

REGULATION TO AMEND REGULATION 45-106 RESPECTING PROSPECTUS AND REGISTRATION EXEMPTIONS

Securities Act

(R.S.Q., c. V-1.1, s. 331.1, par. (1), (2), (3), (4.1), (7), (8), (11), (19.3), (19.5), (20) and (34); s. 331.2)

1. Section 1.1 of Regulation 45-106 respecting Prospectus and Registration Exemptions is amended:

(1) by inserting, after the definition of “Schedule III Bank”, the following:

““second-level asset” means a securitized product issued under another securitization program, including, without limitation, a security that has direct or indirect exposure to a credit-linked note, credit default swap or similar claim;

““securitized product” has the same meaning as in Regulation 41-103 respecting Supplementary Prospectus Disclosure Requirements for Securitized Products;”;

(2) by inserting, after the definition of “MD&A”, the following:

““mortgage investment entity” has the same meaning as in Regulation 41-103 respecting Supplementary Prospectus Disclosure Requirements for Securitized Products;”;

(3) by inserting, after the definition of “self-directed RESP”, the following:

““servicer” means a person responsible for the management or collection of pool assets or making allocations or payments to a holder of a securitized product, but does not include a trustee of an issuer of securitized products or for the securitized product that makes allocations or payments;

““short-term securitized product” means a securitized product that is a negotiable promissory note or commercial paper, in either case maturing not more than one year from the date of issue, including without limitation, asset-backed commercial paper;

““sponsor” has the same meaning as in Regulation 41-103 respecting Supplementary Prospectus Disclosure Requirements for Securitized Products;”;

(4) by adding, after the definition of “eligible investor”, the following:

““eligible securitized product investor” means

(a) a Canadian financial institution or a Schedule III bank;

(b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada);

(c) a subsidiary of any person referred to in paragraph (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of the subsidiary;

(d) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer, other than as a scholarship plan dealer or a restricted dealer;

(e) a pension fund that is regulated by either the federal Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada or a wholly-owned subsidiary of such a pension fund;

(f) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (e);

(g) the Government of Canada or a jurisdiction of Canada, or any Crown corporation, agency or wholly-owned entity of the Government of Canada or a jurisdiction of Canada;

(h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;

(i) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'Île de Montréal or an intermunicipal management board in Québec;

(j) a trust company or trust corporation registered or authorized to carry on business under the Trust and Loan Companies Act (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a managed account managed by the trust company or trust corporation, as the case may be;

(k) a person acting on behalf of a fully managed account managed by the person, if the person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction;

(l) an investment fund if it is one or both of the following:

(i) managed by a person registered as an investment fund manager under the securities legislation of a jurisdiction of Canada;

(ii) advised by a person authorized to act as an adviser under the securities legislation of a jurisdiction of Canada;

(m) a registered charity under the Income Tax Act (Canada) that obtains advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity;

(n) an individual who beneficially owns financial assets, as defined in section 1.1 having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5 million;

(o) a person that is entirely owned by an individual, or individuals referred to in paragraph (n), who holds the beneficial ownership interest in the person directly or through a trust, the trustee of which is a trust company or trust corporation registered or authorized to carry on business under the Trust and Loan Companies Act (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction;

(p) a person, other than an individual or an investment fund, that has net assets of at least \$25 million as shown on its most recently prepared financial statements;

(q) a person that distributes securities of its own issue in Canada only to persons referred to in paragraphs (a) to (p);”;

(5) by inserting, in the French text, after the definition of “AIF”, the following:

“« produit titrisé » : un produit titrisé au sens du Règlement 41-103 sur les obligations d'information supplémentaires relatives au prospectus applicables aux produits titrisés;”;

“« produit titrisé à court terme » : un produit titrisé qui est un billet à ordre ou un billet de trésorerie négociable dont l'échéance est prévue dans un an ou moins à compter de la date d'émission, y compris un billet de trésorerie adossé à des actifs;

“« promoteur de produits titrisés » : un promoteur au sens du Règlement 41-103 sur les obligations d'information supplémentaires relatives au prospectus applicables aux produits titrisés;”.

