

Goodmans^{LLP} Update

Canadian Securities Administrators Approve Amendments to Business Acquisition Report Requirements

The Canadian Securities Administrators (CSA) have approved [amendments](#) to the business acquisition report (BAR) filing requirements for non-venture issuers. The amendments raise the threshold for determining the significance of acquisitions that trigger the filing of a BAR and aim to reduce the regulatory burden on market participants.

Background

On September 5, 2019, the CSA published for comment the proposed amendments after exploring ways to reduce the regulatory compliance burden on Canadian public companies. The amendments reflect feedback received during the consultation process and data collected on past BAR filings and exemptive relief granted. For additional background, see our update [Canadian Securities Administrators Propose Amendments to Business Acquisition Report Requirements](#).

The Amendments

Previously, a non-venture reporting issuer was required to file a BAR in respect of an acquisition if any one of the three significance tests (the “asset test”, the “investment test” or the “profit or loss test”) set out in National Instrument 51-102 – *Continuous Disclosure Obligations* exceeded 20%.

The amendments alter the determination of what constitutes a “significant acquisition” for a non-venture issuer by:

- increasing the significance threshold from 20% to 30%; and
- requiring that at least two of the three significance tests be triggered.

The amendments will become effective on November 18, 2020. No changes to the BAR requirements are currently proposed for venture issuers.

For further information on the amendments or to discuss other potential or upcoming changes to securities legislation, please contact any member of our [Corporate Finance and Securities Group](#).

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