

REGULATION TO AMEND REGULATION 45-102 RESPECTING RESALE OF SECURITIES

Securities Act

(R.S.Q., c. V-1.1, s. 331.1, par. (11) and (34) and s. 331.2)

1. Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20) is amended by inserting, before Part 1, the following text box:

“

Text boxes in this Regulation located below sections 2.14 and 2.15 refer to local regulations in Alberta and Ontario. These text boxes do not form part of this Regulation and have no official status.

”

2. Section 2.14 of the Regulation is amended by adding, after paragraph (2), the following:

“(3) This section does not apply in Alberta and Ontario.

In Ontario, section 2.7 of Ontario Securities Commission Rule 72-503 Distributions Outside Canada provides a similar exemption to the exemption in section 2.14 of this Regulation. In Alberta, Alberta Securities Commission Blanket Order 45-519 Prospectus Exemptions for Resale Outside Canada provides a similar exemption to the exemption in section 2.14 of this Regulation.

”

3. The Regulation is amended by adding, after section 2.14, the following:

“2.15. First Trades in Securities of a Non-Reporting Foreign Issuer Distributed under a Prospectus Exemption

(1) In this section

“executive officer” means, for an issuer, an individual who is

- (a) a chair, vice-chair or president;
- (b) a chief executive officer or a chief financial officer, or
- (c) in charge of a principal business unit, division or function including sales, finance or production and that fact is disclosed in any of the following documents:

(i) the issuer’s most recent disclosure document containing that information that is publicly available in a foreign jurisdiction where its securities are listed or quoted;

(ii) the offering document provided by the issuer in connection with the distribution of the security that is the subject of the trade;

“foreign issuer” means an issuer that is not incorporated or organized under the laws of Canada, or a jurisdiction of Canada, unless any of the following applies:

- (a) the issuer has its head office in Canada;
- (b) the majority of the executive officers or directors of the issuer ordinarily reside in Canada.

(2) The prospectus requirement does not apply to the first trade of a security distributed under an exemption from the prospectus requirement if all of the following apply:

- (a) the issuer of the security was a foreign issuer on the distribution date;
- (b) the issuer of the security
 - (i) was not a reporting issuer in any jurisdiction of Canada on the distribution date, or
 - (ii) is not a reporting issuer in any jurisdiction of Canada on the date of the trade;
- (c) the trade is made
 - (i) through an exchange, or a market, outside of Canada, or
 - (ii) to a person outside of Canada.

(3) The prospectus requirement does not apply to the first trade of an underlying security if all of the following apply:

- (a) the convertible security, exchangeable security or multiple convertible security that, directly or indirectly, entitled or required the holder to acquire the underlying security was distributed under an exemption from the prospectus requirement;
- (b) the issuer of the underlying security was a foreign issuer on the distribution date;
- (c) the issuer of the underlying security
 - (i) was not a reporting issuer in any jurisdiction of Canada on the distribution date, or
 - (ii) is not a reporting issuer in any jurisdiction of Canada on the date of trade;
- (d) the trade is made
 - (i) through an exchange, or a market, outside of Canada, or
 - (ii) to a person outside of Canada.

(4) This section does not apply in Alberta and Ontario.

In Ontario, section 2.8 of Ontario Securities Commission Rule 72-503 Distributions Outside Canada provides a similar exemption to the exemption in section 2.15 of this Regulation. In Alberta, Alberta Securities Commission Blanket Order 45-519 Prospectus Exemptions for Resale Outside Canada provides a similar exemption to the exemption in section 2.15 of this Regulation.

4. Appendix D of the Regulation is amended by inserting, in section 1 and after “as well as the following local exemptions from the prospectus requirement”, the following:

“- section 2.4 of Ontario Securities Commission Rule 72-503 *Distributions Outside of Canada*.”.

5. This Regulation comes into force on June 12, 2018.