2. Section 2.3 of the Regulation is amended by inserting, after paragraph (5), the following:

“(6) This section does not apply to a distribution of a securitized product, other than either of the following:

(a) a covered bond;

(b) a security, other than a debt security, of a mortgage investment entity.”.

3. Section 2.4 of the Regulation is amended by inserting, after paragraph (3), the following:

“(4) Subsection (2) does not apply to a distribution of a securitized product, other than either of the following:

(a) a covered bond;

(b) a security, other than a debt security, of a mortgage investment entity.”.

4. Section 2.9 of the Regulation is amended by inserting, after paragraph (3), the following:

“(3.1) This section does not apply to a distribution of a securitized product, other than either of the following:

(a) a covered bond;

(b) a security, other than a debt security, of a mortgage investment entity.”.

5. Section 2.10 of the Regulation is amended by inserting, after paragraph (2), the following:

“(3) This section does not apply to a distribution of a securitized product, other than either of the following:

(a) a covered bond;

(b) a security, other than a debt security, of a mortgage investment entity.”.

6. Section 2.34 of the Regulation is amended by inserting, after paragraph (3), the following:

“(4) Paragraphs (2)(d) and (2)(d.1) do not apply to a distribution of a securitized product, other than either of the following:

(a) a covered bond;

(b) a security, other than a debt security, of a mortgage investment entity.”.

7. Section 2.35 of the Regulation is amended by inserting, after paragraph (b), the following, and making the necessary changes:

“(c) is not a securitized product, other than either of the following:

(i) a covered bond;

(ii) a security, other than a debt security, of a mortgage investment entity.”.

8. The Regulation is amended by inserting, after section 2.43, the following:

“Division 6: Securitized Product Exemption

“2.44 Securitized product

(1) The prospectus requirement does not apply to a distribution of a securitized product if all of the following apply:

(a) the purchaser purchases the securitized product as principal;

(b) the purchaser is an eligible securitized product investor;

(c) in the case of a distribution by the issuer of the securitized product, at the same time or before the purchaser purchases the securitized product, the issuer delivers an information memorandum to the purchaser that complies with section 2.46.

(2) Subject to subsection (3), for the purpose of this section, a trust company or trust corporation described in paragraph (l) of the definition of “eligible securitized product investor” in section 1.1 is deemed to be purchasing as principal.

(3) Subsection (2) does not apply to a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under the Trust and Loan Companies Act (Canada) or under comparable legislation in another jurisdiction of Canada.

(4) For the purpose of this section, a person described in paragraph (j) of the definition of “eligible securitized product investor” in section 1.1 is deemed to be purchasing as principal.

(5) This section does not apply to a distribution of a securitized product to a person if the person was created, or is used, solely to purchase or hold securitized products as an eligible securitized product investor described in paragraph (p) of the definition of “eligible securitized product investor” in section 1.1.

“2.45 Securitized product holder and investor access to information memorandum

(1) An issuer must provide a securitized product holder who purchased a securitized product of a particular series distributed under section 2.44 with reasonable access to the information memorandum required under section 2.44 for that series of securitized product.

(2) An issuer must provide reasonable access to the information memorandum required under section 2.44 to each person who reasonably demonstrates to the issuer that the person is a prospective purchaser and who meets the definition of “eligible securitized product investor” in section 1.1.

(3) For the purposes of subsections (1) and (2) if an issuer provides an undertaking to the securities regulatory authority to provide access to the website on which its information memorandum has been posted, an issuer may do either or both of the following:

(a) use a password to limit access to the website;

(b) before providing a person access to an information memorandum, require the person to provide a confidentiality undertaking, or enter into a confidentiality agreement, designed to reasonably restrict the person from providing others with access to the website.

(4) Subsections (1) and (2) continue to apply until the date that is one year after the date that the last outstanding securitized product of the same series of securitized product ceases to be outstanding.

“2.46 Information memorandum requirements

(1) An information memorandum required under section 2.44 must comply with each of the following:

(a) in respect of a short-term securitized product, be in the required form;

(b) disclose sufficient information about the securitized product and securitized product transaction to enable a prospective purchaser to make an informed investment decision;

(c) describe the rights of action, whether statutory or contractual, that an investor will have against the issuer, the issuer’s directors and officers, the sponsor and the underwriter in the event of a misrepresentation in the information memorandum;

(d) describe the resale restrictions that apply to the securitized product;

(e) not contain a misrepresentation.

