

(1) by inserting “and obligations” after “duties” in section 2;

(2) by inserting the following after section 6:

“6.1. Section 8 is amended by replacing “Order” in the second paragraph by “Ordre des évaluateurs agréés du Québec”.”;

(3) by replacing paragraph 1 of section 10 by the following:

(1) by replacing paragraph 1 by the following:

“(1) ignore any intervention which could incite him to depart from his professional duties, in particular the duty to act with objectivity.”;

(4) by replacing section 24.1, introduced by section 12, by the following:

“24.1. Subject to a decision of a tribunal or another authority and to the exceptions provided for in the second paragraph, no chartered appraiser may agree to conditional fees, that is, fees whose amount depends on the results of the professional services obtained.

A chartered appraiser may agree to conditional fees in respect of the following professional consultation services:

(1) verification of the accuracy, presence or absence of an entry on the municipal assessment roll or on the roll of rental values relating to a property;

(2) negotiations to determine the amount of indemnities in case of expropriation;

(3) verification and negotiations of the operating expenses of an immovable under lease.

Despite the second paragraph, when appearing before a tribunal or an arbitrator or before a body or a person carrying out judicial or quasi-judicial duties, no chartered appraiser may in any case determine or accept conditional fees in respect of professional consultation services, including acting as an expert witness.”;

(5) by replacing section 20 by the following:

“20. Section 50 is amended

(1) by replacing the part preceding paragraph 1 by the following:

“50. Every chartered appraiser must refrain from performing any of the following acts:”;

(2) by replacing “reasonable cause to believe that another member of the Order is incompetent or” in paragraph 3 by “reason to believe that there is a situation likely to affect the competence or integrity of another chartered appraiser or that another chartered appraiser”;

(3) by inserting the following paragraph after paragraph 10:

“(11) committing any act involving collusion, corruption, malfeasance, breach of trust or influence peddling.”.

ANDRÉ FORTIER,  
*Clerk of the Conseil exécutif*

103512

### **M.O., 2018-03**

#### **Order number V-1.1-2018-03 of the Minister of Finance dated 24 May 2018**

Securities Act  
(chapter V-1.1)

CONCERNING concordant regulations to Regulation to amend Regulation 44-101 respecting Short Form Prospectus Distributions

WHEREAS subparagraphs 9, 11, 14 and 34 of section 331.1 of the Securities Act (chapter V-1.1) provide that the *Autorité des marchés financiers* may make regulations concerning the matters referred to in those paragraphs;

WHEREAS the third and fourth paragraphs of section 331.2 of the said Act provide that a draft regulation shall be published in the *Bulletin de l’Autorité des marchés financiers*, accompanied with the notice required under section 10 of the Regulations Act (chapter R-18.1) and may not be submitted for approval or be made before 30 days have elapsed since its publication;

WHEREAS the first and fifth paragraphs of the said section provide that every regulation made under section 331.1 must be approved, with or without amendment, by the Minister of Finance and comes into force on the date of its publication in the *Gazette officielle du Québec* or on any later date specified in the regulation;

WHEREAS the following regulations have been made by the *Autorité des marchés financiers* or approved by the minister of Finance:

— Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations was made by ministerial order 2009-04 dated September 9, 2009 (2009, *G.O.* 2, 3309A);

— Regulation 33-109 respecting Registration Information has been approved by ministerial order no. 2009-05 dated September 9, 2009 (2009, *G.O.* 2, 3362A);

— Regulation 41-101 respecting General Prospectus Requirements approved by ministerial order no. 2008-05 dated March 4, 2008 (2008, *G.O.* 2, 810A);

— Regulation 44-102 respecting Shelf Distributions adopted by decision no. 2001-C-0201 dated May 22, 2001 (Supplement to the Bulletin of the *Commission des valeurs mobilières du Québec*, Vol. 32, No. 22, dated June 1, 2001);

— Regulation 45-106 respecting Prospectus and Registration Exemptions approved by ministerial order no. 2009-05 dated September 9, 2009 (2009, *G.O.* 2, 3362A);

— Regulation 51-102 respecting Continuous Disclosure Obligations approved by ministerial order no. 2005-03 dated May 19, 2005 (2005, *G.O.* 2, 1507);

— Regulation 81-102 respecting Investment Funds was made by decision no. 2001-C-0209 dated May 22, 2001 (*Bulletin hebdomadaire*, vol. 32, no 22, dated June 1, 2001);

— Regulation 81-106 respecting Investment Fund Continuous Disclosure approved by ministerial order no. 2005-05 dated May 19, 2005 (2005, *G.O.* 2, 1601A);

WHEREAS there is cause to amend those regulations;

WHEREAS the following draft regulations were published in the *Bulletin de l'Autorité des marchés financiers*, volume 14, no. 26 of July 6, 2017:

— Regulation to amend Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations;

— Regulation to amend Regulation 33-109 respecting Registration Information;

