

REGULATION TO AMEND REGULATION 45-106 RESPECTING PROSPECTUS EXEMPTIONS

Securities Act

(chapter V-1.1, s. 331.1, par. (11), (14) and (34))

1. Section 1.1 of Regulation 45-106 respecting Prospectus Exemptions (chapter V-1.1, r. 21) is amended:

(1) by replacing the definitions of the expressions “designated rating” and “designated rating organization” with the following:

““designated rating” has the same meaning as in paragraph (b) of the definition of “designated rating” in Regulation 81-102 respecting Investment Funds (chapter V-1.1, r. 39);

““designated rating organization” has the same meaning as in Regulation 44-101 respecting Short Form Prospectus Distributions (chapter V-1.1, r. 16);

(2) by inserting, after the definition of the expression “subsidiary”, the following:

““successor credit rating organization” has the same meaning as in Regulation 44-101 respecting Short Form Prospectus Distributions;”.

2. Section 2.35 of the Regulation is amended by replacing, in paragraph (1), subparagraphs (b) and (c) with the following:

“(b) the note or commercial paper has a credit rating from a designated rating organization listed below, from a DRO affiliate of an organization listed below, from a designated rating organization that is a successor credit rating organization of an organization listed below or from a DRO affiliate of such successor credit rating organization, that is at or above one of the following corresponding rating categories or that is at or above a category that replaces one of the following corresponding rating categories:

- (i) R-1(low) - DBRS Limited;
- (ii) F1 - Fitch Ratings, Inc.;
- (iii) P-1 - Moody’s Canada Inc.;
- (iv) A-1(Low) (Canada national scale) - S&P Global Ratings Canada;

“(c) the note or commercial paper has no credit rating from a designated rating organization listed below, from a DRO affiliate of an organization listed below, from a designated rating organization that is a successor credit rating organization of an organization listed below or from a DRO affiliate of such successor credit rating organization, that is below one of the following corresponding rating categories or that is below a category that replaces one of the following corresponding rating categories:

- (i) R-1(low) - DBRS Limited;
- (ii) F2 - Fitch Ratings, Inc.;
- (iii) P-2 - Moody’s Canada Inc.;
- (iv) A-1(Low) (Canada national scale) or A-2 (global scale) - S&P Global Ratings Canada.”.

3. This Regulation is amended by inserting, immediately before section 2.35.2, the following:

“2.35.1.1. Definition applicable to section 2.35.2

For the purposes of paragraph 2.35.2(a), a reference to “designated rating organization” includes the DRO affiliates of the organization, a designated rating organization that is a successor credit rating organization of the designated rating organization and the DRO affiliates of such successor credit rating organization.”.

4. Section 2.35.2 of the Regulation is amended:

(1) in paragraph (a):

(a) by replacing subparagraphs (i) and (ii) with the following:

“(i) it has a credit rating from not less than two designated rating organizations listed below and at least one of the credit ratings is at or above one of the following corresponding rating categories or is at or above a category that replaces one of the following corresponding rating categories:

(A) R-1(high)(sf) - DBRS Limited;

(B) F1+sf - Fitch Ratings, Inc.;

(C) P-1(sf) - Moody’s Canada Inc.;

(D) A-1(High)(sf) (Canada national scale) or A-1+(sf) (global scale) - S&P Global Ratings Canada;

“(ii) it has no credit rating from a designated rating organization listed below that is below one of the following corresponding rating categories or that is below a category that replaces one of the following corresponding rating categories:

(A) R-1(low)(sf) - DBRS Limited;

(B) F2sf - Fitch Ratings, Inc.;

(C) P-2(sf) - Moody’s Canada Inc.;

(D) A-1(Low)(sf) (Canada national scale) or A-2(sf) (global scale) - S&P Global Ratings Canada;”;

(b) by replacing subparagraph (C) of subparagraph (iv) with the following:

“(C) the liquidity provider has a credit rating from each of the designated rating organizations providing a credit rating on the short-term securitized product referred to in subparagraph 2.35.2(a)(i), for its senior, unsecured short-term debt, none of which is dependent upon a guarantee by a third party, and each credit rating from those designated rating organizations is at or above the following corresponding rating categories or is at or above a category that replaces one of the following corresponding rating categories:

1. R-1(low) - DBRS Limited;

2. F2 - Fitch Ratings, Inc.;

3. P-2 - Moody’s Canada Inc.;

4. A-1(Low) (Canada national scale) or A-2 (global scale) - S&P Global Ratings Canada;”.

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