(2) The required form of information memorandum under paragraph (1)(a) is Form 45-106F7.

(3) An information memorandum delivered under this section must contain a certificate that states the following:

“This information memorandum does not contain a misrepresentation.”.

(4) A certificate under subsection (3) must be signed by the issuer’s chief executive officer and chief financial officer or, if the issuer does not have a chief executive officer or chief financial officer, the individual or individuals acting in a similar capacity.

(5) In addition to the requirements of subsection (4), a certificate referred to in subsection (3) must be signed by an authorized executive officer of each of the following:

(a) each promoter,

(b) the sponsor if the sponsor has not already signed the certificate as a promoter.

(6) An information memorandum required under this section must contain a certificate signed by an authorized executive officer of each underwriter who, with respect to the securitized products offered by the information memorandum, is in a contractual relationship with the issuer, that states the following:

“To the best of our knowledge, information and belief, there is no misrepresentation in the information memorandum.”.

(7) The issuer must ensure that the certificate under subsection (3) is true at both

(a) the date the certificate is signed,

(b) the date the information memorandum is delivered to the purchaser.

(8) An issuer must deliver a copy of the information memorandum required to be delivered to a prospective purchaser under this section to the securities regulatory authority on or before the 10th day after a distribution under the information memorandum.

(9) On or before the deadline for delivery of an information memorandum to a purchaser under paragraph 2.44(1)(c), the issuer must post a copy of the information memorandum on a website.”

9. Section 6.1 of the Regulation is amended by inserting, after subparagraph (i) of paragraph (1), the following:

“(i.1) section 2.44;”.

10. Section 6.2 of the Regulation is amended by inserting, after paragraph (2), the following:

“(3) An issuer or underwriter of a short-term securitized product is not required to file a report under section 6.1 for a distribution under section 2.44 if the issuer or underwriter files the report not later than 30 days after the calendar year in which the distribution occurs.”.

11. The Regulation is amended by inserting, after section 6.5, the following:

“Part 6A – Ongoing Disclosure Requirements for Issuers of Securitized Products

“6A.1. Application

(1) This Part does not apply to a reporting issuer.

(2) This Part does not apply to a securitized product that is either of the following:

(a) a covered bond;

(b) a security, other than a debt security, of a mortgage investment entity.

(3) This Part applies only to an issuer in respect of a securitized product the issuer has distributed under one of the following exemptions from the prospectus requirement,

(a) section 2.3,

(b) section 2.4

(c) section 2.9,

(d) section 2.10,

(e) paragraphs 2(d) and 2(d.1) of section 2.34,

(f) section 2.35,

(g) section 2.44.

(4) This Part, other than section 6A.6, does not apply to an issuer in respect of a securitized product of a particular series distributed under an exemption from the prospectus requirement listed in subsection (3) if there is no securitized product in that series of securitized product outstanding.

“6A.2. Periodic reporting for securitized products, other than short-term securitized products

(1) No later than 15 days after each payment date specified by a transaction agreement in respect of a series of securitized product, other than a short-term securitized product, distributed by an issuer under one of the exemptions from the prospectus requirement listed in subsection 6A.1(3), an issuer must do each of the following

(a) prepare a report that complies with Form 51-106F1, Payment and Performance Report for Securitized Products of Regulation 51-106 respecting Continuous Disclosure Requirements for Securitized Products, as if the issuer were a reporting issuer to which that Regulation applies,

(b) deliver a copy of the report to the securities regulatory authority,

(c) post a copy of the report to a website.

(2) For the purposes of subsection (1), an issuer is not required to disclose information in the report:

(a) unless the information relates to

(1), (i) the series of securitized product referred to in subsection

(ii) a series of securitized product collateralized by the same pool of assets as the series referred to in subsection (1);

(b) required by the following items of Form 51-106F1, Payment and Performance Report for Securitized Products

(i) Item 3 Legal Proceedings,

(ii) Item 5 Significant obligors of pool assets,

(iii) Item 6 Significant enhancement provider information.

