

Annual Exempt Trade Reports for investment fund distributions in Canada due January 30, 2019

DECEMBER 27, 2018 3 MIN READ

This is a reminder that Exempt Trade Reports must be filed on Form 45-106F1 for all investment funds sold to Canadian purchasers on a private placement basis during 2018. The Reports are due no later than January 30, 2019, and must be filed in each Canadian province or territory where fund securities were distributed in reliance on the accredited investor, minimum amount or additional investment in investment funds exemptions from the prospectus requirement. We would be pleased to assist your firm with the preparation, filing and payment of fees associated with the annual Exempt Trade Reports. Please complete and return this [questionnaire \[DOC\]](#) and [schedule \[XLS\]](#) by no later than January 15, 2019, to enable us to make a timely filing by the deadline.

Amendments to National Instrument 45-106 *Prospectus Exemptions*, which came into force on October 5, 2018, have resulted in a few clarifications and changes relevant to investment funds:

- Clarification that the “LPU” security code should be used for limited partnership units *and* limited partnership interests, including capital commitments;
- Option to select “NIPC” for “non-individual permitted client,” rather than identifying a specific accredited investor category, when reporting a purchase by a permitted client that is not an individual;
- Instruction to count joint accountholders as one unique purchaser when tallying the number of purchasers in a jurisdiction;
- Addition of “Cryptoasset” as a type of investment fund; and
- Clarification that a representative of the investment fund manager should certify the report on behalf of the fund.

Read more about the amendments in our Osler Update entitled [“Good news to report about Canadian trade reports – Private placement trade reporting becomes easier in October.”](#)

Does this filing obligation apply to our firm?

The requirement to file Exempt Trade Reports in respect of all distributions made in reliance on specified prospectus exemptions is an obligation of the issuer of the securities – as a result, it is an obligation of the fund or the manager, on behalf of the fund. However, in cases where an exempt market dealer or international dealer acts as local placement agent for an investment fund in a Canadian jurisdiction, such dealer may have assumed responsibility for filing Exempt Trade Reports, either explicitly or as part of a more general obligation to ensure that that distribution complies with applicable securities laws in the jurisdiction.

What if our firm misses the deadline?

All transactions that have occurred in 2018 and have not yet been reported must be included in the annual Exempt Trade Reports *filed by no later than January 30, 2019*. Certain provinces, including Ontario and Alberta, impose late filing fees of C\$100 per day (up to a maximum of C\$5,000 per year) payable for each day past the reporting deadline on which Exempt Trade Reports are filed. Please understand that we cannot reasonably take responsibility for late filing fees which may be charged by the securities regulatory authorities if the deadline is missed.

Please see our [filing fees and wire transfer instructions](#) [DOC] regarding the calculation and payment of fees.

Feel free to reach out to your primary legal contact at Osler if you have any questions or concerns.