

Well-Known Seasoned Issuers

Understanding the New Prospectus Regime

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The Canadian Securities Administrators (“CSA”) have adopted amendments (the “**Amendments**”) to National Instrument 44-102 *Shelf Distributions* (“**NI 44-102**”), Companion Policy 44-102CP (“**CP 44-102**”), and National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions* (“**NP 11-202**”) to establish a permanent expedited base shelf prospectus regime for eligible well-known seasoned issuers (“**WKSIs**”). The Amendments came into force on 28 November 2025, and are expected to significantly enhance capital markets flexibility for Canada’s largest and most established public companies.

The new WKSI regime replaces, and in certain respects modifies, the various local WKSI blanket orders (the “**Blanket Orders**”) that eligible issuers have relied upon since their adoption by the CSA in late 2021.

This article summarizes the WKSI qualification criteria, key features of a WKSI base shelf prospectus (including applicable requirements and permitted disclosure omissions), related filing obligations, and certain other matters relevant to the shelf prospectus system for WKSIs.

Background

In December 2021, the CSA implemented the Blanket Orders across the provinces and territories of Canada to provide temporary relief from the requirement to file a preliminary base shelf prospectus for issuers qualifying as WKSIs. These temporary measures responded to market concerns that the traditional base shelf prospectus system imposed unnecessary regulatory burden on large, seasoned reporting issuers with a established market following and a strong continuous disclosure record.

The Blanket Orders enabled WKSIs to conduct base shelf prospectus offerings and to access the public markets on an expedited basis, reducing execution risk and cost of capital, while also better aligning the Canadian prospectus framework with that of the United States to facilitate cross-border capital raising.

In September 2023, the CSA published proposed amendments to NI 44-102 to codify and refine the exemptions contained in the Blank Orders on a permanent basis, and following a period of public comment and regulatory review, those amendments came into force on 28 November 2025.

New regime highlights

Under the amended NI 44-102, eligible WKSIs may, among other things:

- File a final base shelf prospectus and be deemed to have received a receipt without first filing a preliminary base shelf prospectus or undergoing regulatory review. This enables WKSIs to access the public markets more quickly and with greater flexibility, which is particularly helpful during favourable or time-sensitive market conditions.
- Rely on a 37-month effective period from the date of deemed receipt, subject to the issuer reassessing its WKSI eligibility on an annual basis.
- Omit certain prescribed disclosure at the time of filing, which may be added in a prospectus supplement at the time of distribution. Permitted omissions include, among others:
 - i. the aggregate dollar amount of securities that may be distributed under the base shelf prospectus;
 - ii. the number of securities that may be offered;

- iii. the description of specific securities to be distributed (other than the general types of securities qualified); and
- iv. the plan of distribution.

The permanent WKSII regime also introduced an annual eligibility confirmation requirement. In each financial year following the filing of a WKSII base shelf prospectus, an issuer must confirm that it continues to meet the WKSII eligibility criteria no later than the date on which it is required to file its audited annual financial statements (the “**Annual Filing Date**”) or during the 60-day period preceding the Annual Filing Date.

To satisfy this requirement, the issuer must either: (i) include a statement in its annual information form (“**AIF**”) for the financial year ended immediately prior to the Annual Filing Date, or in an amendment to the WKSII base shelf prospectus, confirming that it continues to be eligible to file a WKSII base shelf prospectus; or (ii) file a letter with the applicable securities regulators withdrawing the WKSII base shelf prospectus.

If an issuer ceases to qualify as a WKSII at any time, or fails to provide the required annual confirmation within the applicable period, the issuer must, among other things, withdraw the WKSII base shelf prospectus, unless exemptive relief from the eligibility requirements is obtained from the applicable securities regulators.

Eligibility Criteria

Section 9B.2(1) of the NI 44-102 provides that an issuer may file a WKSII base shelf prospectus if all of the following conditions are satisfied: (i) the issuer is a WKSII, (ii) the issuer is an eligible issuer, and (iii) the issuer is not an investment fund.

