



REQUEST FOR COMMENTS

Notice and Request for Comment

Publication of proposed Local Rule 25-501 *Designation as a Market Participant* (the “**Proposed Rule**”) as set out in Schedule “A”.

Substance and Purpose

The Proposed Rule designates “an issuer that is not a reporting issuer in New Brunswick that distributes securities in reliance on any of the exemptions in subsections 2.3(1), 2.5(1) or 2.10(1) of National Instrument 45-106 *Prospectus Exemptions* (“**NI 45-106**”) as a “market participant” under the *Securities Act*, SNB 2004 c. S-5.5 (the “**Act**”).

The purpose of the Proposed Rule is to authorize compliance officers to conduct compliance reviews of issuers who rely on certain exemptions in NI 45-106, namely:

- i) the accredited investor exemption;
- ii) the family, friends and business associates exemption; and
- iii) the minimum amount investment exemption.

As a result of being designated as a “market participant” under the *Act*, these issuers would also be subject to certain other provisions and requirements in the *Act*, as applicable, including: section 162: *Record-keeping*, section 167: *Fees and expenses for compliance reviews*, section 169: *Fees and expenses for disclosure reviews*, section 184: *Orders in the public interest*, section 187: *Applications to the Court of Queen’s Bench* and section 200: *Regulations and Rules*.

How to Provide your Comments

Comments are to be provided, in writing, by no later than 7 September 2020 to:

Secretary
Financial and Consumer Services Commission
85 Charlotte Street, Suite 300
Saint John, N.B. E2L 2J2
Telephone: 506-658-3060
Toll Free: 866-933-2222 (within NB only)
Fax: 506-658-3059
E-mail: secretary@fcb.ca

We cannot keep submissions confidential. A summary of the written comments received during the comment period may be published.

FINANCIAL AND
CONSUMER SERVICES
COMMISSION

regulation • education • protection



COMMISSION DES SERVICES
FINANCIERS ET DES SERVICES
AUX CONSOMMATEURS

réglementation • éducation • protection

Questions

If you have any questions, please refer them to:

To-Linh Huynh
Executive Director of Securities
Financial and Consumer Services Commission (NB)
Tel: (506) 643-7856
Email: to-linh.huynh@fcnb.ca



Schedule "A"

FINANCIAL AND CONSUMER SERVICES COMMISSION

LOCAL RULE 25-501

DESIGNATION AS A MARKET PARTICIPANT

Definitions

1. Terms defined in the *Securities Act* (New Brunswick) and in National Instrument 14-101 *Definitions* and used in this Instrument have the respective meanings ascribed to those terms in the *Securities Act* and that Instrument.

Designation as a Market Participant

2. An issuer that is not a reporting issuer in New Brunswick that distributes securities in reliance on any of the exemptions in subsections 2.3(1), 2.5(1) or 2.10(1) of National Instrument 45-106 *Prospectus Exemptions* is designated a market participant under the *Securities Act*.

Effective Date

3. This rule comes into force on [•].