

WHEREAS the following draft regulations were published in accordance with section 331.2 of Securities Act and made by the Autorité des marchés financiers:

— Regulation to amend Regulation 44-101 respecting Short Form Prospectus Distributions published in the Supplement to the Bulletin concerning securities of the Autorité des marchés financiers, volume 3, No. 41 of October 13, 2006 and made on December 12, 2006, by the decision No. 2006-PDG-0222;

— Regulation to amend Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency published in the Supplement to the Bulletin concerning securities of the Autorité des marchés financiers, volume 3, No. 41 of October 13, 2006 and made on December 12, 2006, by the decision No. 2006-PDG-0219;

— Regulation to amend Regulation 71-102 respecting Continuous Disclosure and Other Exemptions relating to Foreign Issuers published in the Supplement to the Bulletin concerning securities of the Autorité des marchés financiers, volume 3, No. 41 of October 13, 2006 and made on December 12, 2006, by the decision No. 2006-PDG-0220;

— Regulation to repeal Regulation No. 3 respecting Unacceptable Auditors published in the Supplement to the Bulletin concerning securities of the Autorité des marchés financiers, volume 3, no. 41 of October 13, 2006 and made on December 12, 2006, by the decision No. 2006-PDG-0221;

WHEREAS there is cause to approve this regulation without amendment;

CONSEQUENTLY, the Minister of Finance approves without amendment the following regulations appended hereto:

— Regulation to amend Regulation 44-101 respecting Short Form Prospectus Distributions;

— Regulation to amend Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency;

— Regulation to amend Regulation 71-102 respecting Continuous Disclosure and Other Exemptions relating to Foreign Issuers;

— Regulation to repeal Regulation No. 3 respecting Unacceptable Auditors;

December 13, 2006

Minister of Finance,
MICHEL AUDET

Regulation to amend Regulation 44-101 respecting short form prospectus distributions*

Securities Act
(R.S.Q., c. V-1.1, s. 331.1, par. (1), (8) and (34))

1. Section 1.1 of Regulation 44-101 respecting Short Form Prospectus Distributions is amended:

(1) by replacing the definition of "approved rating organization" with the following:

"approved rating organization" means each of Dominion Bond Rating Service Limited, Fitch Ratings Ltd., Moody's Investors Service, Standard & Poor's and any of their successors;"

(2) by replacing the definition of "approved rating" with the following:

"approved rating" means, for a security, a rating at or above one of the following rating categories issued by an approved rating organization for the security or a rating category that replaces a category listed below:

| Approved Rating Organization | Long Term Debt | Short Term Debt | Preferred Shares |
|--------------------------------------|----------------|-----------------|------------------|
| Dominion Bond Rating Service Limited | BBB | R-2 | Pfd-3 |
| Fitch Ratings Ltd. | BBB | F3 | BBB |
| Moody's Investors Service | Baa | Prime-3 | 'baaa' |
| Standard & Poor's | BBB | A-3 | P-3 |

* Regulation 44-101 respecting Short Form Prospectus Distributions, approved by Ministerial Order No. 2005-24 dated November 30, 2005 (2005, G.O. 2, 5183), has not been amended since its approval.

2. Form 44-101F1 of the Regulation is amended:

(1) in item 7.9, by replacing "If one or more ratings, including provisional ratings or stability ratings, have been received" with "If the issuer has asked for and received a stability rating, or if the issuer receives any other kind of rating, including a provisional rating.;"

(2) in item 10.1:

(a) by adding "or would be if it were not a reverse takeover, as defined in Regulation 51-102 respecting Continuous Disclosure Obligations," after "Regulation 51-102 respecting Continuous Disclosure Obligations" in subparagraph (b) of paragraphs (1) and (2);

(b) by adding "for significant acquisitions" after "Regulation 51-102 respecting Continuous Disclosure Obligations" in paragraph (i) of instruction (2);

(3) in paragraph (1) of item 11.1:

(a) by replacing subparagraph 6 with the following:

"6. Any business acquisition report filed by the issuer under Part 8 of Regulation 51-102 respecting Continuous Disclosure Obligations for acquisitions completed since the beginning of the financial year in respect of which the issuer's current AIF is filed, unless the issuer

(a) incorporated the BAR by reference into its current AIF, or

(b) incorporated at least 9 months of the acquired business or related businesses operations into the issuer's most recent audited financial statements.;"

(b) by replacing "end" with "beginning" in subparagraph 7.

3. This Regulation comes into force on December 29, 2006.

Regulation to amend Regulation 52-107 respecting acceptable accounting principles, auditing standards and reporting currency *

Securities Act
(R.S.Q., c. V-1.1, s. 331.1, par. (19) and (34))

1. Section 1.1 of Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency is amended:

(1) by replacing "Regulation 51-102" with "Regulation 51-102 respecting Continuous Disclosure Obligations approved by Ministerial Order 2005-03 dated 19 May 2005" in the English text of the definition of "acquisition statements";

(2) by adding the following paragraph after paragraph (a) of the definition of "recognized exchange", and making the necessary changes:

"(a.1) in Québec, a person or company authorized by the securities regulatory authority to carry on business as an exchange; and";

(3) by replacing "Regulation 51-102 Respecting Continuous Disclosure Obligations approved by Ministerial Order 2005-03 dated 19 May 2005" with "Regulation 51-102 respecting Continuous Disclosure Obligations" in the English text of the definition of "business acquisition report";

(4) by adding "in a designated foreign jurisdiction" after "foreign disclosure requirements" in paragraph (b) of the definition of "designated foreign issuer";

(5) by replacing the definition of "executive officer" with the following:

"executive officer" means, for an issuer, an individual who is:

(a) a chair, vice-chair or president;

(b) a vice-president in charge of a principal business unit, division or function including sales, finance or production; or

* Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency, approved by Ministerial Order No. 2005-08 dated May 19, 2005 (2005, G.O. 2, 1581), has not been amended since its approval.