WKSII Requirements

To qualify as a WKSII under NI 44-102, the issuer must be a large, established reporting issuer that meets specific market capitalization or debt issuance thresholds and satisfies certain seasoning and disclosure requirements. In general terms, a WKSII is an issuer that:

- Has significant public market presence, demonstrated by either: (i) qualifying public equity of at least CAD \$500 million, based on the market value of listed equity securities held by the public, excluding listed equity securities held by an affiliate or a reporting insider of the issuer; or (ii) qualifying public debt of at least CAD \$1 billion, based on non-convertible debt securities distributed for cash under a prospectus within the preceding three years;
- Is a Canadian reporting issuer, or a successor to a reporting issuer, with at least 12 months of reporting history;
- Is eligible to file a short form prospectus under NI 44-101; and
- If mining operations constitute a material portion of its business, meets minimum gross revenue thresholds from mining operations over the most recent one-year and three-year periods.

For purposes of determining public equity, issuers may generally rely on publicly filed insider reports and early warning disclosures, and amounts denominated in foreign currencies must be converted to Canadian dollars using the applicable exchange rates.

Eligible Issuer

Under NI 44-102, an eligible issuer is an issuer with a strong compliance, financial, and regulatory history, demonstrating reliability in the public markets. In general terms, an eligible issuer is one that:

- Is fully up to date with all required continuous and timely disclosure filings, including filings required under securities legislation, regulatory orders, and undertakings;
- Has not undergone significant financial distress in the preceding three years, including bankruptcy, insolvency proceedings, creditor arrangements, or receiverships;
- Is not a shell or a non-operating entity, and has not completed a restructuring transaction with such an entity in the preceding three years (including entities whose principal assets consist primarily of cash, cash equivalents, or its exchange listing, such as capital pool companies, SPACs, or similar vehicles);
- Has no regulatory or criminal history, including convictions or sanctions relating to fraud, bribery, insider trading, or comparable misconduct, or securities law violations in Canada or the United States;
- Is not currently subject to enforcement proceedings relating to a prospectus or securities distribution;
- Has not experienced significant prospectus-related regulatory issues in the preceding three years, including refusals of prospectus receipts or prolonged cease trade orders; and
- Has not recently abandoned or withdrawn prospectus filings within specified look-back periods.

Market Impact



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The adoption of the permanent WKSII regime aligns Canadian securities regulation more closely with the long-standing United States WKSII framework and reflects the CSA's objective of reducing regulatory burden for seasoned issuers while maintaining investor protection through post-receipt review and ongoing enforcement powers.

Overall, the expedited shelf prospectus regime is expected to enhance market efficiency, reduce execution risk, and is expected to be particularly beneficial for frequent issuers and those with established capital markets programs.

Practical Considerations for Issuers

Issuers considering reliance on the WKSII regime should evaluate practical considerations, including:

Eligibility Assessment and Ongoing Monitoring. Issuers should carefully assess whether they meet the WKSII eligibility criteria at the time of filing a WKSII base shelf prospectus and implement internal processes to monitor continued compliance throughout the 37-month effective period, particularly with respect to public float or market capitalization thresholds and disclosure compliance.

Annual WKSII Confirmation Planning. The annual WKSII eligibility confirmation requirement represents a key change from the Blanket Orders. Issuers should diarize the applicable Annual Filing Date and determine in advance whether the confirmation will be included in the AIF or by way of an amendment to the WKSII base shelf prospectus.

Loss of WKSII Status. If an issuer ceases to qualify as a WKSII, it must withdraw the WKSII base shelf prospectus unless exemptive relief is obtained. Issuers should consider contingency planning, including the potential need to file a conventional base shelf prospectus, to avoid disruption to capital markets activity.

Use of Permitted Disclosure Omissions. While the WKSII regime permits issuers to omit certain offering-specific disclosure at the time of filing, issuers should ensure that prospectus supplements contain complete and accurate disclosure at the time of distribution.

Regulatory Review and Liability Considerations. Although WKSII base shelf prospectuses are not subject to pre-receipt regulatory review, issuers remain subject to post-receipt review, continuous disclosure obligations, and statutory civil liability. Accordingly, having robust disclosure controls, processes and procedures in place remains critical.

Should you have any questions regarding this article or require assistance with the WKSII regime and requirements, public offerings, continuous disclosure obligations, or any other securities law matters, please contact the authors. A PDF version is available for download [here](#).

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