(3) The report required under subsection (1) must be signed by either of the following

(a) an authorized officer of the servicer, or if multiple servicers are used, the master servicer,

(b) the individual or individuals who perform functions for the issuer similar to those performed by a chief executive officer and a chief financial officer.

“6A.3. Report of significant events for securitized products, other than short-term securitized products

(1) If an event described in any of paragraphs 5(2)(a) to (m) of Regulation 51-106 respecting Continuous Disclosure Requirements for Securitized Products occurs in respect of a series of securitized product, other than a short-term securitized product, distributed under an exemption from the prospectus requirement listed in subsection 6A.1(3), the issuer must do each of the following:

(a) prepare a report that complies with Form 51-106F2, Report of Significant Events Relating to Securitized Products, as if the issuer were a reporting issuer to which that Regulation applies,

(b) as soon as practicable, and in any event no later than two business days after the date on which the event occurs

(i) deliver a copy of the report to the securities regulatory authority,

- (ii) post a copy of the report on a website,
- (iii) send the report to each holder of a securitized product in that series of securitized product, or otherwise advise holders of that series of securitized product that a report of significant events has been issued, and briefly describe the nature of the event that requires the form to be prepared.

(2) For the purposes of subsection (1), an issuer is only required to disclose in the report information that relates to:

- (a) the series of securitized product referred to in subsection (1);
- (b) a series of securitized product collateralized by the same pool of assets as the series referred to in subsection (1).

(3) Despite subsection (1), an issuer is not required to disclose in the report the information required by item 3 of Form 51-106F2, Report of Significant Events Relating to Securitized Products.

(4) The report required under subsection (1) must be signed by either of the following

- (a) an authorized officer of the servicer, or if multiple servicers are used, the master servicer,
- (b) the individual or individuals who perform functions for the issuer similar to those performed by a chief executive officer and a chief financial officer.

“6A.4. Periodic disclosure for short-term securitized products

(1) An issuer that has distributed a short-term securitized product of a particular series under an exemption from the prospectus requirement listed in subsection 6A.1(3), must prepare a periodic disclosure report in the required form dated as of the end of the last business day of each month, for that series of short-term securitized product.

(2) The required form for the periodic disclosure report required by subsection (1) is Form 45-106F8.

(3) Within 15 days of the end of each month, an issuer must

- (a) deliver a copy of the periodic disclosure report referred to in subsection (1) to the securities regulatory authority,
- (b) post a copy of the periodic disclosure report referred to in subsection (1) to a website.

(4) An issuer may prepare a report under subsection (1) for more than one series of short-term securitized product if the report identifies each series and discloses each series separately.

(5) The report required under subsection (1) must be signed by either of the following:

- (a) an authorized officer of the servicer or similar service provider, or if multiple servicers are used, the master servicer;
- (b) the individual or individuals who perform functions for the issuer similar to those performed by a chief executive officer and a chief financial officer.

“6A.5. Timely disclosure for short-term securitized products

(1) An issuer that has distributed a short-term securitized product of a series under an exemption from the prospectus requirement listed in subsection 6A.1(3) must prepare a report disclosing each of the following if an investor would reasonably require the information to make an informed investment decision:

- (a) a change to either of the following,
 - (i) any of the information required to be disclosed in the most recently delivered report required under section 6A.4,
 - (ii) the disclosure in the information memorandum required under section 2.44,
- (b) an event that affects payments or pool performance.

(2) As soon as practicable, and in any event no later than two business days after the date on which the change referred to in subsection (1) occurs, an issuer must

- (a) deliver the report referred to in subsection (1) to the securities regulatory authority,
- (b) post the report referred to in subsection (1) to a website.

(3) The report required under subsection (1) must be signed by either of the following:

- (a) an authorized officer of the servicer or similar service provider or if multiple servicers are used, the master servicer;
- (b) the individual or individuals who perform functions for the issuer similar to those performed by a chief executive officer and a chief financial officer.

“6A.6. Securitized product holder access to ongoing disclosure

(1) An issuer must provide a securitized product holder who purchased a securitized product of a particular series distributed under an exemption from the prospectus requirement listed in subsection 6A.1(3), reasonable access to the documents required by this Part, applicable to that series of securitized product.

