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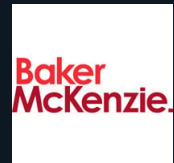
Country Comparative Guides 2026

Canada

Capital Markets

Contributor

Baker McKenzie



David Palumbo

Partner and Chair of the Corporate Transactions Practice Group |
david.palumbo@bakermckenzie.com

Amalan Thiageswaran

Associate | amalan.thiageswaran@bakermckenzie.com

Carole Turcotte

Partner | carole.turcotte@bakermckenzie.com

Haran Viswanathan

Partner | haran.viswanathan@bakermckenzie.com

Julia Webster

Partner | julia.webster@bakermckenzie.com

Jing Xu

Senior associate | jing.xu@bakermckenzie.com

Michael Garellek

Partner and head of the Financial Services Regulatory Practice for Canada |
michael.garellek@bakermckenzie.com

Canada: Capital Markets

1. Please briefly describe the regulatory framework of equity capital markets in your jurisdiction, including the major regimes, regulators and authorities.

In Canada, oversight of public equity markets is decentralized and situated at the provincial and territorial level, not in a centralized national regulator. This structure is rooted in Canada's constitutional allocation of powers. Securities regulation has historically been viewed as falling within provincial jurisdiction over "property and civil rights" under the *Constitution Act, 1867*, rather than within an expressly enumerated federal power. Accordingly, each of the ten provinces and three territories administers its own securities legislation through a local securities regulator. In practice, however, the system is highly harmonized through the Canadian Securities Administrators ("CSA"), a non-statutory body composed of all provincial and territorial regulators that collaborates on policy, rulemaking, and operational coordination.

Across Canada, securities regulation is organized through a structured and coordinated framework. At its core are provincially and territorially enacted securities statutes, which provide the primary legal foundation for regulation. These statutes are supplemented by regulations and rules, including harmonized instruments developed through the CSA, which are implemented locally. Alongside binding legal requirements, regulators also rely on interpretive and administrative guidance, such as companion policies, staff notices and blanket orders, which, while not always having the force of law, play an important role in shaping regulatory expectations and day to day compliance. In addition, self regulatory organization and marketplace rules apply to registrants and listed issuers, completing a framework that combines statutory authority, harmonized national standards and market based oversight.

As a result, a clear understanding of the respective roles of the provincial and territorial regulators, the CSA's harmonizing function, and the principal Canadian public equity marketplaces is essential to assessing how capital is raised, how disclosure is regulated, and how issuers and other market participants access Canadian public markets efficiently and in compliance with its applicable requirements.

a. Provincial and Territorial Securities Regulators

Canadian equity capital markets are regulated primarily at the provincial and territorial level by securities commissions and regulatory authorities, which function as the front line public bodies responsible for the administration, supervision and enforcement of securities law within their respective jurisdictions. These government regulators are the primary interface for issuers, registrants and other market participants, and they oversee the core gatekeeping functions that support the operation of the equity markets. They administer and enforce securities legislation.

In practical terms, provincial and territorial regulators supervise both public and exempt capital raising activity, establish and enforce issuer disclosure standards, register and regulate dealers, advisers and other regulated market participants, and conduct compliance reviews and enforcement proceedings where necessary. Their disclosure oversight extends across the full lifecycle of securities, encompassing both the primary market (including prospectus filings and continuous disclosure obligations) and the secondary market, where ongoing transparency and market conduct are closely monitored.

From a legislative perspective, securities regulators administer a layered regulatory framework. This framework typically consists of (i) securities statutes enacted by the relevant province or territory, (ii) regulations and rules made under those statutes, and (iii) a substantial body of harmonized instruments and guidance developed through the CSA and implemented locally. Together, these sources form an integrated regime that combines jurisdiction specific legislative authority with nationally coordinated policy development.

It is helpful to distinguish between binding and non binding regulatory materials. Binding instruments include securities statutes, regulations, locally adopted rules and CSA instruments that have been formally implemented with the force of law in the jurisdiction. Alongside these, there are companion policies and staff notices, which do not have independent legal force but play a significant role in determining how regulators interpret, administer and enforce the rules in day to day practice. This combination allows regulators to maintain legal certainty while providing flexibility and transparency

around regulatory expectations.

b. The Canadian Securities Administrators (CSA)

The CSA is the coordination body through which Canada's provincial and territorial securities regulators harmonize equity capital markets regulation. Rather than acting as a single regulator, the CSA serves as the forum through which regulators collaborate to advance investor protection and promote fair, efficient and transparent capital markets. Its central function is to develop nationally harmonized regulatory requirements that each participating jurisdiction implements through its own statutory framework, allowing Canada to operate a functionally national securities regime despite the absence of a single federal commission.

The CSA develops National Instruments, Multilateral Instruments, companion policies and staff notices that together form the core of Canadian securities regulation. National Instruments are intended to be adopted across all jurisdictions and, once implemented locally, have the force of law in each province or territory. Multilateral Instruments apply only in participating jurisdictions and are typically used where consensus has not been achieved nationally. Companion policies and staff notices provide interpretive guidance and insight into regulatory expectations, helping ensure consistent application and administration across the country.

A key structural feature of the CSA framework is that CSA instruments do not apply directly on their own. Each jurisdiction must give effect to them through the mechanisms recognized under its local securities statute, such as by adopting the instrument as a rule or regulation. As a result, while compliance is technically assessed by reference to the locally adopted instrument, market participants generally experience a highly uniform regulatory regime. This coordination is reinforced by the "principal regulator" and passport system, under which a filer typically deals primarily with one lead regulator for review and oversight, while remaining compliant with applicable requirements in all jurisdictions where securities are distributed or traded. Together, these features allow the CSA to deliver national market outcomes while preserving provincial and territorial regulatory autonomy.

Canada invests heavily in coordination through the CSA despite the absence of a single national regulator because effective harmonization addresses many of the structural challenges inherent in a decentralized system. A coordinated framework reduces regulatory complexity and compliance costs, minimizes friction for issuers and intermediaries operating across multiple jurisdictions,

and enhances the competitiveness of Canadian capital markets globally. It also allows regulators to respond more quickly and consistently to market developments and evolving risks. In this way, harmonization is the mechanism that enables Canada to function, for many practical purposes, as a largely unified capital market, while still preserving constitutional allocation of authority and regional autonomy.

c. Stock Exchanges

Canada's main stock exchanges and principal listing venues for Canadian public issuers are the Toronto Stock Exchange ("**TSX**"), the TSX Venture Exchange ("**TSXV**"), CBOE Canada ("**CBOE**"), the Canadian Securities Exchange ("**CSE**"), with the TSX and TSXV accounting for the majority of Canadian public company listings. The TSX is primarily oriented toward senior issuers with established operations, while the TSXV is focused on venture and growth focused companies.

In addition to the TSX and TSXV, Canadian issuers may access other recognized marketplaces. CBOE serves as an alternative listing venue for senior issuers and investment products, emphasizing market quality, governance and transparency. The CSE is often used by emerging and growth-oriented companies and is known for its streamlined listing framework. The Montréal Exchange (MX) occupies a distinct role within Canada's capital markets as the country's principal derivatives exchange, providing trading in equity, interest rate and index derivatives rather than functioning as a primary equity listing venue.

Stock exchanges provide the infrastructure through which equity securities are admitted to trading, price discovery occurs, and issuer obligations are operationalized on an ongoing basis. Their regulatory role is typically framed around maintaining fair, orderly and credible markets by establishing listing standards, supervising issuer compliance with marketplace rules, and supporting the timely dissemination of information to investors. In Canada, stock exchange regulation does not displace securities law; rather, it operates as a complementary layer of oversight that applies to listed issuers alongside statutory requirements and CSA developed instruments.

Listed issuers are therefore subject not only to securities legislation and harmonized CSA rules, but also to exchange-specific requirements relating to matters such as corporate governance, shareholder approval requirements, dilution limits and disclosure in shareholder communications. These obligations are set out primarily in each exchange's listing rules, manuals,

policies and guidance notices, which function as a practical rulebook governing the day-to-day conduct of listed issuers.

2. Please briefly describe the regulatory framework of debt capital markets in your jurisdiction, including the major regimes, regulators and authorities, to the extent different from the above.

In Canada, debt capital markets are also regulated through a decentralized but harmonized framework. This framework overlaps significantly with the framework applicable for equity capital market transactions and is complemented by federal oversight in specific areas such as banking and prudential oversight and systemic risk.

Whether public or private, debt securities offerings are principally governed by the previously discussed layered framework created by the securities statutes enacted by the provincial and territorial legislatures in Canada, the regulations and rules made under those statutes and the harmonized instruments and guidance developed through the CSA and implemented in each specific province/territory in Canada. Importantly, the portion of this broader framework that is applicable in any particular debt securities offering will depend on several factors, including, the method by which the debt securities are distributed, the jurisdiction in which the transaction occurs and the home jurisdiction of the issuer(s) and purchaser(s). Accordingly, depending on the structure of the transaction, a specific debt securities offering may be governed simultaneously by multiple provincial and/or territorial securities regimes.

Certain types of market intermediaries, such as investment dealers, are also regulated in Canada by the Canadian Investment Regulatory Organization ("**CIRO**"). As is described in greater detail in the following section, CIRO is Canada's national self-regulatory organization and is primarily concerned with maintaining adequate investor protection and ensuring market integrity. In parallel, federally regulated financial institutions involved in the debt capital markets are supervised by the Office of the Superintendent of Financial Institutions ("**OSFI**"), an independent federal government agency responsible for regulating and supervising Canada's financial system. OSFI's mandate is broad, however, with specific respect to debt capital markets regulation, OSFI regulates financial institution market intermediaries using a prudential (solvency) framework, focused on maintaining the overall financial health of the intermediary and its resilience to financial downturns/ crises; not the conduct

of the intermediary itself.

When considering distribution-related regulation, it is useful to note that most debt securities in Canada are traded "over-the-counter" ("**OTC**") (i.e.: bilaterally between dealers and institutional investors) on alternative trading systems such as Market Axess and CanDeal. However, certain stock exchanges, such as the TSX, TSXV and CSE, can all list debt securities as well. With the exception of convertible debt securities and hybrid securities, exchange listing of debt securities is relatively rare. Beyond public exchange regulation, which was discussed in the preceding section, the trading platforms and clearing systems for OTC debt securities are also regulated, with an emphasis on transparency and systemic stability.

Given the decentralized nature of debt capital markets regulation in Canada and the extent to which it overlaps with Canadian equity capital markets regulation, it is useful to consider in greater depth the aspects of debt capital markets regulation in Canada that are unique to debt securities offerings.

a. Regulation of Market Intermediaries

In Canada, market intermediaries involved in debt capital markets transactions are subject to a dual regulatory framework that combines securities law-based conduct regulation with prudential supervision for financial institutions. The applicable regulatory regime depends on the nature of the intermediary and its licensing status.

Investment dealers, which play a central role in the underwriting, distribution and secondary market trading of debt securities, are regulated by CIRO. CIRO is responsible for overseeing all investment dealers and trading activity on Canadian debt and equity marketplaces. Investment dealers must be registered under applicable provincial securities legislation and must also be CIRO members. CIRO imposes detailed requirements relating to capital adequacy, risk management, client relationship obligations, business conduct, and market integrity. It also conducts compliance reviews and enforces rules through disciplinary proceedings. In the context of debt capital markets, CIRO's oversight extends to dealer participation in primary offerings, secondary market trading (including OTC markets), and compliance with best execution and transparency requirements. In parallel, securities regulators in each province and territory retain ultimate authority over registration, exemptions, and enforcement under securities legislation. CIRO operates under their recognition orders and its rules are designed to complement the broader statutory framework.

