45-601F1 was amended in 2017 and requires more information than the prior version of the form. If you haven't already started to collect the required information and prepare your forms, we encourage you to do so as soon as possible.

Second, don't forget that distributions made by an investment fund in reliance on other prospectus exemptions may need to be reported to the relevant securities authorities within ten days of the distribution.

How to file the reports and pay fees:

An investment fund that is required to file Form 45-106F1 must file the report electronically as follows:

- In British Columbia, through the British Columbia Securities Commission's online eServices portal;
- In Ontario, through the Ontario Securities Commission's online Electronic Filing Portal; and
- In all other jurisdictions, through SEDAR.

If the investment fund is a non-reporting issuer on the BCSC online eServices portal, an advance registration form must be sent to the BCSC 24 hours prior to filing. Likewise, if the investment fund does not currently have a SEDAR profile, it must create one prior to filing Form 45-106F1 on SEDAR.

Each securities regulator charges a separate filing fee for Form 45-106F1. Filing fees for forms filed in British Columbia and Ontario are paid directly online when submitting the form through the regulators' respective online portals. Payment by cheque is possible, but the cheque must be received by the regulator in order for the filing to be considered complete, so electronic payment is preferable.

Filing fees payable to other jurisdictions must be made electronically through SEDAR.

Should you require assistance with the filing of Form 45-106F1, please contact your [usual lawyer](#) at AUM Law as soon as possible and, in any event, no later than January 15, 2018, to ensure that filing deadlines can be met.

AUM Law primarily serves the asset management sector, with specific expertise in the regulatory and investment fund space. We strive to provide the most practical, forward-thinking advice and services, using a business model geared to efficiency, responsiveness and client service excellence.



This reminder is an overview only and it does not constitute legal advice. It is not intended to be a complete statement of the law or an opinion on any matter. No one should act upon the information in this reminder without a thorough examination of the law as applied to the facts of a specific situation.