EQUITY GUIDELINES
Chapter 6: Special Purpose Acquisition Company (SPAC)

How would the SC view a qualifying acquisition involving the acquisition of a non-majority stake in business(es) by a SPAC?

(i) Generally, a qualifying acquisition by a SPAC should result in the SPAC having an identifiable core business of which it has majority ownership and management control.

(ii) The SC may consider a qualifying acquisition involving the acquisition of a non-majority stake in business(es) by a SPAC if:

(a) The SPAC is able to demonstrate that it will have control over the strategic and financial decisions of the business(es) to be acquired, whether joint or otherwise;

(b) The SPAC is able to demonstrate that it will have control over the operations of the business(es) to be acquired; and

(c) There is justification for the acquisition of a non-majority stake (for example, it is common for companies to hold non-majority stakes in certain business(es) being acquired due to regulations and/or structure of the industry).