Cassels

CSA Proposes Permanent Increase to Capital-Raising Limits Under the Listed Issuer Financing Exemption

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On July 23, 2026, the Canadian Securities Administrators (CSA) published for comment proposed amendments to Part 5A of National Instrument 45-106 – *Prospectus Exemptions* (NI 45-106) and Companion Policy 45-106CP – *Prospectus Exemptions* relating to the listed issuer financing exemption (the LIFE). The proposed amendments would primarily codify the increased financing limits introduced through the CSA's 2025 Blanket Order (as defined below) and respond to feedback received from certain market participants by streamlining other conditions of the exemption (the Proposed Amendments).

Timeline

The LIFE was introduced in November 2022 as a prospectus exemption intended to provide a more efficient capital-raising option for eligible Canadian exchange-listed reporting issuers that have filed all timely and periodic disclosure documents required under securities legislation.

In May 2025, the CSA implemented coordinated blanket relief temporarily increasing the amount that may be raised under the exemption from a maximum of $10 million to the greater of $25 million and 20% of the aggregate market value of an issuer's listed securities, subject to a maximum of $50 million in a 12-month period (the 2025 Blanket Order).

According to the CSA, the 2025 Blanket Order facilitated approximately $3.7 billion in capital raised in its first year following implementation, representing a pace of capital-raising eight times higher than what had occurred under the original, lower limits.

Proposed Amendments

The Proposed Amendments would primarily codify the 2025 Blanket Order by increasing the amount that may be raised under the LIFE from a maximum of $10 million to $25 million, or up to $50 million for larger companies, in a 12-month period, subject to prescribed conditions.

The CSA indicated that the Proposed Amendments also respond to feedback received from market participants by streamlining technical and operational conditions of the LIFE, aimed at simplifying the use of the exemption. Among other things, the Proposed Amendments would:

- modify the sufficiency of funds requirement to accommodate issuers that may not have sufficient funds to meet their business objectives and liquidity requirements for the following 12 months, but reasonably expect to have sufficient available funds to meet their short-term liquidity requirements;
- require additional disclosure in the offering document for issuers facing going-concern uncertainty or a significant deterioration in their financial condition;
- permit certain successor issuers to use the LIFE;
- extend the period for completing an offering from 45 days to 60 days after issuing and filing the news release announcing the offering;
- extend the certificate look-back period from 12 months to 18 months; and
- permit issuers to omit the offering price from the offering document where certain conditions are met and clarify the compensation arrangements with dealers and finders that are required to be disclosed.

Going Forward

The CSA is seeking feedback on the Proposed Amendments to NI 45-106 and the related changes to Companion Policy 45-106CP. The 90-day comment period closes on October 21, 2026. The Proposed Amendments signal the CSA's continued commitment to facilitating efficient capital formation in Canada's public markets. If adopted, the changes would provide issuers with greater flexibility to access capital through a prospectus-exempt offering process that has become an increasingly important financing tool for exchange-listed companies.

Public issuers, investment dealers and other market participants should consider reviewing the proposals and assessing how the expanded LIFE regime may affect future financing strategies. We will continue to monitor developments relating to the Proposed Amendments. For more information on or assistance with capital markets matters affecting you or your organization, please contact the authors or any member of our Capital Markets Group.
