

# Canadian Cannabis Companies Begin to Trade on National Stock Exchanges in the United States

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by James Guttman

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With the listing on May 24<sup>th</sup> of Canopy Growth Corporation (Canopy) on the New York Stock Exchange (NYSE), both NASDAQ and the NYSE have permitted Canadian cannabis companies to trade on their respective exchanges. Canopy, the first Canadian cannabis company to list on the NYSE, follows Cronos Group Inc. (Cronos), which was the first Canadian cannabis company to list on a national stock exchange in the United States when it listed on NASDAQ in February. While neither exchange has formally adopted a policy on the listing of cannabis companies, informally they are willing, on a case-by-case basis, to accept a company with cannabis operations, so long as the company complies with all relevant laws in the jurisdictions where it operates. This is similar to the policies adopted by the Toronto Stock Exchange and TSX Venture Exchange, which prohibit the listing of cannabis companies with U.S. operations.

In order to list in the United States, each of Canopy and Cronos filed listing applications with the respective exchange and registered their class of common shares with the United States Securities and Exchange Commission (SEC). A Canadian company that has been a reporting issuer in Canada for at least 12 months and has a public float of at least US\$75 million is eligible to take advantage of the Multijurisdictional Disclosure System (MJDS) in order to register with the SEC. The MJDS permits such Canadian companies to file a Form 40-F registration statement, which is essentially a wrap around the company's Canadian disclosure documents and is not subject to the typical burdensome SEC comment process. This generally permits for a quicker and less costly process for Canadian companies wishing to enter the U.S. markets.

For more information on listing in the United States, contact your relationship attorney at Dorsey. For more information about Dorsey's cannabis industry practice, visit [www.dorsey.com/services/cannabis](http://www.dorsey.com/services/cannabis).

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