

Good news for Alberta and Saskatchewan small business owners

October 15, 2021

In an effort to increase accessibility to capital markets, securities regulators in Alberta and Saskatchewan (the Provinces) have adopted a new financing prospectus exemption for small businesses.

The new exemption will allow small businesses in the Provinces to raise up to \$5 million in capital through a simplified offering document. Under the exemption, start-ups and small issuers can raise capital using a tiered approach, depending on the level of sophistication of the business and the investor.

The maximum offering limits under the exemption are available to issuers who provide specified financial statements, and to investors who meet a minimum income threshold or who have received advice from a registered dealer. Investments by individuals or companies who qualify under the accredited investor exemption, the family, friend and business associate exemption, the foreign investor exemption or the self-certified investor exemption will not be included in calculating the exemption's offering limits.

This exemption, which was adopted pursuant to blanket orders by the regulators, aims to increase innovation and industry diversification in the Provinces and requires the issuer's head office to be in Alberta or Saskatchewan. "This initiative is intended to address challenges faced by small and early-stage businesses in accessing capital, while still addressing investor protection," said Roger Sobotkiewicz, Chair and CEO of the Financial and Consumer Affairs Authority of Saskatchewan.

The exemption came into force on Sept. 1, 2021 as a three-year pilot, expiring Sept. 1, 2024.

Learn more about the prospectus exemption here: [CSA Multilateral Notice of Implementation 45-539 Small Business Financing available on the websites of the ASC and the FCAA](#).

If you would like to discuss how this new exemption may help your small business, please reach out to either of the key contacts below.

By

[Lindsey Hornland](#)

Expertise

[Corporate Commercial](#)

BLG | Canada's Law Firm

As the largest, truly full-service Canadian law firm, Borden Ladner Gervais LLP (BLG) delivers practical legal advice for domestic and international clients across more practices and industries than any Canadian firm. With over 725 lawyers, intellectual property agents and other professionals, BLG serves the legal needs of businesses and institutions across Canada and beyond – from M&A and capital markets, to disputes, financing, and trademark & patent registration.

blg.com

BLG Offices

Calgary

Centennial Place, East Tower
520 3rd Avenue S.W.
Calgary, AB, Canada
T2P 0R3

T 403.232.9500
F 403.266.1395

Ottawa

World Exchange Plaza
100 Queen Street
Ottawa, ON, Canada
K1P 1J9

T 613.237.5160
F 613.230.8842

Vancouver

1200 Waterfront Centre
200 Burrard Street
Vancouver, BC, Canada
V7X 1T2

T 604.687.5744
F 604.687.1415

Montréal

1000 De La Gauchetière Street West
Suite 900
Montréal, QC, Canada
H3B 5H4

T 514.954.2555
F 514.879.9015

Toronto

Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON, Canada
M5H 4E3

T 416.367.6000
F 416.367.6749

The information contained herein is of a general nature and is not intended to constitute legal advice, a complete statement of the law, or an opinion on any subject. No one should act upon it or refrain from acting without a thorough examination of the law after the facts of a specific situation are considered. You are urged to consult your legal adviser in cases of specific questions or concerns. BLG does not warrant or guarantee the accuracy, currency or completeness of this publication. No part of this publication may be reproduced without prior written permission of Borden Ladner Gervais LLP. If this publication was sent to you by BLG and you do not wish to receive further publications from BLG, you may ask to remove your contact information from our mailing lists by emailing unsubscribe@blg.com or manage your subscription preferences at blg.com/MyPreferences. If you feel you have received this message in error please contact communications@blg.com. BLG's privacy policy for publications may be found at blg.com/en/privacy.

© 2024 Borden Ladner Gervais LLP. Borden Ladner Gervais LLP is an Ontario Limited Liability Partnership.