

## **PUBLICATION**

### Navigating the Maze of Interprovincial Prospectus Exemptions

Neil Hutton

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The golden rule of securities distribution throughout the provinces and territories of Canada is that both a preliminary prospectus and a prospectus must have been led, and receipts issued before an issuer can make a distribution of securities. This fundamental concept is encoded in the Securities Act of each province and territory and is generally referred to as the ‘prospectus requirement.’

Exemptions from the prospectus requirement are found in National Instrument 45-106 Prospectus Exemptions (NI 45-106). NI 45-106 sets out a number of exemptions that can be relied upon by an issuer or a security holder to avoid the prospectus requirement. Provided the specific criteria, conditions and requirements of the prospectus exemption are met, a distribution can be made without a prospectus.

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