Where market intermediaries are federally regulated financial institutions, such as banks that act as dealers or underwriters, they are also subject to supervision by OSFI. As noted above, OSFI does not regulate market conduct; rather, it applies a prudential framework focused on fiscal safety and soundness. This includes capital, liquidity, leverage and risk management requirements that affect how these institutions participate in debt capital markets transactions.

Accordingly, Canadian regulation of intermediaries reflects a functional division: CIRO and securities regulators oversee conduct, investor protection, and market integrity, while OSFI ensures the financial resilience of key institutional participants.

b. Regulation of Trading Platforms and Clearing Systems for OTC Debt Securities

As noted above, in the context of Canadian debt capital market transactions, trading platforms and clearing systems are subject to a coordinated regulatory framework that is primarily administered by provincial and territorial securities regulators. This framework is supplemented by oversight for systemically important infrastructure at the federal level and thus, reflects the predominantly OTC nature of the Canadian debt market while ensuring transparency, integrity and systemic resilience.

Electronic platforms that facilitate debt trading, including, alternative trading systems, are regulated as marketplaces under *National Instrument 21-101 – Marketplace Operation* and related National Instruments. These platforms must be either recognized or exempted by applicable securities regulators and are subject to requirements governing fair access, systems integrity, operational reliability, market surveillance, and pre- and post-trade transparency.

Although most debt trading remains dealer-driven and institutional, regulators have increasingly emphasized transparency to support investor confidence. To that end, post-trade transparency requirements apply to many debt capital market transactions. Designated information processors, such as CanPX, play a key role in disseminating trade data for debt securities. This transparency regime is calibrated to balance the benefits of market visibility against the need to preserve liquidity in a market characterized by large, infrequent institutional trades.

Clearing and settlement of debt securities transactions are primarily conducted through recognized clearing agencies, including the Canadian Depository for

Securities Limited (“CDS”). Entities such as CDS are regulated under *National Instrument 24-102 – Clearing Agency Requirements* and must meet stringent standards relating to risk management, default procedures, collateralization, settlement finality, and operational resilience. Oversight is focused on ensuring that clearing agencies can effectively manage counterparty risk and maintain continuity during periods of market stress.

In addition, clearing and settlement systems that pose systemic risk may be designated for oversight by the Bank of Canada under the *Payment Clearing and Settlement Act*, S.C. 1996, c. 6, Sch. This federal oversight complements the securities law framework by focusing on system-wide stability and risk containment.

Collectively, this regime reflects a risk-based and infrastructure-focused approach, ensuring that Canada's debt capital markets operate in a stable, transparent and efficient manner.

3. Are there self-regulatory organizations with delegated regulatory powers? How significant is their role compared to the government regulator?

Self regulatory organizations play a significant role in the Canadian capital markets ecosystem. In Canada, this role is principally fulfilled by CIRO, which operates as the frontline self regulatory body for investment dealers and mutual fund dealers following the consolidation of the former Investment Industry Regulatory Organization of Canada (IIROC) and Mutual Fund Dealers Association of Canada (MFDA) regimes. CIRO is responsible for consolidating, maintaining and evolving the member regulatory framework, including the development of a single, coherent rule architecture governing registration level conduct, prudential requirements and supervision.

CIRO issues guidance and sets operational expectations for member conduct, with a particular focus on investor protection and market integrity. This includes guidance addressing client asset protection, custody and segregation requirements, and supervisory expectations as market practices and products evolve. CIRO also exercises disciplinary authority over its members through compliance reviews, investigations and enforcement proceedings, including the imposition of sanctions and penalties in cases of non compliance.

In addition, CIRO plays a frontline role in establishing market integrity guardrails for emerging products and trading models, working within the broader regulatory framework overseen by the CSA. In newer or developing

areas, such as novel market structures, CIRO has issued member focused guidance while the securities commissions retain control over the recognition and registration perimeter. CIRO's activities form part of a broader investor protection architecture that includes the Canadian Investor Protection Fund, which provides coverage to eligible clients in the event of a CIRO member dealer insolvency, under CSA oversight.

Recognized stock markets (as described under 1c) above) also form part of this self regulatory ecosystem. While their substantive regulatory role is addressed within the broader equity capital markets framework, from a self-regulatory organization's perspective, these exchanges exercise delegated authority over listed issuers and market operations under securities commission oversight, and in parallel with CIRO's member level regulation within Canada.

4. Please briefly describe the common exemptions for securities offering without prospectus and/or regulatory registration in your market.

As a starting point, Canadian securities law is built on the principle that an issuer may not distribute securities in the primary market unless a prospectus has been prepared, reviewed by the applicable securities regulator(s), and delivered to investors. Depending on the jurisdiction, this requirement is framed by reference to a "distribution" or a "trade. In substance, both concepts capture the issuance of securities by an issuer or selling securityholder into the market (secondary market). The prospectus requirement reflects a core investor protection objective that is consistent across Canada: investors should receive full, true and plain disclosure of all material facts necessary to make an informed investment decision, supported by regulatory oversight and access to statutory civil remedies.

From a practical perspective, distributions made under a prospectus have several well understood implications for issuers. They are typically conducted through a registered dealer, involve significant legal, accounting and regulatory cost, and require meaningful lead time to prepare, clear and deliver disclosure. In addition, a prospectus offering generally results in the issuer becoming subject to ongoing continuous disclosure and other reporting issuer obligations. For many issuers, particularly early stage or privately held companies, these features make a prospectus offering impractical for certain capital raising needs.

Canadian securities legislation therefore provides a

comprehensive regime of prospectus exemptions, principally codified in *National Instrument 45-106 – Prospectus Exemptions* ("NI 45-106"), that permit capital raising without the preparation of a prospectus where policy considerations justify a lighter disclosure approach. The private placement regime is premised on circumstances where investors are sufficiently sophisticated, well resourced, closely connected to the issuer, or otherwise adequately protected, or where an alternative prescribed disclosure document is used.

The principal prospectus exemptions relied upon in Canada under NI 45-106 include the following:

- **Accredited investor exemption**, which permits distributions of securities to institutional investors and individuals, corporations, trusts and other entities that satisfy prescribed financial, asset-based or other qualifying criteria under Canadian securities laws. The exemption is widely relied upon in institutional financings, private equity investments, venture capital transactions and other private capital-raising activities, and is available nationwide.
- **Private issuer exemption**, which is available to closely held issuers that restrict transfers of their securities, do not access the public market, and distribute securities only to a limited and defined group of eligible purchasers. This exemption is available nationwide and is widely used in private, early stage and founder led financings.
- **Listed issuer financing exemption ("LIFE Exemption")**, which permits eligible reporting issuers whose securities are listed on an exchange recognized by the CSA to raise capital without a prospectus by relying on a prescribed offering document and the issuer's continuous disclosure record. Pursuant to coordinated blanket orders adopted by the CSA in 2025, an eligible issuer may raise, in any 12 month period, the greater of C\$25 million and 20% of the aggregate market value of its listed securities, subject to an overall cap of C\$50 million and certain conditions, including dilution limitations. The exemption is available nationwide and is intended to provide seasoned reporting issuers with a cost effective and efficient capital raising mechanism while maintaining investor protections through the issuer's existing continuous disclosure record.
- **Minimum amount investment exemption**, which allows a distribution without a

prospectus where the purchaser acquires securities as principal for a minimum prescribed investment amount, reflecting the policy view that larger investments imply a greater capacity to assess and bear investment risk. This exemption is available nationwide but is only available to entities, not to individuals.

- **Family, friends and business associates exemption**, which permits issuers to raise capital from individuals who have a close personal or business relationship with the issuer or its principals, subject to carefully defined relationship and eligibility criteria. The exemption is available nationwide. In certain jurisdictions, including Ontario, the exemption is subject to additional requirements, including risk acknowledgement obligations, and issuers must be able to substantiate the qualifying relationship on which reliance is placed.
- **Offering memorandum exemption**, which allows issuers to solicit investments based on a prescribed disclosure document that is less comprehensive than a prospectus but designed to provide investors with structured and meaningful information about the issuer and the offering. This exemption is available nationwide but is not applied identically across all provinces and territories, and is subject to differing conditions, investor rights and disclosure requirements depending on the jurisdiction.

These exemptions form the backbone of Canada's private placement regime under NI 45 106 but there are several others. While they significantly reduce the regulatory burden associated with capital raising, exempt distributions remain regulated transactions and are subject to detailed conditions.

For instance, securities issued under prospectus exemptions are generally subject to resale restrictions under *National Instrument 45 102 – Resale of Securities* ("NI 45 102"), meaning they cannot be freely traded in the secondary market until applicable holding periods and other resale conditions have been satisfied. In this context, Canadian securities law generally treats the first trade of securities acquired under a prospectus exemption as a further "distribution" unless an exemption from the prospectus requirement is available or the applicable conditions prescribed by NI 45 102 are met. By contrast, securities issued under the LIFE Exemption are generally issued without a statutory hold period and are immediately freely tradeable upon issuance, provided the

conditions of the exemption have been satisfied. This distinction reflects the fact that the LIFE Exemption is available only to reporting issuers that satisfy prescribed eligibility criteria, including having an established continuous disclosure record and being current in their securities law filings. Accordingly, the LIFE Exemption relies on a form of issuer seasoning and public disclosure history, rather than a post issuance restricted period, as the principal investor protection mechanism.

Under NI 45 102, a first trade of exempt securities (other than a trade that is itself exempt from the prospectus requirement) may generally occur without a prospectus where, among other things: (i) the issuer has been a reporting issuer in a jurisdiction of Canada for at least four months immediately preceding the trade; (ii) the applicable four month restricted period has elapsed from the distribution date; (iii) any applicable legend or resale restriction notice requirements have been satisfied; (iv) the trade is not a control distribution; (v) no unusual effort is made to prepare the market for, or create demand for, the securities; (vi) no extraordinary commission or consideration is paid in connection with the trade; and (vii) if the selling securityholder is an insider or officer of the issuer, the seller has no reasonable grounds to believe that the issuer is in default of securities legislation. These requirements reflect the policy objective underlying NI 45 102 that securities distributed without a prospectus should only become freely tradeable once the issuer has established an adequate public disclosure record and the market has had sufficient access to information about the issuer.

Exempt distributions also typically trigger post closing regulatory filings and, in some cases, investor risk acknowledgements or ongoing reporting obligations.

Exempt distributions also typically trigger post closing regulatory filings. With the exception of the private issuer exemption, all of the principal prospectus exemptions described above generally require the issuer (or its agent) to file a report of exempt distribution under NI 45 106 in each applicable jurisdiction. This report is filed on the prescribed form and must typically be delivered within 10 days of the distribution. The filing discloses key information about the issuer, the securities issued, the exemption relied upon and the purchasers, and serves as an important regulatory oversight tool. The private issuer exemption is a notable exception to this rule. So long as the issuer continues to qualify as a private issuer, distributions made in reliance on that exemption do not trigger a report of exempt distribution.