(2) An issuer must provide reasonable access to each document required by this Part to each person who reasonably demonstrates to the issuer that the person is a prospective purchaser and who meets the definition of “eligible securitized product investor” in section 1.1.

(3) For the purposes of subsections (1) and (2), if an issuer provides an undertaking to the securities regulatory authority to provide access to the website on which the documents required by this Part are posted, the issuer may do either or both of the following:

- (a) use a password to limit access to the website;
- (b) before providing a person access to the documents required under this Part, require the person to provide a confidentiality undertaking, or enter into a confidentiality agreement, designed to reasonably restrict the person from providing others with access to the website.

(4) Subsections (1) and (2) continue to apply until the date that is one year after the date that the last outstanding securitized product of the same series of securitized product ceases to be outstanding.”.

12. Form 45-106F1 of the Regulation is amended by inserting, at the end of Item 3, the following:

“ __ Securitized product (other than short-term securitized product)

“ __ Short-term securitized product”.-

13. The Regulation is amended by adding, after Form 45-106F5, the following:

**“Form 45-106F7
INFORMATION MEMORANDUM FOR SHORT-TERM SECURITIZED
PRODUCTS**

Instructions:

(1) Using language that is plain and easy to understand by an investor, provide the information required by this form.

(2) Supplement the information required by this form to provide sufficient information about the short-term securitized product and securitized product transaction for a prospective purchaser to make an informed investment decision.

Item 1 Parties

1.1. Identify each of the parties (a “significant party”) with a significant role in the structuring of the securitization transaction, the creditworthiness and liquidity of the program, the selection, acquisition, analysis and management of the assets, the distribution of securitized products, and the payment to securitized product holders, including, for example, the issuer, sponsor, liquidity providers, credit enhancement providers, administrative agent or similar service provider, financial services agent and, if applicable, collateral manager. For each significant party

(a) identify its jurisdiction and form of organization,

(b) describe its role and function, and

(c) describe its experience generally and with respect to substantially similar pools of assets.

1.2. Disclose all of the following for the sponsor, each liquidity provider and each provider of material program credit enhancement,

(a) state whether or not it is a bank or Schedule III bank,

(b) if it is not a financial institution referred to in subsection (a), identify the prudential or similar supervisory governing legislation that applies to the entity, if any,

(c) state its credit rating.

1.3. Disclose whether any significant party is retaining a tranche or a portion of a tranche, and if so, describe the tranche or portion of the tranche to be retained and specify the amount of each tranche or portion of a tranche retained.

Item 2 Structure

Include diagrams that set out both

(a) the basic structure of the securitization program,

(b) in simplified form, the cash flows of the securitization program.

Item 3 Description of program

3.1. Describe the investment guidelines applied to the pool assets which limit the types and credit quality of assets and asset originators that may be financed by the issuer and disclose the method of selecting the eligible assets.

3.2. If the issuer will or may participate in any leveraged transactions or transactions that will or may include direct or indirect exposure to any of the assets described in section 4.3, state that in bold.

3.3. Describe the circumstances under which pool asset performance or other risk events will result in short-term securitized products ceasing to be issued.

3.4. Disclose the anticipated amount and nature of liquidity support under liquidity facilities.

3.5. Disclose the anticipated amount and nature of program-wide credit enhancement.

3.6. Disclose any other protections provided to holders of securitized products.

3.7. Disclose whether or not holders of securitized products will have a security interest over the collateral

3.8. Disclose the priority on collateral in an event of default.

3.9. Disclose the program establishment date and the winding-up date, if applicable.

Item 4 Summary of pool assets

4.1. For each series of short-term securitized product to be distributed, disclose

(a) the range of asset types that may be held by the pool including maximum or minimum proportion, if applicable,

(b) the manner in which the issuer will gain direct or indirect exposure to each of the underlying assets for example, exposure may be gained through a note, loan, or direct purchase,

(c) the due diligence or verification procedures that have been or will be applied in respect of the pool assets, if applicable.

4.2. If the issuer has acquired pool assets, provide, for each series of short-term securitized product to be distributed, the information required by Items 4, 5 and 6 of Form 45-106F8.

