

**PROPOSED AMENDMENTS TO POLICY STATEMENT ENTITLED
COMPANION POLICY 44-102, *SHELF DISTRIBUTIONS***

The Policy Statement entitled Companion Policy 44-102, *Shelf Distributions* is amended as follows:

1. "National Instrument" is struck out wherever it occurs and substituted with "Regulation" other than in subsection 1.1(1) and in subsection 1.1(2) in the phrase "*Regulation 44-101 respecting Short Form Prospectus Distributions*".
2. Subsection 1.1(2) is amended by striking out "5" and substituting "6".
3. Section 2.2 is amended
 - (a) in subsection (1) by adding ", the time" immediately after "(ii)";
 - (b) in subsection (2) by striking out "At the time of the coming into force of this Policy New Brunswick has a lapse date provision in its securities legislation and has not provided blanket relief for shelf distributions."; and
 - (c) by repealing subsection (3).
4. Subsection 2.3(1) is amended by striking out "POP" and substituting "short form prospectus distributions".
5. Section 2.4 is amended
 - (a) in the title, by adding "Novel" immediately after "of";
 - (b) in subsection (2), by adding the following immediately after "The securities regulatory authorities":

"also want to ensure that prospectus investors of such products are entitled to the appropriate rights at the time of their investment as contemplated by applicable securities laws. Reference is made to section 4.8 of Policy Statement to Regulation 44-101 for a discussion of these issues. The securities regulatory authorities";
 - (c) in subsection (3)
 - (i) by striking out "issues" and substituting "distributions"; and
 - (ii) by adding the following immediately after "prospectus.":

"This includes any circumstances where a base shelf prospectus, including, if applicable, an unallocated shelf prospectus, may be used together with a prospectus supplement to qualify novel products.";
 - (d) in subsection (4), by adding the following to the end:

"However, in circumstances where an issuer or its advisor is uncertain if a product is novel, the securities regulatory authorities encourage the issuer to either treat products as novel or to seek input from staff prior to filing a base shelf prospectus or prospectus supplement, as the case may be."; and

(e) in subsection (5), by adding the following to the end:

“The securities regulatory authorities also believe that the rights provided to investors in such products should be no less comprehensive than the rights provided in offerings previously reviewed by a securities regulatory authority in a jurisdiction.”

6. Subsection 2.5(3) is amended by striking out “These terms” and substituting “This information”.

7. The following section is added immediately after section 2.6 as section 2.6.1:

2.6.1 Expert’s Consent

Section 7.2 of Regulation 44-102 provides that if a document (the “Document”) containing an expert’s opinion, report or valuation is incorporated by reference into a base shelf prospectus and filed after the filing of the base shelf prospectus, the issuer must file the written consent of the expert in accordance with deadlines that vary with the circumstances. For example, issuers are reminded that separate auditor’s consents are required at the filing of the base shelf prospectus and in each subsequent shelf prospectus supplement for each set of audited financial statements incorporated by reference. The following is intended to illustrate the required timing for the filing of the expert’s consents:

	date the base shelf prospectus is filed	date the Document is filed	date the prospectus supplement is filed
MTN base shelf prospectus	(1)	(1)	
non-MTN base shelf prospectus		(2)	(2)

(1) a consent is required to be filed no later than the date of filing of the base shelf prospectus and the Document.

(2) a consent is required to be filed no later than the date of the filing of the Document and the prospectus supplement.

8. Section 3.1 is amended

(a) in subsection (2)

(i) by striking out “subsection 5.8(1)” wherever it occurs and substituting “section 5.8”; and

(ii) by striking out “6.5” and substituting “3.4”; and

(b) by adding the following as subsection (4):

“If an issuer wishes to add securities to its base shelf prospectus it may do so prior to issuing all of the securities qualified by the base shelf prospectus by filing an amendment to the base shelf prospectus. This will not extend the life of the base shelf prospectus.”

9. The title is replaced by Policy Statement to *Regulation 44-102 respecting Shelf Distribution*.