Finally, certain prospectus exemptions require investors to execute prescribed risk acknowledgement forms,

although these requirements generally apply only where the purchaser is an individual rather than an entity. Among the exemptions described above, risk acknowledgements are particularly relevant to the accredited investor exemption when relied upon by certain individual investors and to the offering memorandum exemption, both of which expressly contemplate participation by individual investors. The family, friends and business associates exemption may also require a prescribed risk acknowledgement in certain jurisdictions, including Ontario, where additional investor protection measures apply. By contrast, the private issuer exemption generally does not require a prescribed risk acknowledgement form, and the minimum amount investment exemption is available only to non-individual purchasers, such that no individual risk acknowledgement applies in that context. The LIFE Exemption similarly does not require a prescribed risk acknowledgement form, notwithstanding that it permits retail investor participation, as it instead relies on the issuer's status as a reporting issuer, its established continuous disclosure record and the public filing of a prescribed offering document.

This distinction reflects a deliberate investor protection policy choice. Prospectus exemptions that permit participation by retail or other individual investors often incorporate prescribed risk acknowledgement requirements to reinforce informed consent and highlight the absence of a prospectus, the potential illiquidity of the investment and the associated investment risks. By contrast, exemptions available exclusively to institutional or non-individual purchasers generally proceed on the assumption that such purchasers possess greater financial sophistication, access to professional advice and the ability to independently assess investment risks. Similarly, the LIFE Exemption substitutes issuer seasoning, continuous disclosure obligations and public market transparency for individual risk acknowledgement requirements as its principal investor protection mechanisms.

As a result, careful structuring remains essential to ensure compliance with NI 45-106, NI 45-102 and applicable local securities laws across all relevant jurisdictions.

5. Please describe the insider trading regulations and describe what a public company would generally do to prevent any violation of such regulations.

a. Insider Trading

Canadian insider trading obligations are conduct based and information driven. The core prohibition is against trading, recommending a trade, or tipping others where a person is in possession of material information that has not been generally disclosed. The rules therefore apply not only to directors, officers and other persons who are commonly described as "insiders" (including generally, a shareholder holding more than 10% of the voting rights), but also to persons who are in a "special relationship" with a reporting issuer or another issuer whose securities are publicly traded, because the prohibitions are designed to prevent misuse of informational advantage regardless of formal title. In other words, a person can be caught even without an "insider" label if they receive undisclosed material information through their relationship and then trade (or tip/recommend). Breaches can attract significant consequences. Insider trading, tipping or recommending trades on undisclosed material information may be treated as a quasi criminal offence, exposing individuals to fines and/or imprisonment (depending on the jurisdiction and circumstances).

b. Insider Reporting

Canadian insider reporting obligations, namely through declarations, are a separate, transparency based regime and apply only to "reporting insiders", a defined subset of persons whose holdings and trading activity must be disclosed so the market can track insider positions over time. This regime is event driven (holdings and transactions), not information driven. It is not triggered simply because someone learns material non public information. Once a person is a reporting insider, regulators generally require insider reports for transactions affecting the insider's ownership or control of the issuer's securities, and your materials state that these transaction reports are generally required within five calendar days. *National Instrument 55-104 – Insider Reporting Requirements and Exemptions* also includes defined exemptions from insider reporting in particular circumstances (i.e. certain grants under compliant automatic securities purchase plans that follow an alternative reporting approach, and certain publicly disclosed transactions).

Reporting insiders generally include directors, certain senior officers, and significant shareholders of a reporting issuer. Ownership thresholds play a role in determining reporting status and reporting content, but they serve disclosure, not trading, objectives. For example, holdings at or above the 10% level commonly trigger insider status and reporting obligations, while lower percentage thresholds (such as 5%) and incremental change thresholds (such as 2%) operate in parallel disclosure regimes that govern significant shareholdings and

changes in control, rather than defining whether trading is permitted. Once a person qualifies as a reporting insider, subsequent changes in ownership or control typically trigger an obligation to file an insider report within a short prescribed period, even where the trade itself was entirely lawful from an insider trading perspective.

c. Distinctions

A critical distinction, therefore, is that insider trading rules and insider reporting obligations operate independently. Possessing material non public information affects whether a trade is permitted; it does not, by itself, trigger an insider report. Conversely, executing a transaction as a reporting insider triggers a reporting obligation, even if the insider had no undisclosed material information at the time of the trade. Importantly, filing an insider report does not legitimize a trade that was conducted while in possession of material non public information, nor does the absence of insider reporting excuse prohibited conduct.

Because the insider trading prohibition turns on the existence of undisclosed material information, Canadian public companies commonly supplement the legal framework with governance controls such as blackout periods around earnings releases and other market sensitive events, and pre clearance requirements for directors, executive officers and other designated insiders. While not statutory requirements, these measures are widely used in practice to manage the interface between permissible trading, reporting obligations and the risk of misuse of confidential information.

6. Please describe the potential prospectus liabilities in your market. What type of sanctions or disciplinary measures can be imposed by regulators for violations of securities regulations?

Canada has a well developed statutory liability and sanctions framework designed to ensure the integrity of disclosure in capital raising transactions and the ongoing public market. At the core of this framework is the concept of misrepresentation, which is generally defined as an untrue statement of a material fact or an omission to state a material fact that is required to be stated, or that it is necessary to make a statement not misleading in light of the circumstances in which it was made. Canadian securities law also recognizes that misrepresentations may be deemed to appear in an offering document where they are contained in material

that is incorporated by reference. This definition supports both civil liability exposure and regulatory enforcement across primary offerings and the secondary market.

In the context of prospectus offerings, purchasers benefit from a combination of procedural protections and statutory remedies. These typically include a short statutory withdrawal (cooling off) right, as well as statutory causes of action for rescission, damages, and, in some jurisdictions, price revision if the prospectus or any amendment contains a misrepresentation. These remedies are subject to prescribed time limits and limitation periods under the applicable provincial or territorial legislation and operate without the need for an investor to prove common law reliance. The prospectus liability regime is highly structured, allocating responsibility among issuers, directors, certain officers, promoters and underwriters in accordance with the applicable statutory framework. At the same time, the regime incorporates a series of statutory defences, including due diligence and reasonable investigation defences available to certain non-issuer parties that can demonstrate they conducted an appropriate review of the disclosure and had reasonable grounds to believe that no misrepresentation existed. In this way, the regime seeks to promote rigorous disclosure practices and meaningful accountability, while avoiding the imposition of absolute liability on market participants involved in the offering process.

Comparable statutory liability principles apply in the exempt market, particularly where an offering memorandum is used. Although an offering memorandum is not a prospectus, securities legislation in certain jurisdictions provides purchasers with a statutory right of action for damages or rescission if the document contains a misrepresentation. These rights are often framed as not requiring proof of reliance, but they are subject to defined statutory limits and defenses. Common features of the regime include an election between rescission and damages (but not both), limitations where the purchaser had knowledge of the misrepresentation, caps on recoverable damages, often linked to the purchase price, and clearly defined limitation periods. These statutory rights typically exist in addition to other rights available at law, but must be exercised within the framework established by securities legislation.

Canadian disclosure liability principles also extend beyond offerings to the secondary market. Statutory civil liability regimes apply to misrepresentations in continuous disclosure documents and public statements, reflecting the importance of accurate ongoing disclosure for market integrity. While these regimes provide

investors with a cause of action, access to the claim may be subject to procedural thresholds, such as a requirement to obtain court permission to proceed. This screening function is intended to balance investor protection with the need to avoid claims that lack a sufficient factual basis, while still providing meaningful accountability for disclosure failures.

Overlaying the civil liability regime is a robust regulatory and enforcement framework. Securities regulators have broad powers to impose administrative sanctions, including cease trade orders, corrective disclosure, monetary penalties, and director and officer bans. In more serious cases involving fraud or market manipulation, quasi criminal or criminal proceedings may also be pursued. Canadian securities law also makes it an offence to represent that a securities regulator has reviewed or approved an offering document, reinforcing the principle that responsibility for disclosure rests with the issuer and its gatekeepers, not the regulator.

Taken together, Canada's prospectus liability and sanctions framework reflects a calibrated approach that combines statutory investor remedies, defined defenses and limits, procedural safeguards, and active regulatory oversight. The result is a system that promotes high quality disclosure and market confidence while providing issuers and intermediaries with a relatively predictable liability environment.

7. What are the key remedies available to shareholders of public companies in your market?

Shareholders of Canadian public companies benefit from a layered system of remedies that combines statutory investor protection mechanisms under securities legislation with equitable and statutory remedies under federal and provincial corporate law. Together, these tools allow shareholders to respond to disclosure deficiencies, governance failures, and conduct that undermines fair treatment or market integrity, while operating alongside public enforcement by securities regulators.

A core element of shareholder protection is statutory civil liability for misrepresentation under securities law. In both prospectus offerings and certain exempt market transactions where an offering memorandum is used, investors may have statutory rights of action if the disclosure document contains a misrepresentation. These remedies commonly include rescission or damages, often without the need to prove reliance, but subject to defined statutory limits, defenses and

limitation periods. Typical features of the regime include an election between rescission and damages, caps on recoverable amounts (often linked to the purchase price), and defenses where the investor had knowledge of the misrepresentation. The statutory regime is also balanced by a series of due diligence and reasonable investigation defenses available to certain non-issuer defendants, reflecting the policy objective of promoting rigorous disclosure review while avoiding the imposition of absolute liability. Comparable liability principles extend to continuous disclosure by public issuers, although claims in the secondary market may be subject to procedural thresholds that require investors to demonstrate a sufficient basis before proceeding.

Corporate statutes provide shareholders with additional remedies that address governance conduct rather than disclosure alone. Most notably, the oppression remedy allows a court to intervene where corporate actions, omissions or decision making are oppressive, unfairly prejudicial or unfairly disregard the interests of securityholders. The analysis is anchored in reasonable expectations and is highly fact specific, taking into account factors such as the parties' relationships, past practice, representations, and the need to balance competing stakeholder interests. The remedy is flexible, enabling courts to tailor relief to restore fairness rather than being limited to monetary damages, while still affording deference to good faith business decisions made within a range of reasonable alternatives.

Shareholders may also pursue derivative actions, which address a different structural concern: directors' duties are owed to the corporation itself, and the corporation may be unwilling or unable to pursue claims against those in control. Derivative actions permit shareholders, with court oversight, to bring proceedings on behalf of the corporation to enforce corporate rights, complementing oppression claims that focus on harm to the complainant shareholder. Where alleged misconduct affects a broad class of investors, class proceedings may also be available as a procedural mechanism to aggregate claims efficiently and facilitate access to remedies that might be impractical to pursue individually.

These private law remedies operate alongside an active regulatory enforcement regime. Securities commissions have broad authority to impose administrative sanctions, require corrective disclosure, issue cease trade orders, and restrict individuals from acting as directors or officers, with more serious misconduct potentially giving rise to quasi criminal or criminal consequences. The combined effect is a shareholder protection framework that blends civil liability, equitable relief and public enforcement to promote accurate disclosure, fair

governance and confidence in Canadian capital markets.

8. What are the key remedies available to debt securities holders in your market?

Debt holders in Canada benefit from a framework of contractual, statutory and insolvency-based remedies, reflecting the creditor-centric nature of debt capital markets. Unlike shareholders, whose protections often arise from corporate governance principles, debt holder rights are primarily defined by the terms of the governing debt instruments, with legal remedies structured around enforcement of those negotiated rights.

