

MAY 21, 2019

## 2019 Canadian Capital Markets Report

The year 2018 witnessed ongoing volatility in global markets, fuelled by geopolitical uncertainty, rising trade tensions and slowing world economies. In Canada, emerging market sectors continued to gain steam, most notably the cannabis industry, which experienced a dramatic uptick in investment and M&A activity as the country became the first major economy to legalize recreational use. Several other notable trends came to light, including a resurgence of reverse takeovers and evolving industry standards regarding fairness opinions. On the regulatory and judicial fronts, significant developments clarified and expanded disclosure obligations, and a landmark ruling by the Supreme Court of Canada stood to mark a turning point for securities regulation in parts of the country.

It is against this backdrop that we are pleased to share with you our *2019 Capital Markets Report*, in which we explore the following issues and developments of importance to capital market participants and offer our insights on what to expect in 2019 and beyond.

- Canada's cannabis industry continues to generate buzz in 2019 as the focus of licensed producers shifts from domestic acquisitions to next-generation products and international expansion strategies. Read the latest updates in **Cannabis Industry Continues to Roll**.
- Despite cannabis remaining illegal under U.S. federal law, many Canadian cannabis producers have sought to enter the potentially lucrative U.S. market and maintain their early-mover status without running afoul of TSX requirements. Read about these novel structures in **TSX-Listed Cannabis Issuers Creatively Preserve U.S. Opportunities**.
- In 2018, blockchain technology continued to attract the attention of regulators and gain mainstream acceptance. Learn what players seeking to enter this space need to know in **Crypto Crackdown: Will Blockchain Remain Relevant in 2019?**
- Canadian capital markets have proven to be fertile ground for the financing of issuers in the cannabis industry, many of which have gone public by way of reverse takeovers. We discuss the recent surge in RTOs and explore their relative advantages and disadvantages in **The Return of the Reverse Takeover**.
- The Ontario Court of Appeal's decision in *RBC Dominion Securities v Crew Gold Corporation* provides important guidance on the drafting and structuring of M&A engagement letters. Read the key lessons from this decision in **Success Fees in Advisory Agreements: Financial Advisers (and Their Clients) Take Note**.
- Two years after the Yukon Supreme Court's decision in *InterOil Corporation v Mulacek*, the standard for fairness opinions in M&A transactions continues to evolve. Learn what issuers and their financial advisers need to know in **Playing Fair in a Post-InterOil World: Market Practice in Fairness Opinions**.
- Two Ontario court rulings in 2018 appeared to set a new standard for determining materiality in secondary market misrepresentation claims under *Ontario's Securities Act*. Read the implications of these decisions in **Good Laws Gone Bad: Continued Confusion over the Materiality Standard in Civil Misrepresentation Actions**.
- In November 2018, Canada's highest court issued a landmark ruling upholding the constitutionality of a national cooperative capital markets regulatory system. Read the details of this seminal decision in **Supreme Court of Canada Paves Way for a National Securities Regulator**.
- The Canadian Securities Administrators has proposed a set of rules that will require issuers to adhere to specific disclosure requirements when publicly disclosing non-GAAP financial measures. Learn how to **Mind the GAAP: Avoid Getting Tripped Up by New Non-GAAP Disclosure Requirements**.

- In 2018, the TSX adopted new guidance regarding securityholder approval requirements in significant issuances and the pricing of offerings after the disclosure of material information. Read the details of [\*\*Important Developments in TSX Policy in 2018\*\*](#).
- The SEC has approved final rules to modernize its mining property disclosure requirements, which will provide investors with more comprehensive information regarding a registrant's material mining properties and level the playing field between U.S. and foreign registrants. Learn more in [\*\*The SEC Modernizes Mining Disclosure\*\*](#).

[Download the complete report.](#)

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