4.3. Disclose whether or not the pool assets include, will include or will otherwise have direct or indirect exposure (including through second-level assets) to any of the following:

(a) collateralized debt obligations, or similar obligations, whether synthetic or cash flow;

(b) securitized products that are secured against or represent interests in assets held in managed portfolios of multiple asset classes for which sequentially subordinated tranches of securitized product are issued with the lowest tranches absorbing the first dollar of credit losses;

(c) securitized products backed by assets described in paragraphs (a) or (b);

(d) credit-linked notes and other structured finance products;

- (e) credit default swaps;
- (f) other credit derivatives;
- (g) synthetic assets or derivatives;
- (h) sub-prime assets.

4.4. If pool assets will include or will otherwise have direct or indirect exposure (including through second-level assets) to any of the assets described in section 4.3:

- (a) describe those assets;
- (b) disclose the process for obtaining the assets;
- (c) disclose the internal rate of return to equity if that was a consideration in structuring the securitized product transaction.

Item 5 Description of short-term securitized product and offering

5.1. Describe each series of short-term securitized product to be distributed, including each of the following in the description:

- (a) whether certificates will be in registered or bearer form and the delivery procedures;
- (b) certificate denominations;
- (c) term to maturity;
- (d) maximum principal amount to be outstanding at any one time;
- (e) the material terms of the trust indenture or similar agreement under which the short-term securitized products are issued.

5.2. Disclose the purpose of the net proceeds from the distribution of the short-term securitized products.

5.3. Describe the distribution process.

Item 6 Flow of funds

6.1. Describe the flow of funds for the securitization program, including payment allocations, rights, payment dates, and payment priorities.

6.2. For second-level assets, disclose the ranking of the securitization program in priority of payments if it would reasonably be required by a prospective purchaser to make an informed investment decision.

Item 7 Conflicts of interest

7.1. Describe each existing conflict of interest and each reasonably anticipated conflict of interest between or among a significant party (as defined in Item 1) and a securitized product holder.

7.2. Disclose relationships or affiliations between or among significant parties that a prospective purchaser would reasonably require to make an informed investment decision with respect to the short-term securitized product.

7.3. For each significant party, disclose material limitations of liability and indemnifications that have been negotiated with the issuer.

Item 8 Fees and expenses

Describe all fees and expenses to be paid or payable out of the cash flows from the pool assets, and identify each party that is receiving those fees or expenses and the general reason for the fee or expense.

Item 9 Risk factors

Describe in order of significance, starting with the most important, the risk factors required to be disclosed to enable a prospective purchaser to make an informed investment decision with respect to the short-term securitized product.

Guidance: Examples of risk factors, in no particular order, might include:

- (a) *credit risks, including*
- *the extent of diversification of assets and conversely, any correlation risks*
 - *loan to value ratio, i.e., amount of loan to obligor compared to the value of collateralized assets,*
 - *collateral quality, including whether the assets are secured and the ability for the conduit or trustee to sell the collateral,*
 - *servicer quality, including experience, inspections to which it is subject, and valuation systems used,*
- (b) *liquidity risks, including limits on liquidity support, and conditions that may exist or arise that could prevent liquidity support from being provided,*
- (c) *counterparty risks, i.e., quality of credit enhancers such as originators or of swap counterparties,*
- (d) *legal risks, including*
- *true sale issues,*
 - *bankruptcy remoteness issues,*
 - *other claims or contingent claims on pool assets,*
- (e) *tax risks,*
- (f) *cash flow risks such as the risk of delayed payments, prepayments, and collection, and commingling risks,*
- (g) *reinvestment risk or basis risk relating to cash available between payment dates,*
- (h) *disclosure risks,*
- (i) *default risks including*
- *material or permanent impairment to pool assets,*
 - *writing down of rated notes,*
 - *paying in kind of notes,*
 - *material cross-default provisions,*
- (j) *modification risks, including the ability of a party to waive or modify the requirements, activities or standards that would otherwise apply under the issuer's constating documents or the transaction agreements or program documentation,*

(k) *back-up risks relating to the appointment of a replacement party as one of the significant parties,*

(l) *interest rate and currency risk and associated hedging,*

(m) *risks associated with partial hedging strategies.*

Item 10 Program documents and transaction agreements

Describe the material terms of the existing program documents and transaction agreements.