Typically, the relevant governing debt instrument to consider is the trust indenture pursuant to which the relevant debt securities were issued. Generally speaking, under this agreement, a trustee will be appointed to act on behalf of all debt holders. The trustee plays a central role in monitoring compliance with the terms of the indenture and coordinating enforcement action. Indentures contain detailed provisions addressing events of default, including non-payment of principal or interest, breach of financial or negative covenants, cross-default and insolvency-related triggers. Upon the occurrence of an event of default, remedies may include acceleration of the outstanding debt, enforcement against collateral (for secured debt) and initiation of legal proceedings. Importantly, the indenture structure generally limits individual debt holder action by requiring enforcement to proceed through the trustee, subject to specified thresholds and indemnity conditions. This approach promotes orderly and collective action.

In addition to contractual rights, debt holders may have access to statutory remedies under securities legislation, particularly in the context of misrepresentation. Where disclosure in a prospectus or, in certain cases, an offering memorandum, contains a misrepresentation, investors may have statutory rights of action for damages or rescission. These remedies are analogous to those available to equity investors but are focused on the integrity of the disclosure provided at issuance, rather than post-issuance credit performance or covenant compliance.

Debt holder protections are also significantly shaped by Canadian insolvency and restructuring regimes such as the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 and the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3. These statutes provide structured processes for creditor recovery and reorganization. In a restructuring context, debt holders—often acting through trustees or ad hoc creditor committees—participate in

negotiations, vote on plans of arrangement or compromise and assert their claims in accordance with established priority rankings. Secured creditors retain enforcement rights over pledged collateral, although these rights are typically subject to court-ordered stays of proceedings and broader restructuring objectives.

Finally, while less central than for equity holders, certain corporate law remedies, such as the oppression remedy, may be available in limited circumstances where debt holder interests are unfairly prejudiced, particularly where the debt instrument confers quasi-equity features.

Overall, the Canadian framework reflects a hierarchical and contract-driven approach, in which negotiated protections, trustee-based enforcement mechanisms and insolvency processes collectively define and operationalize debt holder remedies.

9. Please describe the expected outlook in fund raising activities (equity and debt) in your market in 2026.

The Canadian capital markets landscape in 2026 reflects a cautious but discernible shift from the prolonged slowdown of 2023–2025. Lower interest rates and moderating inflation have improved financing conditions, although geopolitical uncertainty and energy market volatility continue to affect investor sentiment and transaction activity. As a result, issuers and investors remain disciplined with respect to valuation, deal structure and execution timing.

The Exempt Market Remains the Engine of Capital Formation

Private placements remain a principal source of capital formation, particularly for growth-stage and mid-market issuers. The exempt market continues to offer a faster, more flexible and cost-effective alternative to prospectus offerings, and recent regulatory initiatives have further enhanced its attractiveness for both private and public issuers.

A Cautious IPO Environment and the Rise of Alternative Structures

Although the initial public offering market has shown signs of improvement, activity remains selective and valuation sensitivities persist. Many issuers continue to evaluate multiple strategic alternatives before accessing the public markets. In this environment, alternative financing structures, including PIPE transactions, convertible securities and other structured investments,

remain important tools for addressing valuation uncertainty and facilitating capital raising.

Sector Strengths: Energy Transition, Critical Minerals, and Technology

Investor interest remains concentrated in sectors aligned with Canada's competitive strengths, including energy transition, critical minerals and technology infrastructure. Businesses with exposure to artificial intelligence, data centers, cybersecurity and strategic resource development continue to attract significant attention from both domestic and international investors.

Cross-Border Capital and the Competitiveness Imperative

Access to U.S. and international capital remains an important consideration for larger Canadian issuers. In response to heightened geopolitical tensions, trade uncertainty and increasing competition for global investment, the CSA has focused on targeted reforms aimed at reducing regulatory burden, improving market efficiency and enhancing the competitiveness of Canadian capital markets. Rather than pursuing fundamental structural change, the regulatory approach in 2026 has emphasized incremental measures intended to facilitate financing activity and support issuers operating in an increasingly complex global environment.

10. What are the essential requirements for listing a company in the main stock exchange(s) in your market? Please describe the simplified regime (if any) for companies seeking listing or dual-listing in your market. What are the estimated costs and timelines for completing a listing?

In Canada, the principal listing venues are i) the TSX for established issuers and ii) the TSXV for growth-stage companies. Each operates under a category-based framework tailored to issuer maturity and sector.

a) Toronto Stock Exchange (TSX)

TSX-listed companies are organized into the following categories and sub-categories:

- Diversified Companies o Income and Revenue-Producing Companies; o Pre-Income-Producing Companies; and o New Enterprise Companies (no existing business but with proof of concept);
- Mining Companies o Producing Mining Companies o Mineral Exploration and

Development-Stage Companies o Senior Mining Companies

- Oil and Gas Companies o Oil and Gas Companies o Senior Oil and Gas Companies

The TSX does not impose a single set of initial listing requirements. Rather, the applicable criteria depend on the issuer's industry and stage of development. Diversified issuers, mining issuers and oil and gas issuers are each subject to distinct listing tests that consider factors such as market capitalization, revenues, profitability, cash flow, working capital, funding capacity, reserves or resources, development programs and operational history. The TSX also assesses public distribution, management experience, corporate governance and the issuer's overall suitability for listing. As a result, there is no single market capitalization, financial or operational threshold applicable to all TSX listing applicants; the relevant requirements depend on the particular listing category and sub-category under which the issuer applies.

b) TSX Venture Exchange (TSXV)

TSXV-listed companies are organized into two tiers based on their stage of development and financial condition:

- Tier 1 Issuers (more advanced issuers subject to higher listing standards); and
- Tier 2 Issuers (earlier-stage issuers subject to less stringent requirements).

Within each tier, issuers are assessed based on their industry sector, including:

o Mining Issuers; o Oil and Gas Issuers; o Industrial, Technology and Life Sciences Issuers; and o Real Estate and Investment Issuers.

The TSXV does not impose a single set of initial listing requirements. Rather, the applicable criteria depend on the issuer's tier, industry sector and stage of development. Mining and oil and gas issuers are generally assessed based on reserves, resources, property interests and exploration or development programs, while non-resource issuers are assessed based on factors such as operating history, business development plans and financial resources. Common requirements across TSXV categories include minimum public distribution thresholds, generally requiring between 200 and 250 public shareholders and public floats ranging from approximately 500,000 to 1,000,000 freely tradable shares, as well as sufficient working capital and financial resources to fund the issuer's

business plan for a prescribed period (12-18 months). Depending on the applicable category and tier, issuers may also be required to maintain unallocated funds ranging from approximately C\$100,000 to C\$200,000 and satisfy industry-specific requirements relating to reserves or resource properties, exploration or development programs and other operational or financial metrics. Similar to the TSX, there is no single financial or operating threshold applicable to all TSXV listing applicants, and the TSXV retains discretion to assess an applicant's overall suitability for listing.

c) Simplified and dual-listing regimes

Canada provides facilitated disclosure regimes for certain issuers in cross-border contexts. National Instrument 71-101 – The Multijurisdictional Disclosure System ("MJDS") ("NI 71-101") is a joint initiative by the CSA and the Securities and Exchange Commission ("SEC") to reduce duplicative regulation in cross-border offerings, bids, business combinations, and continuous disclosure filings, adopted across all Canadian provinces and territories. This system reflects a bilateral approach to securities regulation, recognizing the comparability of Canadian and U.S. regulatory frameworks. As the Canadian component of the MJDS framework, NI 71-101 facilitates certain cross-border offerings, take-over bids, issuer bids and business combinations involving eligible U.S. issuers by permitting reliance on disclosure documents prepared in accordance with U.S. federal securities law, subject to certain additional Canadian disclosure requirements and safeguards designed to protect Canadian investors. The requirement for additional Canadian disclosure ensures that material information relevant to Canadian investors is provided, maintaining investor protection while reducing regulatory burdens. The MJDS also has a U.S. counterpart established through SEC rules, forms and exemptions that facilitate certain offerings and other transactions involving eligible Canadian issuers in the United States. The Companion Policy to NI 71-101 provides interpretive guidance regarding the operation of the MJDS framework and the treatment of qualifying cross-border transactions under Canadian securities laws.

Separately, National Instrument 71-102 – Continuous Disclosure and Other Exemptions Relating to Foreign Issuers ("NI 71-102"), also adopted in all Canadian provinces and territories, provides ongoing disclosure relief for two distinct sub-categories of eligible foreign reporting issuers already reporting in Canada: first, "SEC foreign issuers" (those registered or required to report under the U.S. Securities Exchange Act of 1934) who may satisfy Canadian continuous disclosure requirements by complying with U.S. federal securities law and filing the

same documents in Canada as with the SEC; and second, "designated foreign issuers" from Australia, France, Germany, Hong Kong, Italy, Japan, Mexico, The Netherlands, New Zealand, Singapore, South Africa, Spain, Sweden, Switzerland, or the United Kingdom of Great Britain and Northern Ireland (a list that expressly excludes the United States), who must comply with their home jurisdiction's disclosure requirements and annually disclose their status to Canadian securityholders.

The two instruments are complementary rather than interchangeable. NI 71-101 primarily facilitates qualifying cross-border offerings, bids and business combinations involving eligible U.S. issuers, while NI 71-102 provides ongoing disclosure and related regulatory relief for qualifying foreign reporting issuers. An eligible U.S. issuer may, depending on the circumstances, rely on NI 71-102 for continuous disclosure purposes while utilizing NI 71-101 in connection with a qualifying offering, bid or business combination.

d) Estimated costs and timelines

A Canadian initial public offering on the TSX typically requires a preparatory timeline of approximately three to six months, depending on the issuer's readiness and transaction complexity. Underwriting commissions on a traditional firm-commitment offering generally range from 4% to 10% of gross proceeds, and legal, audit and regulatory costs for a mid-sized offering often fall within the range of approximately C\$500,000 to C\$1 million or more, depending on the complexity of the transaction. Listings on the TSXV are generally faster and less costly and may be completed on a shorter timeline depending on the nature of the issuer and the transaction.

11. Are weighted voting rights in listed companies allowed in your market? What special rights are allowed to be reserved (if any) to certain shareholders after a company goes public?

a) Weighted Voting Rights

Weighted voting rights structures, such as those implemented through multiple voting shares ("MVS") carrying enhanced voting entitlements, are permitted under Canadian corporate law and are accepted by the TSX and TSXV, subject to prescribed conditions. Dual-class share structures are frequently adopted by technology, media, and founder-led companies seeking to preserve voting control following a public offering.

The TSX permits dual-class share structures, provided

that the issuer complies with the TSX's restricted securities regime, including coattail protections designed to ensure that holders of subordinate voting or other restricted securities are afforded an opportunity to participate in certain change-of-control transactions on terms comparable to holders of superior voting securities. The regime is intended to promote transparency regarding unequal voting rights and requires, among other things, prescribed naming conventions for classes of restricted securities, disclosure of the voting rights (or lack thereof) attaching to all residual equity securities in proxy circulars, information circulars, directors' circulars and similar shareholder communications, and the concurrent delivery of meeting materials, annual reports and financial statements to holders of restricted securities. The TSX may also require shareholder approval, including approval by disinterested shareholders in certain circumstances, for transactions that create, modify or expand restricted share structures and generally restricts the issuance of securities carrying superior voting rights where doing so could disproportionately dilute the voting power of existing shareholders.

