

## AMENDMENTS TO POLICY STATEMENT TO REGULATION 31-103 RESPECTING REGISTRATION REQUIREMENTS AND EXEMPTIONS

1. Sections 10.5 and 10.6 of *Policy Statement to Regulation 31-103 respecting Registration Requirements and Exemptions* are amended by replacing, in the French text of the third point of the paragraph under the title “Supporting documentation”, the words “vérifiés” and “du vérificateur” with, respectively, the words “audités” and “de l’auditeur”.
2. Part 11 of the Policy Statement is amended by replacing, in the French text of the fourth paragraph under the title “General business practices – outsourcing”, the word “vérificateurs” with the word “auditeurs”.
3. The Policy Statement is amended by inserting, after section 12.6, the following:

### “12.10. Annual financial statements and interim financial information

#### Accounting Principles

Registrants are required to deliver annual financial statements and interim financial information that comply with *Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards* (Regulation 52-107). Depending on the financial year, a registrant will look to different parts of Regulation 52-107 to determine which accounting principles and auditing standards apply:

- Part 3 of Regulation 52-107 applies for financial years beginning on or after January 1, 2011
- Part 4 of Regulation 52-107 applies to financial years beginning before January 1, 2011.

Part 3 of Regulation 52-107 refers to Canadian GAAP applicable to publicly accountable enterprises, which is IFRS as incorporated into the Handbook. Under Part 3 of Regulation 52-107, annual financial statements and interim financial information delivered by a registrant must be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises except that any investments in subsidiaries, jointly controlled entities and associates must be accounted for as specified for separate financial statements in International Accounting Standard 27 *Consolidated and Separate Financial Statements*. Separate financial statements are sometimes referred to as non-consolidated financial statements. Section 3.2(3) of Regulation 52-107 requires annual financial statements to include a statement and description about this required financial reporting framework. Section 2.7 of *Policy Statement to Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards* (Policy Statement 52-107) provides guidance on section 3.2(3). We remind registrants to refer to these provisions in Regulation 52-107 and Policy Statement 52-107 in preparing their annual financial statements and interim financial information.

Part 4 of Regulation 52-107 refers to Canadian GAAP for public enterprises, which is Canadian GAAP as it existed before the mandatory effective date for the adoption of IFRS, included in the Handbook as Part V. Under Part 4 of Regulation 52-107, annual financial statements and interim financial information delivered by a registrant must be prepared in accordance with Canadian GAAP for public enterprises except that the financial statements and interim financial information must be prepared on a non-consolidated basis.

#### Changeover to International Financial Reporting Standards

When preparing annual financial statements, interim financial information or Form 31-103F1 for a financial year beginning in 2011 or for interim periods relating to a financial year beginning in 2011, registrants may rely on the exemption in

subsection 12.15(1) and exclude comparative information for the preceding financial year. Section 3.2(4) of Regulation 52-107 provides a corresponding exemption for the accounting principles used by registrants. If a registrant relies on these exemptions, its date of transition to IFRS will be the first day of its financial year beginning in 2011. Section 2.7 of Policy Statement 52-107 provides further guidance on this topic. We remind registrants to refer to the provisions in Regulation 52-107 and Policy Statement 52-107 in preparing their financial statements and interim financial information for a financial period beginning in 2011.”.

**4.** Section 13.4 of the Policy Statement is amended:

(1) by replacing, in the French text of the second point of the first paragraph under the title “Controlling conflicts of interest”, the words “la vérification” with the words “l’audit”;

(2) by replacing, in the first paragraph under the title “Relationships with other issuers”, the words “special purpose vehicle” with the words “special purpose entity”.

**5.** These amendments only apply to annual financial statements and interim financial information in respect of periods relating to financial years beginning on or after January 1, 2011.