

Companion Policy 11-501CP
Definitions, Procedure, Civil Liability and Related Matters

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PART 1 INTRODUCTION AND DEFINITIONS

1. Introduction

Purpose of this Companion Policy

This Companion Policy explains how the Authority interprets and applies the provisions of CMRA Regulation 11-501 *Definitions, Procedure, Civil Liability and Related Matters* (the Regulation).

Numbering system

Except for Part 1, the numbering of Parts and sections in this Companion Policy correspond to the numbering in the Regulation. Any general guidance for a Part appears immediately after the Part name. Any specific guidance on sections in the Regulation follows any general guidance. If there is no guidance for a Part or section, the numbering in this Companion Policy will skip to the next provision for which there is guidance.

2. Definitions

Unless defined in the Regulation, terms used in the Regulation and in this Companion Policy have the meaning given to them in the Act or National Instrument 14-101 *Definitions*.

PART 2 PROCEDURES

7. Voluntary surrender of reporting issuer status

If you are a reporting issuer with not more than 50 security holders (both debt and equity), and your securities are not traded through or quoted on any exchange or quotation system, you may surrender your status as a reporting issuer simply by filing with the Authority the notice described in the Regulation.

The notice must be filed electronically using the steps set out at [insert URL for CMRA electronic filing portal].

The Authority will acknowledge receipt of the notice. The acknowledgement is proof that you have filed the notice. If you do not receive an acknowledgement, you should telephone the Authority. The telephone number is listed in the “Contact us” section of the Authority’s website.

If you are an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*, you may not surrender your reporting issuer status under the Regulation.

PART 5 CIVIL LIABILITY

15. Disclosure document prescribed for subsection 122(1) of the Act

Under subsection 122(1) of the Act, a person who purchases securities offered by a prescribed disclosure document has a right of action for damages or rescission if the document contains a misrepresentation. Under section 15 of the Regulation, a prescribed disclosure document is any document that provides information that has been prepared primarily to help a purchaser make an investment decision about securities distributed under any prospectus exemption. This includes an offering memorandum required to be delivered to a purchaser under section 2.9 of National Instrument 45-106 *Prospectus Exemptions*.