The TSXV also permits restricted and unequal voting share structures, subject to its listing requirements and policies, including applicable securities law requirements, disclosure obligations and minority shareholder protection measures where relevant.

b) Special Rights Reserved After Going Public

Founders and certain pre-IPO investors may retain special rights that survive and remain effective following a public listing. These may include contractual information rights, board nomination rights and board representation entitlements, typically reflected in shareholder agreements, investor rights agreements or other governance arrangements and disclosed in the issuer's public disclosure record. Such arrangements are generally permissible, provided they comply with applicable corporate law, securities law and stock exchange requirements and are appropriately disclosed.

12. Please describe the key minority shareholder protection mechanisms in your market.

Canadian law provides minority shareholders with a layered and complementary set of protections spanning corporate law, securities law, and exchange regulation.

a) Oppression Remedy

The oppression remedy, available under provincial and

federal corporate statutes, is the broadest and most frequently litigated shareholder remedy in Canada. It permits a court to intervene where the conduct of a corporation's business, or the exercise of the powers of the directors, is oppressive, unfairly prejudicial to, or unfairly disregards the interests of any security holder.

b) Dissent and Appraisal Rights

Provincial and federal corporate statutes grant shareholders the right to dissent from certain fundamental corporate changes, including amalgamations, continuances, sales of substantially all assets, and specified amendments to articles. Dissenting shareholders are entitled to receive the fair value of their shares, as determined by agreement with the corporation or, in the absence of agreement, by a court.

c) Take-Over Bid Protections

National Instrument 62-104 respecting Take-Over Bids and Issuer Bids ("NI 62-104") establishes baseline protections for security holders in a take-over bid context, including a minimum 105-day deposit period (subject to limited circulates in which the period may be shortened), a requirement that the bid be made to all holders of the class on identical terms, and a minimum tender condition requiring that more than 50% of the outstanding securities not held by the offeror be tendered before the bid can be taken up and a mandatory 10-day extension period following satisfaction of the minimum tender condition and all other material conditions of the bid. These requirements prevent coercive or discriminatory offers and reinforce the principle of equal treatment of all security holders.

d) Minority Approval in Special Transactions

Multilateral Instrument 61-101 respecting Protection of Minority Security Holders in Special Transactions ("MI 61-101") establishes enhanced protections for minority security holders in certain conflict-of-interest transactions, including insider bids, issuer bids, business combinations (including many going-private transactions), and related party transactions. Depending on the nature of the transaction and the availability of applicable exemptions, MI 61-101 may require a formal valuation prepared by an independent valuator, approval by a majority of votes cast by disinterested security holders (commonly referred to as "majority of the minority" approval), and enhanced disclosure regarding the transaction. These requirements are intended to mitigate conflicts of interest and ensure that minority security holders are treated fairly in transactions involving insiders, related parties, or other circumstances

giving rise to potential self-dealing concerns.

e) Coattail Provisions

The TSX requires dual-class issuers to include coattail provisions designed to ensure that holders of subordinate voting shares are afforded substantially equivalent treatment in certain change-of-control transactions. Generally, where an offer is made for the superior voting securities carrying control of the issuer, the holders of subordinate voting shares must be given an opportunity to participate through a conversion right or through an identical concurrent offer, including the same price per share and substantially equivalent terms. The objective is to prevent holders of superior voting securities from receiving an exclusive control premium and to ensure that subordinate voting shareholders are able to participate in qualifying takeover bids on substantially equal economic terms. The TSXV maintains a comparable focus on minority shareholder protection through its restricted shares policy.

f) Continuous Disclosure and Regulatory Enforcement

Reporting issuers are subject to extensive ongoing disclosure obligations administered by the CSA, ensuring that shareholders have access to material information on a continuous basis. Regulatory enforcement by provincial and territorial securities commissions, including cease-trade orders, corrective disclosure requirements, monetary penalties, and director and officer bans, supplements private shareholder remedies as a systemic check on issuer and management conduct.

13. Is there a takeover code available in your jurisdiction? If so, does it provide for the ability to squeeze out minority shareholders?

a) Regulatory Framework

Take-over bids are regulated primarily by NI 62-104, a harmonized CSA instrument applicable across all provinces and territories, which governs the conditions under which a formal take-over bid must be made, the conduct of the bid process, the treatment of security holders, and the obligations of the offeror and the target board. MI 61-101 applies in circumstances where the offeror is a related party of the target, imposing additional conflict-of-interest protections including formal valuation requirements and minority approval.

A formal take-over bid is required where, following the proposed acquisition, the offeror would hold 20% or more of the outstanding securities of a class of voting or equity

securities. The bid must be open for acceptance for a minimum of 105 days, which may be reduced with the target board's consent to not less than 35 days. It must be extended to all holders of the class on identical terms, and may only be taken up once the minimum tender condition has been satisfied, namely, that more than 50% of the outstanding securities not held by the offeror have been validly tendered and not withdrawn. Once the minimum tender condition is met and all other conditions are satisfied, the offeror must extend the deposit period for a further ten calendar days, providing remaining holders an additional opportunity to tender.

b) Squeeze-Out of Minority Shareholders

Canadian corporate law provides a statutory mechanism for the compulsory acquisition of minority shareholders following a successful take-over bid. Under the Canada Business Corporations Act ("CBCA") and equivalent provincial corporate statutes, where an offeror has acquired more than 90% of a class of securities (excluding securities held by the offeror and its affiliates at the commencement of the bid), the offeror is entitled to compulsorily acquire the remaining securities at the same price offered to tendering shareholders.

Where the 90% threshold is not achieved through the initial bid, a subsequent acquisition transaction, such as an amalgamation, plan of arrangement, or other business combination, may be pursued to consolidate ownership. These subsequent transactions are governed by applicable corporate statutes and, where applicable, MI 61-101, and may require minority shareholder approval, independent formal valuation, and court approval. Where dissent rights are available in connection with such a transaction, dissenting shareholders may exercise their statutory right to be paid the fair value of their shares and, where the fair value cannot be agreed upon, a court may be asked to determine that value. Together, these mechanisms provide a defined path to full corporate control while preserving procedural protections for remaining minority holders.

14. What are the common types of transactions involving public companies in your jurisdiction that require regulatory scrutiny and/or disclosure?

Several categories of transactions involving Canadian public companies attract mandatory regulatory scrutiny, enhanced disclosure, or both.

Material changes. Under applicable provincial and territorial securities legislation, a material change in the

affairs of a reporting issuer, broadly defined as a change in the business, operations, or capital of the issuer that would reasonably be expected to have a significant effect on the market price or value of its securities, must be disclosed by way of a press release immediately upon the occurrence of the change, followed by the filing of a material change report within ten days.

Take-over bids and issuer bids. Formal take-over bids are subject to the requirements of NI 62-104, including the preparation and filing of a take-over bid circular by the offeror, delivery of a directors' circular by the target board, and compliance with the applicable minimum deposit period, minimum tender condition and other bid conduct requirements. Formal issuer bids are likewise governed by NI 62-104 and generally require the issuer to prepare and file an issuer bid circular and comply with the applicable bid procedures and disclosure requirements.

Fundamental corporate changes. Amalgamations, continuances, sales of substantially all assets, and certain amendments to articles require shareholder approval under applicable corporate statutes. Proxy materials and related information circulars must be filed with securities regulators and delivered to shareholders in advance of any meeting called to consider such matters.

Significant acquisitions. Where a reporting issuer completes a "significant acquisition" as defined under *National Instrument 51-102 respecting Continuous Disclosure Obligations* ("**NI 51-102**"), generally where the acquisition exceeds a 30% significance threshold under one or more prescribed asset, investment or profit or loss tests, the issuer must file a business acquisition report within 75 days of completion. The report provides investors with information regarding the acquired business and the transaction, including prescribed historical financial statements of the acquired business and related financial disclosure intended to assist investors in assessing the impact of the acquisition on the issuer.

Related party transactions. Transactions between a reporting issuer and its related parties that meet prescribed thresholds trigger formal valuation, minority approval, and disclosure requirements under MI 61-101.

Going-private transactions. Going-private transactions may be effected through a variety of transaction structures, including take-over bids followed by a compulsory acquisition or second-step transaction, amalgamations, plans of arrangement and other business combinations. Where a going-private transaction is effected by way of a take-over bid, the bidder must

prepare and deliver a take-over bid circular and the target board will typically provide security holders with a directors' circular. Where a going-private transaction is effected through a shareholder-approved transaction, such as an amalgamation or plan of arrangement, security holders are typically provided with a management information circular, and a plan of arrangement will require court approval. Where the transaction constitutes a business combination, related party transaction or other transaction subject to MI 61-101, additional requirements may apply, including formal valuation, minority approval and enhanced disclosure to security holders.

Competition Act merger review. Merger transactions (including share acquisitions, amalgamations, and certain asset purchases) that exceed the prescribed notification thresholds under the *Competition Act* are subject to mandatory pre-closing notification and review by the Canadian Competition Bureau (the "**Bureau**"). The applicable thresholds for 2026 are: (i) a size-of-target threshold of C\$93 million, measured by the target's assets in Canada or revenues from sales in, from or into Canada, and (ii) a size-of-parties threshold of C\$400 million, measured by the aggregate assets in Canada or gross revenues of the parties and their respective affiliates. Both thresholds must be exceeded for a transaction to be notifiable. The Bureau's filing fee for a merger notification or "Advance Ruling Certificate" application is C\$90,198.19 for 2026. Transactions falling below the notification thresholds are not exempt from potential regulatory scrutiny, as the Bureau retains jurisdiction to review and challenge any transaction that is likely to prevent or lessen competition substantially. Owing to the Bureau's residual jurisdiction, parties may elect to engage with the Bureau voluntarily, including by seeking an or "Advance Ruling Certificate" or providing information regarding a non-notifiable transaction, to obtain greater regulatory certainty and reduce the risk of a subsequent challenge.

Investment Canada Act review. Foreign acquisitions of Canadian businesses are subject to filing requirements and review under the *Investment Canada Act* (the "**ICA**"). Transactions that exceed the applicable net benefit review thresholds are subject to a mandatory pre-closing review and approval processes and cannot be completed until the responsible Minister has determined that the investment is likely to be of net benefit to Canada. By contrast, acquisitions of control that fall below the applicable review thresholds (and the establishment of new Canadian businesses) are generally subject only to a notification filing, which in most cases may be submitted up to 30 days after closing. The applicable review

thresholds vary depending on the nature of the investor, its home jurisdiction, and the sector of the target Canadian business. For 2026, the net benefit review threshold for direct acquisitions of non-cultural Canadian businesses by trade agreement investors, investors from jurisdictions that have qualifying trade agreements with Canada (other than state-owned enterprises), is C\$2.179 billion in enterprise value. For world trade organization investors (other than trade agreement investors and state-owned enterprises), the threshold is C\$1.452 billion in enterprise value. For state-owned enterprise investors, a lower asset-based threshold of C\$578 million applies. Separately, any investment by a non-Canadian in a Canadian business may be subject to national security review if it could be injurious to Canada's national security, regardless of the value of the investment or whether control is acquired. This regime has been applied with increasing frequency, particularly in respect of critical minerals. In cases of minority control investments, where a filing is not mandatory, investors may submit a voluntary filing in respect of investments that are potentially sensitive from a national security perspective, which can provide greater regulatory certainty by commencing the applicable statutory review periods and reducing the risk of post-closing regulatory intervention. Pending legislative amendments are also expected to introduce mandatory pre-closing filing requirements for investments involving prescribed sensitive business activities.