— Regulation to amend Regulation 41-101 respecting General Prospectus Requirements;

— Regulation to amend Regulation 44-102 respecting Shelf Distributions;

— Regulation to amend Regulation 45-106 respecting Prospectus and Registration Exemptions;

— Regulation to amend Regulation 51-102 respecting Continuous Disclosure Obligations;

— Regulation to amend Regulation 81-102 respecting Investment Funds;

— Regulation to amend Regulation 81-106 respecting Investment Fund Continuous Disclosure;

WHEREAS those draft regulations were made by the *Autorité des marchés financiers* by decision no. 2018-PDG-0035 dated May 2, 2018;

WHEREAS there is cause to approve those regulations without amendment;

CONSEQUENTLY, the Minister of Finance approves without amendment the following regulations appended hereto:

— Regulation to amend Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations;

— Regulation to amend Regulation 33-109 respecting Registration Information;

— Regulation to amend Regulation 41-101 respecting General Prospectus Requirements;

— Regulation to amend Regulation 44-102 respecting Shelf Distributions;

— Regulation to amend Regulation 45-106 respecting Prospectus and Registration Exemptions;

— Regulation to amend Regulation 51-102 respecting Continuous Disclosure Obligations;

— Regulation to amend Regulation 81-102 respecting Investment Funds;

— Regulation to amend Regulation 81-106 respecting Investment Fund Continuous Disclosure.

May 24, 2018

CARLOS LEITÃO,  
*Minister of Finance*

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**REGULATION TO AMEND REGULATION 31-103 RESPECTING REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS**

Securities Act

(chapter V-1.1, s. 331.1, par. (9) and (34))

**1.** Section 1.1 of Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligation (chapter V-1.1, r. 10) 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.** Schedule 1 of Form 31-103F1 is amended by replacing subparagraph (i) of subparagraph (a) of paragraph (2) with the following:

“(i) Bonds, debentures, treasury bills and other securities of or guaranteed by the Government of Canada, of the United Kingdom, of the United States of America or of any other national foreign government (provided those foreign government securities have a current credit rating described in subparagraph (i.1)) maturing (or called for redemption):

within 1 year:	1% of fair value multiplied by the fraction determined by dividing the number of days to maturing by 365
over 1 year to 3 years:	1% of fair value
over 3 years to 7 years:	2% of fair value
over 7 years to 11 years:	4% of fair value
over 11 years	4% of fair value.

“(i.1) 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 the same as one of the following corresponding rating categories or that is the same as a category that replaces one of the following corresponding rating categories:

<b>Designated Rating Organization</b>	<b>Long Term Debt</b>	<b>Short Term Debt</b>
DBRS Limited	AAA	R-1(high)
Fitch Ratings, Inc.	AAA	F1+
Moody's Canada Inc.	Aaa	Prime-1
S&P Global Ratings Canada	AAA	A-1+

”.

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

## REGULATION TO AMEND REGULATION 33-109 RESPECTING REGISTRATION INFORMATION

Securities Act  
(chapter V-1.1, s. 331.1, par. (9))

1. Form 33-109F6 of Regulation 33-109 respecting Registration Information (chapter V-1.1, r. 12) is amended by replacing, in Schedule 1 of Schedule C, subparagraph (i) of subparagraph (a) of paragraph (2) with the following:

“(i) Bonds, debentures, treasury bills and other securities of or guaranteed by the Government of Canada, of the United Kingdom, of the United States of America or of any other national foreign government (provided those foreign government securities have a current credit rating described in subparagraph (i.1)) maturing (or called for redemption):

within 1 year:	1% of fair value multiplied by the fraction determined by dividing the number of days to maturing by 365
over 1 year to 3 years:	1% of fair value
over 3 years to 7 years:	2% of fair value
over 7 years to 11 years:	4% of fair value
over 11 years	4% of fair value.

“(i.1) 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 the same as one of the following corresponding rating categories or that is the same as a category that replaces one of the following corresponding rating categories:

Designated Rating Organization	Long Term Debt	Short Term Debt
DBRS Limited	AAA	R-1(high)
Fitch Ratings, Inc.	AAA	F1+
Moody's Canada Inc.	Aaa	Prime-1
S&P Global Ratings Canada	AAA	A-1+

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

**REGULATION TO AMEND REGULATION 41-101 RESPECTING GENERAL PROSPECTUS REQUIREMENTS**

Securities Act

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

**1.** Section 1.1 of Regulation 41-101 respecting General Prospectus Requirements (chapter V-1.1, r. 14) is amended:

(1) by replacing the definition of the expression “designated rating organization” with the following:

““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 “subordinate voting security”, the following:

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

**2.** Section 7.2 of the Regulation is amended:

(1) in paragraph (2):

(a) by inserting, after “Despite subsection (1),”, “and subject to subsection (2.1),”;

(b) by replacing the words “received a rating” with the words “received a credit rating”;

(2) by inserting, after paragraph (2), the following:

“(2.1) If the only credit ratings of the securities referred to in subsection (2) are from Kroll Bond Rating Agency, Inc., its DRO affiliate, any successor credit rating organization of Kroll Bond Rating Agency, Inc. or any DRO affiliate of any successor credit rating organization of Kroll Bond Rating Agency, Inc., subsection (2) does not apply unless the distribution is of asset-backed securities.”.

