CSA updates venture issuers and director elections

July 15, 2025

The “venture issuer” definition is being amended to address the evolving landscape of the Canadian stock exchanges, including the creation of the Canadian Securities Exchange (CSE) senior tier. Changes in corporate governance developments under the *Canada Business Corporations Act* (CBCA) are also being incorporated into Canadian securities laws.

Takeaways

Effective September 19, 2025:

- The CSE’s new senior tier will be recognized as a non-venture tier, aligning its treatment with other non-venture exchanges.
- The name changes of Aequitas NEO Exchange Inc. to Cboe Canada Inc. and the PLUS markets to AQSE Growth Market will be reflected in the definition of “venture issuer”.
- Amendments to NI 51-102 will be made to clarify the voting requirements applicable to uncontested director elections for reporting issuers incorporated under the CBCA or other corporate statutes with similar codified majority voting provisions.

Amendments

Venture issuer definition updated

As previously discussed, in May 2023 the CSE began admitting issuers to its senior tier with the intent that such issuers be treated more closely to other non-venture issuers; however, the definition of “venture issuer” in Canadian securities laws did not exclude issuers listed on the CSE’s senior tier. To date, there are only four issuers in the CSE’s senior tier. Effective September 19, 2025, the definition of “venture issuer”, including in National Instrument 41-101 *General Prospectus Requirements* and National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102), will be amended to recognize the CSE’s senior tier as a non-venture exchange. This amendment will ensure that issuers listed on the CSE’s senior tier are treated similarly to those on other non-venture

exchanges, thereby enhancing their market position and regulatory alignment. The name changes of the Aequitas NEO Exchange Inc. to Cboe Canada Inc. and PLUS markets to AQSE Growth Market will also be reflected in the updated “venture issuer” definition.

CBCA Majority voting

Additional amendments will address the August 2022 changes to the CBCA that codified “majority voting” for uncontested director elections for CBCA-incorporated issuers. This change resulted in an inconsistency between the NI 51-102 requirement that votes in a director election be cast “voted” or “withheld” and the CBCA requirement that votes be cast “for” or “against” the nominee. To address this discrepancy, the CSA had previously issued blanket orders to exempt CBCA-incorporated reporting issuers from the voting requirements of NI 51-102 provided, among other things that the issuer comply with the CBCA requirements. The CSA’s amendments to NI 51-102 aims to eliminate any uncertainty regarding voting options for securityholders of CBCA-incorporated reporting issuers.

Next steps

These amendments are welcome updates to Canadian securities regulation and underscore the CSA’s commitment to adapting the regulatory environment to reflect market changes and enhance the competitiveness of Canadian capital markets. For further information please see CSA Notice of Publication *Amendments and Changes to Certain National Instruments and Policies Related to the Senior Tier of the Canadian Securities Exchange, the Cboe Canada Inc., and AQSE Growth Market Name Changes and Majority Voting Form of Proxy Requirements* (June 19, 2025).

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