15. Please describe the scope of related parties and introduce any special regulatory approval and disclosure mechanism in place for related parties' transactions.

a) Scope of Related Party

The principal regulatory instrument governing related party transactions in the context of Canadian public companies is MI 61-101. MI 61-101 defines "related party" broadly to include, among others, control persons of the issuer, persons holding more than 10% of the voting rights attached to the issuer's outstanding voting securities, directors and senior officers of the issuer and of certain related entities, persons who manage or direct the affairs of the issuer to a substantial degree, affiliated entities of such persons, and entities controlled by or under common control with such persons. The breadth of the definition is intended to capture relationships that may give rise to conflicts of interest in the context of a transaction involving the issuer.

b) Transactions Subject to MI 61-101

MI 61-101 imposes enhanced requirements on four defined categories of transactions: insider bids, being take-over bids made by insiders or other specified related parties of the issuer; issuer bids, in which an issuer offers to acquire its own securities; business combinations, being transactions in which the interests of security holders are terminated without their consent and that generally result in a related party of the issuer acquiring the issuer or increasing its interest in the issuer; and related party transactions, in which the issuer directly or indirectly engages in a transaction with a related party. Depending on the nature of the transaction and the availability of applicable exemptions, these transactions may be subject to enhanced disclosure, formal valuation and minority approval requirements.

c) Formal Valuation

Where a transaction falls within the scope of MI 61-101, the issuer is generally required to obtain and disclose a formal valuation prepared by an independent valuator with no material relationship to the issuer or the related party. The valuation must address the fair market value of the subject matter of the transaction and, in the case of an offer for securities, the fair market value of the consideration offered. MI 61-101 provides a number of formal valuation exemptions that may reduce or eliminate this requirement in prescribed circumstances, and the availability of any such exemption must be assessed carefully in each transaction. MI 61-101 provides a number of formal valuation exemptions (25% market capitalization exemption, financial hardship transactions, etc.) that may reduce or eliminate this requirement in prescribed circumstances.

d) Minority Approval

In addition to formal valuation, most transactions subject to MI 61-101 require approval by a majority of the votes cast by security holders other than the interested party (minority approval). This requirement ensures that transactions involving conflicts of interest receive independent shareholder endorsement and cannot be completed solely on the basis of the related party's voting power. MI 61-101 also provides a number of exemptions from the minority approval requirement (25% market capitalization exemption, financial hardship transactions, etc.) in prescribed circumstances.

e) Disclosure Obligations

Transactions subject to MI 61-101 must be disclosed through the applicable disclosure document (including a take-over bid circular, issuer bid circular, management information circular or, in certain circumstances, a

material change report) and must contain the disclosure prescribed by MI 61-101 and the applicable forms under NI 62-104, including information regarding the background to the transaction, any required formal valuation, prior valuations, the review and approval process adopted by the board and any independent committee, and any available exemptions relied upon. Where minority approval is required, the prescribed disclosure must be provided to security holders in advance of the meeting called to consider the transaction.

f) Exchange Requirements

Following recent amendments to the TSX Company Manual, which removed Part V applicable to related-party transactions by non-exempt issuers, MI 61-101 now serves as the primary regulatory framework governing related-party transactions for all TSX-listed issuers. The TSXV maintains its own listing policies (for example Policies 5.2 and 5.9), which impose additional requirements for certain transactions involving insiders and controlling shareholders. Exchange requirements must be assessed in parallel with MI 61-101 obligations in any related party transaction.

16. What are the key continuing obligations of a substantial shareholder and controlling shareholder of a listed company?

a) Early Warning Reporting

The most fundamental continuing obligation applicable to substantial shareholders of Canadian reporting issuers is the early warning reporting regime, governed by National Instrument 62-103 – The Early Warning System and Related Take-Over Bid and Insider Reporting Issues (“NI 62-103”) and Part 5 of NI 62-104. Under this regime, a person or company that, after a transaction, directly or indirectly beneficially owns, controls, or directs voting or equity securities representing 10% or more of an outstanding class of securities of a reporting issuer must promptly issue a news release disclosing the acquisition and file an early warning report on the prescribed form. Thereafter, a further news release and report are required whenever the holder's position changes by 2% or more in either direction, or where the holder's stated intentions in respect of the issuer change in a material way. NI 62-103 and NI 62-104 also provide a number of exemptions and alternative reporting mechanisms from the standard early warning requirements in specified circumstances.

b) Insider Reporting

Any person who qualifies as a “reporting insider” of a reporting issuer is subject to insider reporting obligations under NI 55-104. Reporting insiders generally include directors, certain senior officers, significant shareholders and other persons who, in the ordinary course, have access to undisclosed material information concerning the issuer and exercise, or have the ability to exercise, significant power or influence over its business, operations, capital or development.

A reporting insider is generally required to file an initial insider report within 10 days of becoming a reporting insider and must subsequently report changes in its beneficial ownership of, or control or direction over, the issuer's securities, as well as certain interests in related financial instruments, within five calendar days of the relevant change. Although access to undisclosed material information may be relevant in determining whether a person qualifies as a reporting insider, the insider reporting obligation is triggered by a person's status as a reporting insider and the occurrence of a reportable transaction, rather than by whether the person possessed material non-public information at the time of the transaction. These reporting obligations operate independently of, and in addition to, Canada's insider trading prohibitions.

c) Trading Restrictions

Substantial and controlling shareholders who qualify as insiders of a reporting issuer are subject to the prohibition on insider trading under applicable provincial securities legislation, which prohibits trading in the issuer's securities while in possession of material non-public information about the issuer. Issuers commonly supplement statutory prohibition with governance controls applicable to significant shareholders with access to material information, including blackout periods tied to earnings releases and other market-sensitive events and pre-clearance requirements for trades by designated insiders.

17. What corporate actions or transactions require shareholders' approval?

Shareholder approval requirements in Canada arise from two principal sources, applicable corporate statutes and exchange listing rules, and must be assessed independently.

a) Approval Requirements Under Corporate Statutes

Under the CBCA and equivalent provincial corporate statutes, shareholder approval by special resolution

(generally, at least two-thirds of the votes cast) is required for fundamental corporate changes, including: amalgamations with another corporation; continuances to or from another jurisdiction; sales, leases, or exchanges of all or substantially all of the corporation's property outside the ordinary course of business; amendments to articles of incorporation, including changes to authorized share capital and share terms; the addition, change, or removal of restrictions on share transfers; and voluntary dissolution. In certain circumstances, class votes are also required where the rights of a particular class of shareholders are adversely affected by the proposed change. Plans of arrangement similarly require court approval and, depending on the terms of the arrangement and the applicable court order, typically require approval by the requisite majority of the shareholders or classes of shareholders whose rights are being reorganized. Dissent rights attach to most fundamental changes, entitling objecting shareholders to receive the fair value of their shares as determined by agreement or court order.

b) Approval Requirements Under Exchange Rules

The TSX and/or TSXV impose shareholder approval requirements on a broader range of transactions and corporate actions than are mandated under corporate statutes alone, including: issuances of listed securities or convertible securities representing more than 25% of the issuer's outstanding securities on a non-diluted basis in connection with a private placement at a price below the prevailing market price; issuances of securities to insiders of the issuer in a private placement that would, in aggregate over any 12-month period, represent more than 10% of the issuer's outstanding securities; issuances of securities as consideration for an acquisition where the issuance would represent more than 25% of the issuer's outstanding securities; security-based compensation plans, including stock option plans and other equity incentive plans, which require initial shareholder approval and, in some cases, periodic re-approval; and any other transaction that, in the exchange's determination, materially affects the control of the issuer or otherwise requires shareholder approval under exchange policies.

c) Majority of minority approval.

As described in the response to Question 15, certain insider bids, issuer bids, business combinations and related party transactions are subject to minority approval requirements under MI 61-101 and therefore require approval by a majority of the votes cast by disinterested minority security holders, in addition to any applicable shareholder approval requirements under

corporate statutes or stock exchange rules.

18. Are public companies required to engage any independent directors? What are the specific requirements for a director to be considered "independent"?

a) Applicable Framework

Canadian requirements relating to independent directors for reporting issuers are primarily set out in two CSA instruments: National Instrument 52-110 – Audit Committees ("NI 52-110"), which contains mandatory requirements with respect to audit committee composition; and National Instrument 58-101 – Disclosure of Corporate Governance Practices ("NI 58-101"), which establishes disclosure requirements relating to board independence and other governance practices. National Policy 58-201 – Corporate Governance Guidelines ("NP 58-201") provides supplementary best-practice recommendations. Together, these instruments create a framework that combines binding mandatory requirements in certain key areas with a "comply or explain" governance disclosure regime applicable more broadly to board composition.

b) Mandatory Audit Committee Independence

NI 52-110 requires that the audit committee of a reporting issuer be composed of at least three members, all of whom must be a director, independent and financially literate. The audit committee must oversee the work of the external auditor, review the issuer's financial statements before their public release, and fulfill other prescribed oversight functions set out in NI 52-110. Limited exemptions from the full independence requirement are available in prescribed circumstances, including for venture issuers, which are subject to reduced audit committee requirements that permit a smaller and less prescriptive committee composition.

c) Board Independence Disclosure

NI 58-101 requires every reporting issuer to disclose, in its annual proxy materials or annual information form, information about the independence of each director, including whether each director is independent or non-independent and, if non-independent, the basis for that determination. While NI 58-101 does not itself prescribe a minimum number or proportion of independent directors, NP 58-201 recommends that a majority of the board be composed of independent directors.

d) Definition of Independence

For purposes of NI 52-110 and the broader governance framework, a director is independent if the director has no direct or indirect material relationship with the issuer which is defined as a relationship that could, in the view of the issuer's board of directors, reasonably interfere with the exercise of the director's independent judgment. NI 52-110 deems certain persons not to be independent, including current or recent employees and executive officers of the issuer, certain family members of executive officers, persons with specified relationships to the issuer's auditor, persons involved in interlocking compensation committee relationships, and persons receiving significant direct compensation from the issuer. Outside those prescribed categories, independence is assessed based on whether a material relationship could reasonably be expected to interfere with the exercise of independent judgment.