**3.** Section 19.1 of the Regulation is amended by inserting, in paragraph (3) and after the words “Except in”, the words “Alberta and”.

**4.** This Regulation comes into force on June 12, 2018.

**REGULATION TO AMEND REGULATION 44-102 RESPECTING SHELF DISTRIBUTIONS**

Securities Act

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

1. Section 1.1 of Regulation 44-102 respecting Shelf Distributions (chapter V-1.1, r. 17) is amended by inserting, in paragraph (1) and after the definition of the expression “conventional warrant or right”, the following:

““designated rating” has

(a) for the purposes of section 2.6, the meaning ascribed to that term in paragraph (a) of the definition of “designated rating” in Regulation 44-101 respecting Short Form Prospectus Distributions; and

(b) except as described in paragraph (a), the meaning ascribed to that term in paragraph (b) of the definition of “designated rating” in Regulation 44-101 respecting Short Form Prospectus Distributions;”.

2. Section 11.1 of the Regulation is amended by inserting, in paragraph (2.1) and after the words “Except in”, the words “Alberta and”.

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

## **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.

## **REGULATION TO AMEND REGULATION 51-102 RESPECTING CONTINUOUS DISCLOSURE OBLIGATIONS**

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

1. Section 1.1 of Regulation 51-102 respecting Continuous Disclosure Obligations (chapter V-1.1, r. 24) is amended by deleting, in paragraph (1), the definitions of the expressions “designated rating organization” and “DRO affiliate”.
2. Section 13.1 of the Regulation is amended by inserting, in paragraph (3) and after the words “Except in”, the words “Alberta and”.
3. This Regulation comes into force on June 12, 2018.

## REGULATION TO AMEND REGULATION 81-102 RESPECTING INVESTMENT FUNDS

Securities Act

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

1. Section 1.1 of Regulation 81-102 respecting Investment Funds (chapter V-1.1, r. 39) is amended:

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

““designated rating” means

(a) for the purposes of paragraph 4.1(4)(b), a designated rating under paragraph (b) of the definition of “designated rating” in Regulation 44-101 respecting Short Form Prospectus Distributions (chapter V-1.1, r. 16), or

(b) except as described in paragraph (a), 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, if

(i) there has been no announcement from the designated rating organization, from a DRO affiliate of the organization, from a designated rating organization that is a successor credit rating organization or from a DRO affiliate of such successor credit rating organization, of which the investment fund or its manager is or reasonably should be aware that the credit rating of the security or instrument to which the designated rating was given may be down-graded to a rating category that would not be a designated rating, and

(ii) no designated rating organization listed below, no DRO affiliate of an organization listed below, no designated rating organization that is a successor credit rating organization of an organization listed below and no DRO affiliate of such successor credit rating organization, has rated the security or instrument in a rating category that is not a designated rating:

Designated Rating Organization	Commercial Paper/Short Term Debt	Long Term Debt
DBRS Limited	R-1 (low)	A
Fitch Ratings, Inc.	F1	A
Moody’s Canada Inc.	P-1	A2
S&P Global Ratings Canada	A-1 (Low)	A

”;

““designated rating organization” means, if designated under securities legislation, any of

(a) DBRS Limited, Fitch Ratings, Inc., Moody’s Canada Inc. or S&P Global Ratings Canada, or

(b) a successor credit rating organization of a credit rating organization listed in paragraph (a);

(2) by inserting, after the definition of the expression “sub-custodian”, the following:

““successor credit rating organization” means, with respect to a credit rating organization, any credit rating organization that succeeded to or otherwise acquired all or substantially all of another credit rating organization’s business in Canada, whether through a restructuring transaction or otherwise, if that business was, at any time, owned by the first-mentioned credit rating organization;”.

2. Section 4.1 of the Regulation is amended by repealing paragraph (4.1).

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

#### **REGULATION TO AMEND REGULATION 81-106 RESPECTING INVESTMENT FUND CONTINUOUS DISCLOSURE**

Securities Act  
(chapter V-1.1, s. 331.1, par. (34))

1. Section 1.1 of Regulation 81-106 respecting Investment Fund Continuous Disclosure (chapter V-1.1, r. 42) is amended by inserting, after the definition of the expression “current value”, 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);”.

2. Section 1.3 of the Regulation is amended by replacing, in paragraph (2), the words “Terms defined” with the words “Unless defined in section 1.1 of this regulation, terms defined”.

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