

Annual Exempt Trade Reports for investment fund distributions in Canada due January 30, 2020

DECEMBER 17, 2019 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 2019. The Reports are due no later than January 30, 2020, 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 \[DOCX\]](#) and [schedule \[XLSX\]](#) by no later than January 15, 2020, to enable us to make a timely filing by the deadline. If fund securities were distributed in Ontario, Saskatchewan, New Brunswick or Nova Scotia in 2019, please also attach a copy of the applicable offering document to your email.

New filing requirements for fully managed account investors

If you are reporting distributions under paragraph (p) or (q) of the definition of "accredited investor" (i.e. to managed accounts) where the underlying client is resident in Manitoba or Québec, these trades are reportable in the relevant province, even if the applicable investment manager or trust company is located outside of that province. The name and address of the investment manager or trust company should be reported in the schedule and applicable filing fees paid in Manitoba and/or Québec, and this [side letter \[DOCX\]](#) should be filed in the relevant province, indicating the aggregate amount of securities distributed through the managed account to beneficial owners located in the province, and filing fees related to such purchases should be paid.

If the investment manager or trust company who purchased securities on behalf of a fully managed account is located in Manitoba or Québec, but no beneficial owners of fully managed accounts reside in such jurisdictions, there is no requirement to file a Form 45-106F1.

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 2019 and have not yet been reported must be included in the annual Exempt Trade Reports filed by no later than January 30, 2020. 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 \[DOCX\]](#) 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.