

## **AMENDMENTS TO POLICY STATEMENT TO REGULATION 44-101 RESPECTING SHORT FORM PROSPECTUS DISTRIBUTIONS**

1. Section 1.7 of *Policy Statement to Regulation 44-101 respecting Short Form Prospectus Distributions* is amended:

(1) by replacing, in the French text of paragraph (2), the words “**Titre adossé à des créances**” with the words “**Titre adossé à des actifs**”;

(2) by replacing paragraphs (3) and (4) with the following:

“(3) **Current AIF** – An issuer’s AIF filed under the applicable CD rule is a "current AIF" until the issuer files an AIF for the next financial year, or is required by the applicable CD rule to have filed its annual disclosure statement or annual financial statements for the next financial year. If an issuer fails to file a new AIF by the filing deadline under the applicable CD rule for its annual disclosure statement or annual financial statements, it will not have a current AIF and will not qualify under Regulation 44-101 to file a prospectus in the form of a short form prospectus. If an issuer files a revised or amended AIF for the same financial year as an AIF that has previously been filed, the most recently filed AIF will be the issuer’s current AIF.

An issuer that is a venture issuer for the purpose of Regulation 51-102, and certain investment funds, may have no obligation under the applicable CD rule to file an AIF. However, to qualify under Regulation 44-101 to file a prospectus in the form of a short form prospectus, that issuer will be required to file an AIF in accordance with the applicable CD rule so as to have a "current AIF". A current AIF filed by an issuer that is a venture issuer for the purposes of Regulation 51-102 can be expected to expire later than a non-venture issuer’s AIF, due to the fact that the deadlines for filing an annual disclosure statement under Regulation 51-102 are later for venture issuers than for other issuers.

“(4) **Current annual financial statements** – An issuer’s comparative annual financial statements filed under the applicable CD rule, together with the accompanying auditor’s report, are “current annual financial statements” until the issuer files, or is required under the applicable CD rule to have filed, its annual disclosure statement or comparative annual financial statements for the next financial year. If an issuer fails to file its annual disclosure statement or comparative annual financial statements by the filing deadline under the applicable CD rule, it will not have current annual financial statements and will not be qualified under Regulation 44-101 to file a prospectus in the form of a short form prospectus.

Where there has been a change of auditor and the new auditor has not audited the comparative period, the report of the predecessor auditor on the comparative period must be included in the prospectus. The issuer may file the report of the predecessor auditor on the comparative period with the annual disclosure statement or the annual financial statements that are being incorporated by reference into the short form prospectus, and clearly incorporate by reference the predecessor auditor’s report in addition to the new auditor’s report. Alternatively, the issuer can incorporate by reference into the short form prospectus its annual disclosure statement or its comparative financial statements filed for the previous year, including the audit reports thereon.”.

2. Section 2.2 of the *Policy Statement* is amended by replacing, in the French text of paragraph (4) of the first paragraph, the words “titres adossés à des créances” with the words “titres adossés à des actifs”.

3. Section 2.4 of the *Policy Statement* is amended:

(1) by replacing, wherever they appear in paragraph (1), the words “special purpose issuers” with the words “structured entities”;

(2) by replacing, wherever they appear in the French text of paragraph (2), the words “titres adossés à des créances” with the words “titres adossés à des actifs”.

4. Section 4.4 of the Policy Statement is amended by replacing, in paragraph (1), “item 5.2 in Regulation 51-102F2” with “section 16 of Form 51-102F1”.

5. Section 4.5 of the Policy Statement is amended by replacing the words “a special purpose issuer of asset-backed securities” with the words “a structured entity distributing asset-backed securities”.

6. Section 4.11 of the Policy Statement is replaced with the following:

**“4.11. General Financial Statement Requirements**

A reporting issuer is required under the applicable CD rule to file its annual disclosure statement or its annual financial statements and related MD&A 90 days after year end (or 120 days if the issuer is a venture issuer as defined in Regulation 51-102). An interim disclosure statement must be filed 45 days after the last day of an interim period (or 60 days for a venture issuer) or for investment fund issuers, an interim financial report and related MD&A must be filed 60 days after the end of the most recent interim period. The financial statement requirements in Regulation 44-101 are based on these continuous disclosure reporting time frames and do not impose accelerated filing deadlines for a reporting issuer’s annual disclosure statement, interim disclosure statement or financial statements. However, to the extent an issuer has filed an annual disclosure statement, interim disclosure statement or financial statements in advance of the deadline for doing so, those documents must be incorporated by reference in the short form prospectus. We are of the view that directors of an issuer should endeavor to consider and approve an annual disclosure statement, interim disclosure statement or financial statements in a timely manner and should not delay the approval and filing of these documents for the purpose of avoiding their inclusion in a short form prospectus. Once the annual disclosure statement, interim disclosure statement or financial statements have been approved, they should be filed as soon as possible.”.