Relief for venture issuers: CSA adopts semi-annual reporting pilot

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Venture issuers who meet certain conditions and criteria can now file financial statements and related MD&A on a semi-annual basis (the SAR Pilot) under the Canadian Securities Administrators' (CSA) new Coordinated Blanket Order 51-933 – *Exemptions to Permit Semi-Annual Reporting for Certain Venture Issuers* (the Blanket Order). The Blanket Order introduces a voluntary pilot project that is intended to reduce the regulatory burden and costs associated with frequent interim reporting for smaller issuers and will be monitored by the CSA to inform future rule making.

What you need to know

- Eligible issuers listed on the TSX Venture Exchange (TSXV) or the Canadian Securities Exchange (CSE) may elect to file interim financial statements and related MD&A on a semi-annual, rather than quarterly, basis.
- Participation in the SAR Pilot is voluntary and subject to prescribed eligibility criteria and conditions, including a revenue cap and disclosure history requirements.
- Issuers that opt into the SAR Pilot remain subject to existing timely disclosure and material change reporting obligations under Canadian securities laws and exchange rules.
- The SAR Pilot is a multi-year initiative that will inform a broader CSA rule-making project on semi-annual reporting.

Background

Prior to the release of the Blanket Order, all reporting issuers were required to file interim financial reports and accompanying MD&A for each of the three, six and nine-month interim periods of a financial year. While quarterly reporting provides investors with more frequent financial information, the CSA has acknowledged that, for certain smaller issuers, the cost and administrative burden of quarterly reporting may outweigh its benefits.

In developing the SAR Pilot, the CSA considered feedback received through several prior consultations dating back to 2011, in which stakeholders consistently raised

concerns about the disproportionate impact of quarterly reporting requirements on smaller issuers. At the same time, the CSA sought to balance these concerns against the potential risks of reduced reporting frequency, including information asymmetry and reduced market transparency.

The SAR Pilot

The Blanket Order provides exemptions from the requirement to file interim financial reports and related MD&A for the first and third quarters of a financial year, permitting semi-annual reporting. To rely on these exemptions, an issuer must, among other things:

- be a venture issuer with securities listed on the TSXV or the CSE;
- have been a reporting issuer in Canada for at least 12 months;
- have annual revenue of no more than $10 million, as reflected in its most recently filed audited annual financial statements;
- be up to date with all required periodic and timely disclosure filings; and
- issue and file a news release on SEDAR+ announcing its election to rely on the SAR Pilot and identifying the first interim period for which it will not file quarterly financial disclosure.

Issuers relying on the SAR Pilot must still file interim financial statements and MD&A for the six-month interim period and comply with applicable certification requirements. The Blanket Order also provides related relief from certain MD&A form requirements that are tied to quarterly reporting.

The exemptions provided for in the Blanket Order are subject to a number of restrictions. An issuer participating in the SAR Pilot must cease their reliance on the Blanket Order where the issuer changes its financial year end or files a base shelf prospectus. Further, an issuer relying on the Blanket Order must not file a shelf prospectus supplement or distribute securities under an existing shelf prospectus supplement. Finally, where an issuer has filed a short form prospectus, it must not rely on the exemptions during the period of distribution.

Generally, these restrictions are intended to prevent extended or irregular gaps in financial disclosure or to ensure that investors continue to receive up-to-date financial information in connection with required disclosure under the prospectus regime.

Issuers should also be aware that the exemptions in the Blanket Order do not apply to disclosure requirements that arise in connection with specified prospectus and circular disclosure, including take-over bid and issuer bid circulars. The SAR Pilot is not meant to alter prospectus or prospectus-level disclosure expectations in transactional contexts.

Practical considerations for issuers

The SAR Pilot reflects a long-running debate in Canadian capital markets regarding the appropriate balance between timely disclosure and the regulatory burden imposed on smaller public companies. From an issuer perspective, the ability to move to semi-annual reporting may provide meaningful cost and resource relief, particularly for

early-stage and smaller venture issuers with limited operating histories or revenue. This is especially true for exploration-stage mining companies. For some issuers, this relief could make remaining public or accessing the public markets more attractive.

At the same time, issuers should carefully consider how reduced reporting frequency may be perceived by investors, analysts and other market participants. Quarterly reporting has traditionally been viewed as a key mechanism for providing timely insight into an issuer's financial performance and risk profile. Issuers considering reliance on the SAR Pilot should therefore assess not only their eligibility, but also their investor base, trading liquidity and anticipated capital-raising requirements. While the Blanket Order preserves timely and material change disclosure obligations, some issuers may choose to maintain more frequent voluntary disclosure through enhanced news releases or investor communications to satisfy stakeholder expectations and/or mitigate any market concerns.

From a broader capital markets perspective, the SAR Pilot will serve as an important test case. If successful, it may support the CSA's broader objective of tailoring regulatory requirements to issuer size and complexity without materially impairing investor protection. Conversely, if reduced reporting frequency is associated with diminished transparency or market confidence, further expansion of semi-annual reporting may face resistance. The CSA's ongoing monitoring of the SAR Pilot will therefore be closely watched by both issuers and investors alike.

Next steps

The Blanket Order came into effect on March 19, 2026. In Ontario, it is subject to an 18-month sunset period, after which a local rule is intended to maintain the availability of the exemptions on a permanent basis, subject to Ministerial approval. In all other CSA jurisdictions, the Blanket Order does not include an expiry date.

The CSA has indicated that it will monitor the SAR Pilot closely and use data and stakeholder feedback to inform a future rule-making initiative on semi-annual reporting. Market participants should expect further consultation as this process evolves.

For more information, see CSA Notice of Coordinated Blanket Order 51-933 – *Exemptions to Permit Semi-Annual Reporting for Certain Venture Issuers* (March 19, 2026).

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