19. What financial statements are required for a public equity offering? When do financial statements go stale? Under what accounting standards do the financial statements have to be prepared?

a) Required Financial Statements

For a prospectus offering in Canada, the required financial statements depend on the type of issuer and the applicable prospectus form. For an IPO under the long-form prospectus requirements of National Instrument 41-101 – General Prospectus Requirements ("NI 41-101"), the prospectus must, depending on the issuer's history and circumstances, generally include audited annual financial statements of the issuer for the three most recently completed financial years (or such shorter period as the issuer has existed), together with interim financial statements for the most recent interim period where required. In addition, where the issuer has completed or proposes to complete a significant acquisition, the prospectus may be required to include historical financial statements of the acquired or proposed acquired business and pro forma financial statements demonstrating the impact of the acquisition on the issuer. For qualifying issuers filing a short-form prospectus under National Instrument 44-101 – Short Form Prospectus Distributions ("NI 44-101"), the issuer's existing continuous disclosure record, including its most recently filed audited annual financial statements and any subsequently filed interim financial statements, is incorporated by reference rather than reproduced in the prospectus itself. This materially reduces the disclosure burden and preparation costs for seasoned reporting issuers accessing the public markets on an expedited

basis.

b) Staleness of Financial Statements

Financial statements included in, or incorporated by reference into, a prospectus must satisfy prescribed recency requirements. For a long-form prospectus, Form 41-101F1 requires annual financial statements for completed financial years ended more than 90 days before the date of the prospectus, or 120 days before the date of the prospectus in the case of a venture issuer, and requires an interim financial report for the most recent interim period ended more than 45 days before the date of the prospectus, or 60 days before the date of the prospectus in the case of a venture issuer. For issuers eligible to use the short-form prospectus regime under NI 44-101, the prospectus generally incorporates by reference the issuer's current annual financial statements, most recently filed or required interim financial report and related MD&A, rather than reproducing those financial statements in the prospectus itself.

c) Applicable Accounting Standards

Canadian reporting issuers are required to prepare their financial statements in accordance with Canadian generally accepted accounting principles ("GAAP") applicable to publicly accountable enterprises, a standard that the instrument itself equates with International Financial Reporting Standards ("IFRS") incorporated into the Chartered Professional Accountants Canada Handbook. The principal accommodation for foreign issuers is available to SEC issuers who may prepare their financial statements in accordance with U.S. GAAP. Certain other foreign issuers may also be permitted to use home-jurisdiction accounting standards. A designated foreign issuer may prepare its financial statements in accordance with accounting principles that meet the foreign disclosure requirements of the designated foreign jurisdiction to which it is subject. Where no such accommodation is available, issuers may apply to the relevant securities regulatory authority for exemptive relief from National Instrument 52-107 respecting Acceptable Accounting Principles and Auditing Standards, in whole or in part, subject to such conditions or restrictions as may be imposed.

20. Please describe the key environmental, social, and governance (ESG) and sustainability requirements in your market. Additionally, what are the most significant recent changes or

potential upcoming changes in this area?

The Environmental, Social and Governance ("ESG") landscape in Canada is navigating a period of significant recalibration. While investor commitment to ESG integration remains robust among domestic institutional investors, the regulatory environment has shifted materially, greenwashing risk has intensified under a strengthened *Competition Act* regime, and issuers are being asked to apply greater rigor to their ESG representations, all in the absence of prescriptive regulatory mandates.

Voluntary Standards in the Absence of Mandatory Rules

In April 2025, the CSA announced that it was pausing its work on mandatory climate-related and diversity-related disclosure requirements, citing the need to support issuers given the evolving economic and geopolitical landscape. The proposed mandatory climate instrument, NI 51-107, has been placed indefinitely on hold. In this context, the Canadian Sustainability Standards Board ("CSSB") has emerged as the de facto standard-setter, publishing in December 2024 Canadian versions of the International Sustainability Standards Board's international standards, Canadian Sustainability Disclosure Standards ("CSDS") 1 (sustainability-related risks and opportunities) and CSDS 2 (climate-related physical and transition risks), which remain voluntary until mandated by regulators. For issuers, the absence of mandatory rules does not translate into an absence of market pressure. Ten of Canada's largest pension investors and investment managers have affirmed their support for the CSSB standards. For most reporting issuers, this institutional expectation functions as a de facto disclosure requirement.

Greenwashing Risk: A Concrete Legal Constraint

The most immediate legal risk in the ESG space does not come from the CSA but from the *Competition Act*. Bill C-59 amendments enacted in June 2024 introduced explicit greenwashing provisions applicable to environmental claims about both businesses and products. While misleading environmental claims have long been scrutinized by the Canadian Competition Bureau under its general misleading advertising provisions, the explicit inclusion of greenwashing as a specific offence has signaled greater federal regulatory scrutiny and enforcement against such activity. Under the *Competition Act*, environmental claims about a product or business made to the public, including in disclosures and public facing policies, must be based on adequate and proper testing. Greenwashing considerations also extend to the risk of "greenhushing," namely the deliberate

suppression or minimization of ESG disclosures by issuers to mitigate regulatory exposure, which is an emerging area of concern.

Carbon Credits: An Emerging Asset Class with Regulatory Complexity

Carbon credits have emerged as a growing area of interest in Canadian capital markets, sitting at the intersection of ESG commitments and financial innovation. Canada operates both a federal compliance carbon pricing regime under the Output-Based Pricing System and a provincial cap-and-trade system in Quebec linked with California, creating a layered regulatory landscape for compliance credits. The voluntary carbon market has also gained traction among issuers seeking to offset residual emissions as part of broader net-zero commitments. A key legal consideration is the regulatory characterization of voluntary carbon credits: the CSA has acknowledged that certain credits may constitute securities or derivatives depending on the structure and circumstances of their issuance and trading, creating uncertainty for project developers and intermediaries. Regulatory clarity on this point remains a priority, and further guidance is anticipated as the market matures.

Governance, Institutional Pressure, and Sustainable Finance

Canadian institutional investors have largely held firm in their ESG commitments, in marked contrast to the retrenchment observed among some U.S. peers. Proxy advisory firms continue to embed ESG expectations into their voting policies, with Glass Lewis and ISS both incorporating climate disclosure and board diversity metrics into their recommendations for S&P/TSX Composite Index companies. Biodiversity and Indigenous reconciliation also rank among the top ESG priorities for Canadian institutional investors, particularly in resource and infrastructure sectors where meaningful community engagement and benefit-sharing frameworks are increasingly expected as a baseline standard rather than a best practice.

The sustainable debt market continues to grow, with green bonds remaining the dominant format in Canada. Corporate sustainable finance activity has been more cautious given greenwashing exposure, with issuers gravitating toward traditional use-of-proceeds green bonds over more complex sustainability-linked formats. For issuers accessing this market in 2026, the emphasis will be on credible, independently verified frameworks, a standard reinforced simultaneously by investor expectations, regulatory guidance, and litigation risk.

21. Are trust structures adopted for issuing debt securities in your jurisdiction? What are the typical trustee's duties and obligations under the trust structure after the offering?

Trust indentures are the standard legal framework for issuing public debt securities in Canada. In virtually all public bond offerings, debt securities are issued under a trust indenture between the issuer and a corporate trustee, which acts on behalf of holders collectively. In private debt transactions, the structure depends on the number and nature of investors. Bilateral deals are typically documented through credit agreements or note purchase agreements without a trustee, with enforcement and decision-making governed contractually among lenders.

Canada does not have a single national trust indenture statute. Instead, the rights and obligations of the trustee are governed by the indenture, applicable corporate statutes (including specific provisions in certain provinces) and general fiduciary principles. In practice, Canadian indentures are highly standardized and closely aligned with market norms.

The trustee performs primarily administrative and oversight functions, such as maintaining records of holders, processing payments, holding or overseeing security, monitoring compliance certificates and facilitating communications with holders. Its standard of care is generally that of a prudent person, but its active obligations remain limited, and it is not required to take enforcement action absent direction from holders and suitable indemnification.

Upon an event of default, the trustee's role becomes active and it may take enforcement actions, such as accelerating the debt, initiating proceedings or enforcing security, typically at the direction of a specified percentage of holders. Canadian indentures generally centralize such enforcement through the trustee and restrict individual holder action, thereby promoting coordinated action and avoiding fragmentation among bondholders.

22. What are the typical credit enhancement measures (guarantee, letter of credit or keep-well deed) for issuing debt securities? Please describe the factors when considering which credit enhancement structure to adopt.

Guarantees are the most common and effective form of credit enhancement in Canadian public and private debt

markets. Parent guarantees typically provide a direct, unconditional payment obligation for principal and interest, improving the credit profile of the debt securities. They are the clearest and most readily understood form of support for investors and rating agencies.

Letters of credit issued by highly rated financial institutions serve as a form of credit enhancement in certain Canadian structured finance and project finance transactions, providing the holder with a direct payment obligation from a creditworthy bank upon the presentation of conforming documents. This effectively substitutes the bank's credit for the underlying credit of the issuer. Letters of credit are less commonly employed in the context of publicly offered corporate debt securities. This is because their cost, term limitations, and the exposure to the credit of the issuing bank are often less attractive than a parent guarantee.

Keep-well deeds, under which a parent or affiliate undertakes to maintain the issuer's net worth or liquidity above a minimum threshold, do not constitute an unconditional guarantee and are generally not directly enforceable by individual debt holders under Canadian law. In a Canadian insolvency proceeding, their characterization and enforceability are less certain than those of an unconditional guarantee. Credit rating agencies typically afford them limited or no credit recognition. Keep-well structures are occasionally encountered in cross-border transactions where a full upstream guarantee is not legally or commercially available in the relevant jurisdiction, but they are not a feature of downstream Canadian public bond transactions.

The appropriate structure depends on the issuer's group structure, tax profile, jurisdictions of enforcement, rating agency treatment, corporate authority, regulatory constraints, cost and investor expectations. For most Canadian public corporate debt offerings, an unconditional parent guarantee remains the preferred method of credit enhancement.

23. What are the typical restrictive covenants in the debt securities' terms and conditions, if any, and the purposes of such restrictive covenants? What are the future development trends of such restrictive covenants in your jurisdiction?

Restrictive covenants in the terms and conditions of Canadian debt securities are designed to protect debt holders by constraining the issuer's ability to take actions that could impair its creditworthiness, erode collateral or

asset coverage, or improperly transfer value to equity holders or affiliates following the issuance of the securities. The nature, breadth, and stringency of covenants vary materially depending on the credit quality of the issuer, the applicable market segment (investment-grade versus high-yield), the sector, and the negotiating dynamics of the specific transaction.

In investment-grade Canadian public bond offerings, covenant packages are typically limited and structural in nature, reflecting investor reliance on the issuer's credit quality and disclosure rather than contractual protections. Common covenants include: a negative pledge restricting secured indebtedness without equally securing the notes; a change of control put (typically at 101%) upon a downgrade below investment grade; and restrictions on mergers or asset sales unless the successor assumes the issuer's obligations.

High-yield and sub-investment-grade transactions involve a significantly more robust covenant package, often aligned with U.S. high-yield market standards. Key covenants typically include: limitations on incurring additional indebtedness (subject to ratio-based tests and baskets); restrictions on liens; limitations on asset sales, requiring reinvestment or debt repayment; restrictions on dividends, share repurchases and certain investments (subject to builder baskets); controls on affiliate transactions; and merger and consolidation restrictions. Unlike private credit or leveraged loan facilities, these bonds generally rely on incurrence-based covenants rather than financial maintenance covenants, reflecting the practical constraints of administering ongoing ratio tests across a dispersed holder base.

Recent trends reflect the growth of private credit markets, which has increased investor focus on stronger covenant protections, particularly in leveraged transactions. Sustainability-linked features are also emerging, with pricing adjustments tied to ESG performance, although adoption remains uneven. More broadly, investors have shown greater scrutiny of covenant flexibility, particularly around restricted payments and debt incurrence.

24. In general, who is responsible for any profit/income/withholding taxes related to the payment of debt securities' interests in your jurisdiction?

