

Corporate Securities Law

November 25, 2016

Alberta, Manitoba and New Brunswick to Adopt MI 61-101

On November 24, 2016, the Alberta Securities Commission, the Manitoba Securities Commission and the Financial and Consumer Services Commission (New Brunswick) (collectively, the “**Commissions**”) announced that they are proposing to adopt Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) and the related companion policy. The British Columbia Securities Commission is also considering proposing to adopt MI 61-101 in the near future.

MI 61-101, which was adopted in Ontario and Quebec in February 2008 (and was preceded in those jurisdictions by substantively similar rules), seeks to protect minority shareholders of reporting issuers in the context of certain transactions involving insiders and other “related parties” by imposing procedural mechanisms (which may, depending on the

circumstances, include enhanced disclosure, the establishment of an independent committee of the issuer’s board of directors, the preparation of an independent formal valuation and/or the approval of a “majority of the minority” shareholders). The Commissions have not proposed any substantive changes to the form of MI 61-101 currently applicable in Ontario and Quebec.

As a practical matter, the adoption of MI 61-101 by the Commissions would not have a significant impact on the vast majority of Canadian M&A transactions, given that MI 61-101 already applies to all issuers listed on the Toronto Stock Exchange, TSX Venture Exchange, Aequis NEO Exchange and Canadian Securities Exchange pursuant to the rules and policies of those exchanges. Nevertheless, the continued harmonization of securities regulation of M&A transactions in Canada is a welcomed development.

For further information regarding MI 61-101 and corporate finance in general, please contact any member of our Corporate Securities Group.