

REGULATION TO AMEND REGULATION 31-103 RESPECTING REGISTRATION REQUIREMENTS AND EXEMPTIONS

Securities Act

(R.S.Q., c. V-1.1, s. 331.1, par. (1), (3), (8), (9), (11) and (34))

1. Section 1.1 of Regulation 31-103 respecting Registration Requirements and Exemptions is amended by inserting, after the definition of “IIROC”, the following:

““interim period” means a period commencing on the first day of the financial year and ending 9, 6 or 3 months before the end of the financial year;”.

2. Section 8.26 of the Regulation is amended, in the French text:

(1) by replacing, in paragraph (2), the definition of “aggregate consolidated gross revenue” with the following:

“« total des produits des activités ordinaires bruts consolidés » : les produits des activités ordinaires bruts consolidés à l'exclusion de ceux de tout membre du même groupe que le conseiller qui est inscrit dans un territoire du Canada;”;

(2) by replacing, in subparagraph (d) of paragraph (4), the words “de leur chiffre d'affaires brut consolidé total” with the words “du total des produits des activités ordinaires bruts consolidés”.

3. Paragraph (1) of section 8.28 of the Regulation is amended by replacing, in the French text, the word “déterminées” with the word “définies”.

4. Section 11.5 of the Regulation is amended, in the French text:

(1) by replacing, in paragraph (2), the words “la vérification” with the words “l'audit”;

(2) by replacing, in subparagraph (h) of paragraph (2), the words “de vérification” with the words “d'audit”.

5. Section 12.2 of the Regulation is amended, in the French text, by replacing the words “d'apparentés” with the words “de parties liées”.

6. The title of division 3 and sections 12.8 and 12.9 of the Regulation are replaced, in the French text, with the following:

“Section 3 Audits

“12.8. Demande de l'agent responsable ou de l'autorité en valeurs mobilières d'effectuer un audit ou un examen

La société inscrite donne par écrit à son auditeur des instructions selon lesquelles il doit exécuter tout audit ou examen exigé par l'agent responsable ou, au Québec, l'autorité en valeurs mobilières pendant la durée de l'inscription de la société, et transmet une copie de ces instructions à l'agent responsable ou à l'autorité en valeurs mobilières selon les modalités suivantes:

- a) elle la joint à sa demande d'inscription;
- b) elle la transmet au plus tard le 7^e jour après qu'elle a changé d'auditeur.

“12.9. Coopération avec l'auditeur

La personne inscrite ne doit pas, au cours de l'audit, retenir, détruire ou dissimuler de renseignements ou de documents ou refuser de toute autre façon de coopérer pour donner suite à une demande raisonnable de son auditeur.”.

7. Section 12.10 of the Regulation is amended:

(1) by replacing paragraph (1) with the following:

“(1) Annual financial statements delivered to the regulator under this Division for financial years beginning on or after January 1, 2011 must include the following:

(a) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows, each prepared for the most recently completed financial year and the financial year immediately preceding the most recently completed financial year, if any;

(b) a statement of financial position, signed by at least one director of the registered firm, as at the end of the most recently completed financial year and the financial year immediately preceding the most recently completed financial year, if any;

(c) notes to the financial statements.”;

(2) in the French text of paragraph (2), by replacing the word “verifiés” with the word “audités”;

(3) by deleting paragraph (3).

8. Section 12.11 of the Regulation is amended by replacing paragraph (1) with the following:

“(1) Interim financial information delivered to the regulator under this Division for interim periods relating to financial years beginning on or after January 1, 2011 may be limited to the following:

(a) a statement of comprehensive income for the 3-month period ending on the last day of the interim period and for the same period of the immediately preceding financial year, if any;

(b) a statement of financial position, signed by at least one director of the registered firm, as at the end of the interim period and as at the end of the same interim period of the immediately preceding financial year, if any.”.

9. Section 12.12 of the Regulation is amended:

(1) by replacing, wherever it occurs in paragraph (2), the word “quarter” with the words “interim period”;

(2) by replacing, in the second paragraph (2), “(2)” with “(3)”.

10. Paragraph (2) of section 12.14 of the Regulation is amended by replacing, wherever it occurs, the word “quarter” with the words “interim period”.

11. The Regulation is amended by adding, after section 12.14, the following:

“12.15. Exemptions for financial years beginning in 2011

(1) Despite subsections 12.10(1), 12.11(1), 12.12(1) and (2), 12.13 and 12.14(1) and (2), the annual financial statements, the interim financial information, and the completed Form 31-103F1 Calculation of Excess Working Capital, for a financial year beginning in 2011 or for interim periods relating to a financial year beginning in 2011 may exclude comparative information for the preceding financial period.

(2) Despite subsection 12.12(2), the first interim financial information, and the first completed Form 31-103F1 Calculation of Excess Working Capital, required to be delivered in respect of an interim period beginning on or after January 1, 2011 must be delivered no later than the 45th day after the end of the interim period.

(3) Despite subsection 12.14(2), the first interim financial information, the first completed Form 31-103F1 Calculation of Excess Working Capital, and the description of any net asset value adjustment, required to be delivered in respect of an interim period beginning on or after January 1, 2011 must be delivered no later than the 45th day after the end of the interim period.”.

12. Form 31-103F1 of the Regulation is amended:

(1) by replacing, wherever they occur in the French text of the table, the words “à court terme” with the word “courant”;

(2) by replacing, in the French text of point 5 of the table, the words “d’apparentés” with the words “de parties liées”;

(3) by replacing, in the paragraph entitled “**Notes**”, the words “unconsolidated basis” with the words “non-consolidated basis; registrants must account for investments in subsidiaries, jointly controlled entities and associates as specified for separate financial statements in International Accounting Standard 27 *Consolidated and Separate Financial Statements*”;

(4) by replacing, in the paragraph entitled “**Line 11. Guarantees**”, the words “balance sheet” with the words “statement of financial position”;

(5) by replacing, in the French text of the first paragraph of Schedule 1, the words “Actifs à court terme” with the words “Actif courant”.

13. This Regulation only applies to annual financial statements and interim financial information in respect of periods relating to financial years beginning on or after January 1, 2011.

14. This Regulation comes into force on January 1, 2011.