

Content and quality of discretionary exemption applications

The *Autorité des marchés financiers* (the “Authority” or the “AMF”) wishes to increase market participants’ awareness of the requirements regarding the content and quality of discretionary exemption applications filed under the *Securities Act*, CQLR, c. V-1.1 (the “SA”), or the *Derivatives Act*, CQLR, c. I-14.01 (the “DA”), other than applications filed under Title VI of the SA or Title II of the DA. This Notice is intended to provide useful information for the preparation of such applications.

Quality of analysis

A discretionary exemption application must be complete, thorough and detailed.

It must be supported by sufficient justification whereby the granting of the requested exemption would not be detrimental to the protection of securities investors or prejudicial to the public interest as regards derivatives.

Content of exemption applications

A discretionary exemption application must set out:

- All provisions of securities or derivatives legislation under which the application is being filed and in respect of which the filer is seeking an exemption;
- A full factual description of the filer (and any other party involved), in particular with respect to its area of activity, its status as a reporting issuer, a qualified person or a registrant, the characteristics of the securities listed on an exchange or traded on an alternative trading system, the number of outstanding securities of the issuers involved, the connecting factor with Québec (e.g., the number of beneficial owners of securities who reside in Québec and the number of securities they hold, and the type of transactions carried out with Québec counterparties) or any other information relevant to the processing of the application;
- For investment funds, a factual description of the filer and the investment funds to which the exemption application relates, detailed contact information for the investment fund manager and, depending on the type of exemption application, relevant information about other parties or service providers;
- The general context of the transaction or situation that is the source of the application;
- Detailed reasons and all submissions, including those of a legal nature, that support the application and justify the granting of the requested exemption by the Authority;
- Reference to similar previously granted exemptions, if applicable, together with an analysis of their relevance to the application and any distinctions to be considered;
- A draft decision document in French (in Word format) that the filer wishes to be granted by the Authority, including the representations made by the filer and the parties involved, as well as the proposed conditions.

Particular requirements of an exemption application filed under *Regulation 11-102 respecting Passport System*, CQLR, c.V-1.1, r. 1 (“Regulation 11-102”), and *Policy Statement 11-203 respecting Process for Exemptive Relief Applications in Multiple Jurisdictions*

- In addition to the above, the application must be submitted in accordance with:
 - *Regulation 11-102*;
 - *Policy Statement to Regulation 11-102 respecting Passport System*;
 - *Policy Statement 11-203 respecting Process for Exemptive Relief Applications in Multiple Jurisdictions*, where applicable.
- The application must be filed together with the materials listed in Part 5 of *Policy Statement 11-203 respecting Process for Exemptive Relief Applications in Multiple Jurisdictions*.
- The decision must be in the form set out in Annex A, B, C or D of *Policy Statement 11-203 respecting Process for Exemptive Relief Applications in Multiple Jurisdictions*.
- Where the Authority is acting as principal regulator, filers are required to submit draft passport decision documents in both English and French (in Word format), which should include a representation to the effect that the English version of the passport decision document represents, in all material respects, a complete and accurate translation of the French version. When in doubt, the Authority could require that the filer provide an opinion from a certified translator attesting to the accuracy of the English translation.

Other important information

The Authority would like filers to also note the following important information:

- Filers must submit their applications in a timely manner in order to give the Authority a reasonable amount of time to analyze them and render a decision as to their merit, but also to allow filers sufficient time to fulfill their obligations in the event of a refusal. For more complex files requiring a longer processing time, it may be advisable for prospective filers to submit their applications as pre-filings in accordance with the procedure described in Part 4 of *Policy Statement 11-203 respecting Process for Exemptive Relief Applications in Multiple Jurisdictions*.
- It is also important to mention in the application all discussions that have taken place between the filer and the Authority or another Canadian securities regulator, indicating the matters discussed and the name of the representative with whom the discussions took place.
- Any incomplete application which does not appear to contain, in particular, all the elements mentioned above will not be analyzed by the Authority and will be either refused or returned to the filer to be completed properly.

This Notice replaces the following previously published notice.

- Content and quality of discretionary exemption applications, (2012) Vol. 9, No. 37, AMF Bulletin, 205.

For any questions relating to the above, please contact:

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