

OTCQB STANDARDS RELEASE NO. 2 (PROPOSED AMENDMENTS)

OTC Markets Group has published proposed amendments to the OTCQB Standards. The Securities and Exchange Commission's recent amendments to Regulation A become effective on June 19, 2015, and OTC Markets Group has aligned our standards to allow issuers utilizing Tier 2 of Regulation A to qualify for the OTCQB Venture Marketplace.

Most significantly, a company may use its required disclosure under Regulation A to meet the initial and ongoing OTCQB disclosure requirements. We have also made clarifying changes to the OTCQB standards that are applicable to all current and prospective OTCQB companies.

Highlights of Proposed Changes

A. Regulation A Related Changes:

1. Definitions for "Regulation A" and "Regulation A Reporting Company" were added to the Definitions section.
2. Initial Disclosure Obligations - A Regulation A Reporting Company, must have filed all reports required to be filed on EDGAR. Audited annual financial statements must be prepared in accordance with Regulation A.
3. OTCQB Certification - A new section will be added to part (a) of the OTCQB Certification indicating that a Regulation A Reporting Company is required to file periodic reports with the SEC under Tier 2 of Regulation A.
4. Ongoing Disclosure Obligations - A Regulation A Reporting Company must file, on an ongoing basis, all annual, semi-annual and other interim reports required to be filed on EDGAR. Audited annual financial statements must be prepared in accordance with Regulation A.

B. General Changes:

5. The initial bid price requirement was updated to indicate that the bid price test needs to be met at the time of application approval in addition to the time of application submission.
6. The OTCQB Standards now include guidelines for readmission to OTCQB following removal for non-compliance under Section 4.1 of the OTCQB Standards. OTC Markets Group will consider readmission under the following conditions:
 - i. If the Company regains compliance within 30 calendar days of Removal Date and has not completed or announced a corporate action during this time, OTC Markets Group may readmit the Company to the OTCQB marketplace with no further action required;
 - ii. If the Company regains compliance within 30 calendar days of Removal Date and has completed or announced a corporate action during this time, the Company must submit a new OTCQB Certification for review and approval by OTC Markets Group;

- iii. If the Company regains compliance more than 30 calendar days and less than six months after Removal Date, the Company must submit a new OTCQB Certification for review and approval by OTC Markets Group; and
 - iv. If the Company regains compliance more than six months after Removal Date, the Company must submit a new OTCQB Application. OTC Markets Group will review the Application pursuant to Section 1.4 of these of these OTCQB Standards. A new Application Fee is due upon submission of the Application
7. Continued Use of Certain Services – Section 4.5 of the OTCQB Standards is updated to clarify that companies that are removed, suspended or withdraw from the OTCQB marketplace may continue to use certain OTC Markets Group services subject to the terms and conditions set forth in the OTCQB Application and Agreement.

Comment Period of 30 days:

OTC Markets Group welcomes your feedback about the proposed changes. Send comments and questions to Mike Vasilios, Vice President of Issuer Compliance at mike@otcmarkets.com by July 9, 2015.

Effective Date of Proposed Changes:

The proposed rules are scheduled to become effective July 10, 2015.