Item 11 Financial Leverage

Describe all financial leverage used or reasonably anticipated to be used to fund the acquisition, origination or refinancing of the program's assets.

Item 12 Credit rating of securitized product

If a significant party (as defined in Item 1) has asked for and received a credit rating, or if the issuer is aware that it has received any other kind of rating, from one or more credit rating organizations for the series of short-term securitized product to be distributed and the rating or ratings continue in effect, disclose each of the following:

(a) each rating received from a credit rating organization;

(b) for each rating disclosed under paragraph (a), the name of the credit rating organization that has assigned the rating;

(c) any factors or considerations identified by the credit rating organization as giving rise to unusual risks associated with the series of short-term securitized product;

(d) any announcement made by, or any proposed announcement known to the issuer that is to be made by, a credit rating organization to the effect that the organization is reviewing or intends to revise or withdraw a rating previously assigned and required to be disclosed under this section.

Item 13 Resale restrictions

13.1. State the following:

“These securitized products will be subject to a number of resale restrictions, including a restriction on trading. Unless the issuer becomes a reporting issuer a purchaser will not be able to trade the securitized products unless it complies with an applicable exemption from the prospectus and registration requirements under securities legislation.”

13.2. Describe any other resale restrictions that will apply to the securitized products.

Item 14 Purchasers' and securitized product holders' rights

14.1. Describe all statutory and, if applicable, contractual rights available to a purchaser in the event of a misrepresentation in the information memorandum.

14.2. Describe all statutory and contractual rights, if any, available to a securitized product holder in respect of any ongoing disclosure required to be provided by the issuer.

Item 15 Ongoing reporting obligations

15.1. Disclose all documents that will be delivered to or made reasonably available to securitized product holders.

15.2. Indicate whether the documents referred to in section 15.1 will be sent to securitized product holders and if not, how they will be made reasonably available.

15.3. Disclose the frequency at which each of the documents referred to in section 15.1 will be provided or made reasonably available to securitized product holders.

Item 16 Date and certificate of issuer and sponsor

State the following on the certificate page of the information memorandum:

“Dated [insert the date the certificate page of the information memorandum is signed].

“**This information memorandum does not contain a misrepresentation.**”.

Item 17 Date and certificate of underwriter

State the following on the certificate page of the information memorandum:

“Dated [insert the date the certificate page of the information memorandum is signed].

“**To the best of our knowledge, information and belief, there is no misrepresentation in the information memorandum.**”.

“**Form 45-106F8**

PERIODIC DISCLOSURE REPORT FOR SHORT-TERM SECURITIZED PRODUCTS DISTRIBUTED UNDER AN EXEMPTION FROM THE PROSPECTUS REQUIREMENT

Instructions:

(1) Using language that is plain and easy to understand by an investor, provide the information required by this form.

(2) An issuer is not required to repeat disclosure that has been made in a previously required periodic disclosure report if

(a) the previous report contains the disclosure required by this report,

(b) the issuer identifies the previous report in this report, including the date of that previous report and the location of the disclosure within that report,

(c) the issuer states that the prior disclosure is incorporated by reference into this report.

Item 1 Parties

Provide a diagram with the identity and role of each party with a significant function or responsibility in relation to the issuer or the securitization transaction, including the sponsor, liquidity providers and credit enhancement providers.

Item 2 Program Information

Provide the following disclosure of the short-term securitized product program:

(a) the total level of commitments for purchases entered into;

(b) the number of transactions, the amount of short-term securitized product issued in respect of each transaction and the total amount of short-term securitized product issued;

(c) credit ratings of the program, known to the issuer, that have been issued by a credit rating organization, including the name of the credit rating organization that issued the credit rating,

(d) in respect of liquidity facilities

(i) the name of each liquidity provider,

(ii) the total amount of liquidity available from each liquidity provider and the percent it represents of the total available liquidity support,

(iii) a description of the liquidity support, including whether full or partial,

(iv) the credit rating of each liquidity provider, including the name of the credit rating organization that issued the credit rating;

