

## **REGULATION TO AMEND REGULATION 11-102 RESPECTING PASSPORT SYSTEM**

Securities Act

(chapter V-1.1, s. 331.1, par. (1), (33.5), (33.9) and (34))

1. Section 1.1 of Regulation 11-102 respecting Passport System (c. V-1.1, r. 1) is amended:

(1) by inserting, after the definition of the expression “equivalent provision”, the following:

“failure-to-file cease trade order” means an order in relation to a specified default that prohibits or restricts trading in securities of a reporting issuer;”;

(2) by replacing the definition of the expression “principal regulator” with the following:

“principal regulator” means, for a person, the securities regulatory authority or regulator determined in accordance with Part 3, 4, 4A, 4B or 4C, as applicable;”;

(3) by inserting, after the definition of the expression “SEDAR”, the following:

“specified default” means a failure by a reporting issuer to comply with the requirement to file, within the time period prescribed, one or more of the following:

- (a) annual financial statements;
- (b) an interim financial report;
- (c) an annual or interim management's discussion and analysis or annual or interim management report of fund performance;
- (d) an annual information form;
- (e) a certification of filings under *Regulation 52-109 respecting Certification of Disclosure in Issuers' Annual and Interim Filings* (c. V-1.1, r. 27);”.

2. The Regulation is amended by inserting, after section 4B.6, the following:

### **“PART 4C APPLICATION TO CEASE TO BE A REPORTING ISSUER**

#### **“4C.1. Specified jurisdiction**

For the purposes of this Part, the specified jurisdictions are British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia.

#### **“4C.2. Principal regulator – general**

The principal regulator for an application to cease to be a reporting issuer is,

- (a) for an application made with respect to an investment fund, the securities regulatory authority or regulator of the jurisdiction in which the investment fund manager’s head office is located, or
- (b) for an application made with respect to an issuer other than an investment fund, the securities regulatory authority or regulator of the jurisdiction in which the issuer’s head office is located.

#### **“4C.3. Principal regulator – head office not in a specified jurisdiction**

If the jurisdiction identified under section 4C.2 is not a specified jurisdiction, the principal regulator for the application is the securities regulatory authority or regulator of the specified jurisdiction with which the issuer or, in the case of an investment fund, the investment fund manager, has the most significant connection.

#### **“4C.4. Discretionary change of principal regulator**

Despite sections 4C.2 and 4C.3, if a filer receives written notice from a securities regulatory authority or regulator that specifies a principal regulator for the application, the securities regulatory authority or regulator specified in the notice is the principal regulator for the application.

#### **“4C.5. Deemed to cease to be a reporting issuer**

(1) If an application to cease to be a reporting issuer is made by a reporting issuer in the principal jurisdiction, the reporting issuer is deemed to cease to be a reporting issuer in a local jurisdiction if

(a) the local jurisdiction is not the principal jurisdiction for the application,  
(b) the principal regulator for the application granted the order and the order is in effect,

(c) the reporting issuer gives notice to the securities regulatory authority or regulator that this subsection is intended to be relied upon for the issuer to be deemed to cease to be a reporting issuer in the local jurisdiction, and

(d) the reporting issuer complies with any terms, conditions, restrictions or requirements imposed by the principal regulator as if they were imposed in the local jurisdiction.

(2) For the purpose of paragraph (1)(c), the reporting issuer may give the notice referred to in that paragraph by giving it to the principal regulator.

### **“PART 4D FAILURE-TO-FILE CEASE TRADE ORDERS**

#### **“4D.1. Issuance and revocation of failure-to-file cease trade order**

If an issuer is a reporting issuer in the local jurisdiction and a securities regulatory authority or regulator in another jurisdiction of Canada makes a failure-to-file cease trade order in respect of the issuer’s securities, a person must not trade in a security of the issuer in the local jurisdiction, except in accordance with the conditions that are contained in the order, if any, for so long as the failure-to-file cease trade order remains in effect.”.

2. Appendix E of the Regulation is amended:

(1) by replacing, under the title “Québec”, “R.S.Q., chapter” with “CQLR, c.”, wherever it appears;

(2) by replacing, under the title “New Brunswick”, “General Regulation – Securities Act (N.B. Reg. 2004-66)” with “Rule-making Procedure Regulation (NB Reg 2010-127)”;

(3) by replacing, under the title “Prince Edward Island”, the referencing with the following:

- “- Securities Act (R.S.P.E.I. 1988, c. S-3.1);
- Securities Act Regulations (P.E.I. Reg. EC57/08)”;

(4) by replacing, under the title “Yukon”, the referencing with the following:

- “- Securities Act (SY 2007, c. 16);
- .....Securities Regulation (YOIC 2008/39)”;

(5) by replacing, under the title “Northwest Territories”, “R.S.N.W.T. 1988, c. S-5” with “SNWT 2008, c. 10”;

(6) by replacing, under the title “Nunavut”, the referencing with the following:

- “- Securities Act (SNu 2008, c. 12);

- Securities Regulations (Nu Reg 002-2003)”.  
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**3.** This Regulation comes into force on (*indicate here the date of coming into force of this Regulation*).