

TSX VENTURE EXCHANGE ANNOUNCES NEW EXPEDITED LISTING PROCESS FOR ADVANCED APPLICANTS

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On December 13, 2023, the TSX Venture Exchange (the “**TSXV**”) launched the TSXV Passport Listing Process (the “**Passport Process**”), which provides an expedited listing process for advanced applicants that meet specified criteria. Applicants that meet this standard will be able to fast-track their listing application. Three steps comprise the Passport Process.

Step 1 – Pre-File Letter and Meeting

The applicant must first provide the TSXV with a pre-file letter that confirms the applicant meets the eligibility criteria. In particular, the pre-file letter must:

1. confirm that the applicant:
 - (a) satisfies the initial listing requirements set forth in TSXV [Policy 2.1 Initial Listing Requirements](#) without any significant waivers;
 - (b) has a minimum of \$500,000 in unallocated funds;
 - (c) will either:
 - (i) complete a minimum \$10 million majority arm’s length equity financing in connection with the listing; or
 - (ii) have a market capitalization of at least \$50 million at the time of listing, and (A) have a minimum of \$5 million of revenue in the most recent financial year or (B) complete a majority arm’s length equity financing representing not less than 10% of the number of issued and outstanding shares at the time of listing; and
 - (d) is not an “Emerging Market Issuer”, other than an “Excluded Resource Issuer” (as defined in TSXV policies);
2. include an analysis identifying which financial statements will be required in connection with

- the listing application;
3. identify each of the directors and officers of the applicant, and demonstrate that such directors and officers will satisfy certain prescribed experience and residency requirements; and
 4. if the application is for a “Qualifying Transaction”, “Reverse Takeover” or “Change of Business” (as defined in TSXV policies):
 - (a) demonstrate that the transaction is not a “Related Party Transaction” (as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders*); and
 - (b) include all information required to be included in a comprehensive news release (see TSXV [Policy 2.4 Capital Pool Companies](#) or [Policy 5.2 Changes of Business and Reverse Takeovers](#), as applicable).

After submitting the pre-file letter, the applicant must hold a pre-file meeting with the TSXV. Within three business days following the pre-file meeting, the TSXV will confirm whether the applicant is eligible to make a listing application under the Passport Process.

Step 2 – Passport Application

Following confirmation of eligibility from the TSXV, an applicant may submit a detailed listing application under the Passport Process. In order to make a Passport application, applicants are required to be at an advanced stage of due diligence and file readiness, with all documents prepared early in the Passport Process. The application must be submitted through TMX LINX and include a comprehensive initial submission letter, a substantially complete disclosure document, including applicable financial statements, a Form 2J providing detailed security holder information, applicable geological reports for mining or oil and gas issuers, personal information forms from each director, officer, promoter, investor relations provider and other insider, copies of material agreements, draft title and/or corporate opinion(s) with respect to any principal properties or assets located outside Canada or the United States and an initial filing fee of \$10,000 plus tax.

Step 3 – TSXV Review

Once all filing documentation is received, the TSXV will provide an initial comment letter on an expedited basis and schedule a meeting to discuss those comments, followed by regular ongoing status update meetings. The TSXV commits to the timely availability and responsiveness of staff with respect to Passport applications but notes that applicants with prolonged response times or material challenges in meeting TSXV listing requirements may have their continued eligibility for the Passport Process reviewed.

Key Takeaways

1. The TSXV has implemented a new, expedited Passport Process for listing applications made by advanced issuers that satisfy enhanced standards with respect to working capital and financial resources, market capitalization, and director and officer experience and residency requirements.
2. The Passport Process requires more upfront effort by applicants than the TSXV's standard listing application process but facilitates efficient transaction timelines.

If you have any questions regarding the Passport Process or require assistance preparing for the application process, the authors of this bulletin or other members of [McMillan's Capital Markets Group](#) would be pleased to assist you.

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A Cautionary Note

The foregoing provides only an overview and does not constitute legal advice. Readers are cautioned against making any decisions based on this material alone. Rather, specific legal advice should be obtained.

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