Under the Income Tax Act (Canada), interest paid by a Canadian resident issuer to a non resident is generally subject to Canadian withholding tax at a rate of 25% on the gross amount, although this is often reduced or eliminated under applicable tax treaties. For example,

interest paid to an arm's length U.S. resident that qualifies under the Canada–U.S. tax treaty is typically exempt from Canadian withholding tax. In practice, the economic burden of any such withholding is usually addressed in the debt documentation, with public bond indentures commonly including "gross up" provisions requiring the issuer to pay additional amounts so that holders receive interest free of Canadian withholding taxes, subject to customary limitations (including where holders fail to claim available treaty benefits or have a connection to Canada beyond holding the securities).

Canadian resident holders are generally subject to tax on interest income as it accrues or is received, depending on the nature of the instrument and the holder. The applicable tax treatment depends on the holder's status (individual, corporation or tax exempt entity). From the issuer's perspective, interest is generally deductible in computing taxable income, subject to statutory limitations. These include the EIFEL rules, which limit the deductibility of net interest and financing expenses to a percentage of adjusted taxable income, and thin capitalization rules, which may deny deductions on interest paid to certain non arm's length non resident lenders where prescribed debt to equity thresholds are exceeded.

25. What are the main listing requirements for listing debt securities in your jurisdiction? What are the continuing obligations of the issuer after the listing?

Most Canadian debt securities are traded on an over-the-counter basis between dealers and institutional investors on alternative trading systems such as MarketAxess and CanDeal, rather than on a recognized stock exchange. Exchange listing of investment-grade straight debt by senior corporate issuers remains relatively uncommon in Canada. Convertible debentures and certain hybrid securities are more frequently listed on the TSX or TSXV, as their equity-linked features make exchange-based price discovery more relevant to investors.

For debt securities that are listed on the TSX, listing requirements generally include a minimum aggregate principal amount outstanding, compliance with applicable securities law requirements (including the filing of a prospectus or reliance on an exemption), satisfactory terms and conditions in the trust indenture and related documentation, and entry into a listing agreement with the exchange. For convertible debt securities, the issuer must also satisfy the TSX's equity listing requirements in respect of the underlying shares. The TSXV imposes

similar but less stringent criteria for venture-stage issuers.

Following listing, the issuer remains subject to ongoing continuous disclosure obligations as a reporting issuer under applicable securities laws, including the filing of audited annual financial statements, interim financial statements, MD&A, annual information forms and material change reports. For convertible debentures, disclosure relating to the issuer's equity is particularly relevant given the impact on the conversion feature and trading value of the securities.

Exchange-specific continuing obligations include timely disclosure of material information, prompt notification of any event of default or other material breach under the terms of the debt securities, disclosure of material amendments to the trust indenture or security terms, compliance with the exchange's listing manual, and payment of applicable listing and maintenance fees.

26. What are the requirements and restrictions for a foreign issuer to conduct a public offering or list securities in your jurisdiction? Are there any significant differences compared to domestic issuers in terms of disclosure obligations, continuing obligations, or regulatory compliance burdens?

a) General Framework

Foreign issuers seeking to access the Canadian public markets through a public offering or listing are generally required to comply with the same prospectus, disclosure, and ongoing reporting requirements as domestic Canadian reporting issuers, unless they qualify for one of the specialized regimes described below that provide for regulatory accommodation on the basis of compliance with home-jurisdiction requirements.

b) The Multijurisdictional Disclosure System (MJDS)

The most significant accommodation for foreign issuers in Canada is the MJDS, which is available to US issuers that satisfy prescribed eligibility criteria that vary depending on the type of securities being distributed. For distributions of equity and other securities generally, the criteria are: reporting issuer status in the US (or equivalent); a minimum 12-month reporting history under the SEC's continuous reporting regime; and a public float of at least US\$75 million. Different criteria apply to other security types. Under the MJDS, eligible US issuers may conduct a prospectus offering in Canada using their SEC

registration statement or prospectus, supplemented by a Canadian wrapper containing limited Canadian-specific disclosure required by NI 71-101. For distributions of equity and other securities, the Canadian wrapper must also include a reconciliation of the financial statements to Canadian GAAP. For eligible issuers, the MJDS provides the most efficient and cost-effective pathway to the Canadian public market, allowing concurrent or near-concurrent Canadian and US offerings without requiring the preparation of a separate Canadian prospectus.

c) NI 71-102: Foreign Issuer Continuous Disclosure Relief

Foreign issuers that are reporting issuers in Canada may benefit from reduced continuous disclosure obligations under NI 71-102. NI 71-102 operates as a regime parallel to and overlapping with the MJDS, and applies to two distinct categories of qualifying issuer: first, "SEC foreign issuers" (those registered or required to report under the U.S. Securities Exchange Act of 1934) who may satisfy Canadian continuous disclosure requirements by complying with U.S. federal securities law and filing the same documents in Canada as with the SEC; and second, "designated foreign issuers", issuers that do not have a class of securities registered under U.S. Securities Exchange Act of 1934, and that are incorporated or organized in Australia, France, Germany, Hong Kong, Italy, Japan, Mexico, The Netherlands, New Zealand, Singapore, South Africa, Spain, Sweden, Switzerland, or the United Kingdom of Great Britain and Northern Ireland (a list that expressly excludes the United States), provided that Canadian residents hold no more than 10% of the issuer's equity securities on a fully-diluted basis, who must comply with their home jurisdiction's disclosure requirements and annually disclose their status to Canadian securityholders. This framework prevents duplicative disclosure obligations for issuers that are already subject to a robust foreign regulatory regime.

d) Non-MJDS, Non-NI 71-102 Foreign Issuers

Foreign issuers that are not eligible for MJDS or NI 71-102 accommodation and that seek to conduct a public offering in Canada must comply in full with Canadian prospectus requirements and ongoing continuous disclosure obligations applicable to domestic reporting issuers. This includes preparation of a prospectus in the form prescribed by NI 41-101 or NI 44-101, compliance with IFRS financial statement requirements (subject to limited accommodations for certain foreign registrants), and ongoing compliance with NI 51-102 continuous disclosure requirements as a Canadian reporting issuer following completion of the offering.

e) Key Differences Compared to Domestic Issuers

MJDS-eligible and NI 71-102-eligible foreign issuers are not subject to a lesser standard of disclosure than domestic Canadian reporting issuers; rather, compliance with their home-jurisdiction disclosure regime is treated as satisfying the equivalent Canadian requirement, on the basis that Canadian regulators have determined those regimes to be substantively equivalent. The principal benefit of these frameworks is therefore the elimination of duplicative compliance obligations; foreign issuers need not prepare or file separate Canadian prospectuses or continuous disclosure documents where equivalent documents already exist and have been filed in their home jurisdiction.

27. To what extent do public markets remain a viable exit strategy for private equity investors in your jurisdiction?

Public markets remain a structurally viable and strategically important exit option for private equity ("PE") investors in Canada, though the current environment requires discipline with respect to valuation expectations, readiness, and execution timing. The TSX provides an established and well-recognized listing venue for PE-backed issuers with institutional-quality businesses across a range of sectors, supported by a deep domestic institutional investor base that includes some of the world's largest pension funds, insurance companies, and asset managers.

A traditional IPO, in which the PE-backed issuer sells newly issued primary shares alongside a secondary offering of existing shares by the PE sponsor, remains the primary public market exit mechanism in Canada. Alternative mechanisms, including reverse takeovers of existing listed shells and SPAC transactions, remain available for issuers for whom the cost or timing of a traditional IPO process is not optimal.

28. What is the current regulatory trend in your jurisdiction – are regulators and stock exchanges taking steps to expand oversight, simplify requirements, or both? Please elaborate on recent initiatives.

The current regulatory posture of the CSA and Canadian stock exchanges in 2026 is best characterized as a targeted competitiveness and efficiency agenda, in which the primary emphasis is on reducing regulatory burden and improving market access for issuers, rather than on

expanding the scope of oversight. This posture reflects a deliberate policy response to sustained concerns about the long-term competitiveness of Canadian capital markets, the increasing tendency of Canadian growth companies to seek primary listings in the United States, and the aggregate impact of regulatory complexity on the cost of raising capital in Canada.

Recent initiatives illustrate this direction across multiple fronts: the CSA expanded the Listed Issuer Financing Exemption, enabling eligible reporting issuers, in any 12 month period, to raise the greater of C\$25 million and 20% of the aggregate market value of its listed securities, subject to an overall cap of C\$50 million and certain conditions, including dilution limitations; the TSX overhauled its listing requirements, eliminating the exempt/non-exempt distinction (replacing it with three sector grouping – diversified, mining, and oil & gas) and introducing an IPO escrow exemption for larger issuers (market capitalization of at least \$100 million) and the TSXV eliminated its sponsorship requirement. Taken together, these initiatives reflect a consistent legislative and regulatory preference for rationalization over expansion.

29. Is there active consideration or development of a regulatory framework for crypto assets in your jurisdiction's capital markets?

Canada has been one of the most proactive jurisdictions globally in applying an extensive regulatory framework to crypto asset capital markets activity. In terms of securities laws, the CSA and CIRO have regulated this area primarily through the application of existing securities law principles, requiring crypto asset trading platforms ("CTPs") to register and subjecting them to capital, custody, and conduct requirements. Other types of crypto businesses (e.g., crypto backed lenders) have sought exemptions from registration and other requirements, subject to terms and conditions. Canada was also the first jurisdiction in the world to approve publicly traded exchange-traded funds ("ETFs") holding Bitcoin and other crypto assets, with the first Canadian Bitcoin ETF commencing trading on the TSX in February 2021. Canada has since joined other leading jurisdictions, such as the United States (GENIUS Act) and the European Union (MiCA), in developing a tailored regulatory framework for fiat-backed stablecoins.

Most significantly, Bill C-15, which includes the Stablecoin Act, Canada's first purpose-built federal legislation governing the issuance and oversight of fiat-backed stablecoins was tabled on November 18, 2025 and received Royal Assent on March 26, 2026. The

Stablecoin Act establishes a comprehensive federal regime placing the Bank of Canada at the center of oversight and supervision of stablecoin issuers. Issuers must register with the Bank of Canada, maintain a reserve of high-quality liquid assets equal to or greater than the value of outstanding stablecoins held with qualified custodians and segregated from other assets, and comply with robust governance, reporting, and transparency obligations. Notably, the Stablecoin Act expressly excludes banks and other financial institutions as defined under the Bank Act from its scope. While the legislation is now in force, the full registration and

compliance framework under the Stablecoin Act is not expected to become operational until some time in 2027, as the Department of Finance and the Bank of Canada are still developing the implementing regulations.

Complementing this, OSFI published in February 2025 its updated Guideline on the Capital and Liquidity Treatment of Crypto-Asset Exposures applicable to federally regulated financial institutions, providing prudential guidance on how banks must assess the capital and liquidity impact when holding crypto-asset exposures, including stablecoins, which may receive a lesser capital charge than more volatile crypto-assets such as Bitcoin.

Contributors

David Palumbo

Partner and Chair of the Corporate Transactions Practice Group

david.palumbo@bakermckenzie.com



Amalan Thiageswaran

Associate

amalan.thiageswaran@bakermckenzie.com



Carole Turcotte

Partner

carole.turcotte@bakermckenzie.com



Haran Viswanathan

Partner

haran.viswanathan@bakermckenzie.com



Julia Webster

Partner

julia.webster@bakermckenzie.com



Jing Xu

Senior associate

jing.xu@bakermckenzie.com



Michael Garellek

Partner and head of the Financial Services Regulatory Practice for Canada

michael.garellek@bakermckenzie.com