(e) in respect of each program level credit enhancement,

(i) the form of credit enhancement,

(ii) the amount required and available,

(iii) the percent that the credit enhancement represents of the total level of commitments referred to in paragraph (a);

(f) for each credit enhancement provider,

(i) the name of the credit enhancement provider,

(ii) the amount and form of credit enhancement provided,

(iii) the percent the credit enhancement represents of the total of short-term securitized product issued of that series,

(iv) the credit rating of the credit enhancement provider, including the name of the credit rating organization that issued the credit rating;

(g) average maturity in days;

(h) any other information that an investor would reasonably require in respect of payments or pool performance to make an informed investment decision in respect of the short-term securitized product.

Item 3 Program compliance events

(a) If any of the following events has occurred, disclose that fact and provide a description of the event and state its current status,

(i) bankruptcy of the issuer;

(ii) a significant amortization event or program event of default;

(iii) a program-wide credit enhancement draw;

(iv) a program-wide liquidity draw.

(b) Disclose whether the sum of committed liquidity plus cash or cash equivalents available to pay maturing notes complies with the program's required liquidity support.

(c) Disclose whether the credit enhancement that has been committed to the program is greater than or equal to the program's required credit enhancement.

Item 4 Composition of series

Provide a diagram disclosing the aggregate composition of the series of short-term securitized product broken down to disclose each of the following:

(a) each asset type, expressed as a dollar amount and a percent of the aggregate assets;

(b) the industry of the seller of the assets, expressed as a dollar amount and a percent of the aggregate assets;

(c) the percent of assets in the series acquired from each seller.

Item 5 Transaction summary

For each transaction that remains outstanding, disclose all of the following, using to the extent practicable, one or more diagrams:

(a) the transaction number;

(b) a description of the assets, including, if material,

(i) average remaining term of assets,

(ii) the total dollar amount of outstanding short-term securitized product,

(iii) whether the assets are revolving or amortizing,

(iv) the number of obligors,

(v) weighted average life expressed in months;

(c) the industry in which the seller does business;

(d) each credit rating issued by a credit rating organization in respect of the seller of the assets;

(e) each credit rating issued by a credit rating organization in respect of the transaction;

(f) a brief description of financial leverage used;

(g) the assets' performance, including

(i) measurement of collections, including applicable metric and method of measurement,

(ii) aggregate outstanding asset balance,

(iii) available credit enhancement, specified as a dollar amount and a percent of asset balance,

(iv) the most recently completed month's default ratio, including basis of presentation,

(v) 12 month average default ratio, including basis of presentation,

(vi) the most recently completed month's defaults relative to available credit enhancement,

(vii) the most recently completed month's delinquencies, including basis of presentation,

(viii) other performance ratios that would reasonably be expected to be material to an investor,

(ix) whether there has been a default or early amortization in the most recently completed month relating to payment, asset performance or bankruptcy and if so, a description and current status (e.g., waived, plan for resolution, wind-down),

(h) hedges.

Item 6 Second-level Assets

(a) For any second-level assets held by the securitization program, disclose each of the following:

(i) a brief description of the second-level assets and the securitization program issuing them;

(ii) a summary of the performance of the second-level assets, including, to the extent significant, the information required by paragraph (f) of Item 5.

(b) If the second-level assets are those of a reporting issuer or an issuer subject to ongoing or continuous reporting obligations in a foreign jurisdiction, state the identity of that issuer and the location at which such ongoing or continuous reporting can be found.

Item 7 Program Activity

Disclose the program activity for the period, including each of the following:

(a) assets that have been added to the pool, including types of assets and dollar amounts;

(b) assets that no longer form part of the pool, including types of assets and dollar amounts;

(c) the reason for assets having been added to or no longer forming part of the pool, e.g., refinancing, liquidation, maturity, liquidity draw;

(d) commitment reductions and increases.

Item 8 Report Information

State each of the following:

(a) date of the report;

(b) period covered by the report;

(c) contact information, including name, phone number and email address of a contact person for the issuer.”.

14. This Regulation is effective on *(indicate the date of coming into force of this Regulation)*.