

## Semi-Annual Reporting has Arrived: The CSA Adopts Pilot for Eligible Venture Issuers

Jonathan Sherman, Omar Soliman, Tayyaba Khan, Omar Hamed

March 27, 2026

In our previous Cassels Comments, [Reporting Frequency: Change is Coming for Canada's Capital Markets](#) and [Semi-Annual Reporting Moves from Concept to Pilot: What Venture Issuers Need to Know](#), we discussed that changes in reporting frequency appeared to be on the horizon. As of March 19, 2026, that transition is now complete; the Canadian Securities Administrators (CSA) has adopted a pilot project which permits eligible venture issuers to voluntarily adopt semi-annual financial reporting (the SAR Pilot)<sup>1</sup> under Coordinated Blanket Order 51-933 – *Exemptions to Permit Semi-Annual Reporting for Certain Venture Issuers* (the Blanket Order).<sup>2</sup>

The SAR Pilot does not eliminate interim disclosure, rather, it permits eligible venture issuers to omit the first- and third-quarter interim financial reports which are otherwise required under National Instrument 51-102 – *Continuous Disclosure Obligations* (NI 51-102). The six-month interim financial report, related management's discussion and analysis (MD&A), and required certifications under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109) remain in full effect, as well as material change reporting and other timely disclosure obligations.<sup>3</sup>

### Eligibility

In order to rely on the Blanket Order, an issuer must satisfy the prescribed conditions at the end of each relevant three- and nine-month interim period. These conditions specify that the issuer must have been a reporting issuer in at least one Canadian jurisdiction for at least 12 months, be a venture issuer, have exchange listed securities, have revenue not exceeding C\$10 million as of the issuer's most recently filed audited annual financial statements and be up-to-date on all required periodic and timely disclosure.<sup>4</sup> The issuer also must not have, in the preceding 12 months, been subject to specified penalties or sanctions (though the CSA clarifies that an administrative monetary penalty for late filings is not considered a "penalty or sanction" for these eligibility purposes) or to a cease trade order that was not revoked within 30 days, and must not have stopped relying on the exemption from filing interim financial reports for the three- and nine-month interim periods of a financial year (the Quarterly Reporting Exemption) during that period.<sup>5</sup> To maintain participation in the SAR Pilot, issuers must satisfy these eligibility criteria at every quarter-end, which means that compliance will be an ongoing obligation.

## Conditions and Limitations

If an issuer wishes to participate in the SAR Pilot, they must issue and file a news release as early as possible, which states that they are relying on the Blanket Order, and specify the initial interim period for which the issuer does not intend to file an interim financial report and related MD&A.<sup>6</sup> The CSA also encourages issuers to consider prominently disclosing their reliance on these exemptions in their ongoing continuous disclosure, such as within their MD&A.

The SAR Pilot is subject to certain financing and transaction-related limits. An issuer must cease relying on the Quarterly Reporting Exemption if it changes its financial year-end or files a base shelf prospectus.<sup>7</sup> While relying on the exemption, it must not file a shelf prospectus supplement or distribute securities under an existing shelf prospectus supplement.<sup>8</sup> The exemptions also do not apply to interim financial disclosure required in a short form prospectus, information circular, take-over bid circular or issuer bid circular.<sup>9</sup>

Issuers considering short form prospectus offerings that are subject to the SAR Pilot must be cognizant of the requirements and timing of any potential distribution. If an issuer validly relies on the Quarterly Reporting Exemption for its first quarter and later files its six-month interim financial report and related MD&A, a short form prospectus filed after that six-month filing would generally use that six-month disclosure as the most recent interim financial disclosure required under NI 51-102.<sup>10</sup> However, if a further interim period becomes due while the issuer is in the period of distribution under the short form prospectus, the issuer cannot rely on the Blanket Order for that period and must file the required interim financial report and related MD&A, which would then be deemed incorporated by reference into the short form prospectus.<sup>11</sup> In other words, the SAR Pilot is continuous disclosure relief; it does not alter existing prospectus or prospectus-level disclosure requirements.

The CSA commentary explains that while an issuer is in a period of distribution under a short form prospectus and interim financial disclosure becomes due, the issuer cannot rely on the Blanket Order for that period and must file the interim financial report and related MD&A in accordance with NI 51-102.<sup>12</sup> Once the offering is completed, the issuer may continue to rely on the Blanket Order, provided it continues to meet the eligibility requirements.

## Takeaways

The adoption of the SAR Pilot is a meaningful development in Canadian continuous disclosure regulation; it offers a genuine burden-reduction option for eligible venture issuers. For issuers that expect to access the market through shelf or short form prospectus offerings, the practical limits may be particularly relevant.

If your organization is looking to navigate the SAR Pilot, including eligibility, timing of adoption, required

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disclosure, or how the Blanket Order may interact with financing or transaction planning, we encourage you to reach out to members of our [Capital Markets Group](#).

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<sup>1</sup> Canadian Securities Administrators, "[Canadian securities regulators announce adoption of semi-annual financial reporting pilot](#)", March 19, 2026.

<sup>2</sup> Canadian Securities Administrators, "[CSA Notice of Coordinated Blanket Order 51-933 Exemptions to Permit Semi-Annual Reporting for Certain Venture Issuers](#)", March 19, 2026.

<sup>3</sup> CSA Notice, Annex C "[Requirements from which an eligible issuer is exempt](#)" and "[Eligibility Criteria](#)".

<sup>4</sup> [Ibid.](#)

<sup>5</sup> [Ibid.](#)

<sup>6</sup> [Ibid.](#)

<sup>7</sup> CSA Notice, "[Additional Conditions and Restrictions](#)".

<sup>8</sup> [Ibid.](#)

<sup>9</sup> [Ibid.](#)

<sup>10</sup> [Ibid.](#)

<sup>11</sup> CSA Notice, Annex C, "[Prospectus](#)".

<sup>12</sup> [Ibid.](#)

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*This publication is a general summary of the law. It does not replace legal advice tailored to your specific circumstances.*