

## **CONSEQUENTIAL AMENDMENTS ARISING FROM REGULATION 45-106 RESPECTING PROSPECTUS AND REGISTRATION EXEMPTIONS - NOTICE**

**Référence** : Bulletin de l'Autorité : 2005-07-08, Vol. 2 n° 27

and

**Repeal of National Instrument 32-101, *Small Securityholder Selling and Purchase Arrangements*, and National Instrument 62-101, *Control Block Distribution Issues***

and

**Amendments to National Instrument 45-101, *Rights Offerings* and *Regulation 62-103 respecting the Early Warning System and Related Take-over Bid and Insider Reporting Issues***

### **Implementation of Regulation 45-106 - Related Consequential Amendments**

Effective September 14, 2005, the members of the Canadian Securities Administrators (CSA or we) are, in conjunction with the implementation of *Regulation 45-106 respecting Prospectus and Registration Exemptions* ("Regulation 45-106"),

#### 1. Repealing

- National Instrument 32-101, *Small Securityholder Selling and Purchase Arrangements (Regulation 32-101)*, and
- National Instrument 62-101, *Control Block Distribution Issues (Regulation 62-101)*.

#### 2. Amending

- National Instrument 45-101, *Rights Offerings* ("Regulation 45-101"), and
- *Regulation 62-103 respecting the Early Warning System and Related Take-over Bid and Insider Reporting Issues* ("Regulation 62-103"), and

Related repeals and consequential amendments to regulations and national instruments will be implemented as

- regulations in Québec,

- rules in Alberta, Manitoba, Ontario, Prince Edward Island, Nova Scotia, New Brunswick and Newfoundland and Labrador,
- blanket orders or rules in British Columbia,
- commission regulations in Saskatchewan, and
- policies or codes in the Northwest Territories, Nunavut and Yukon.

The text of the repeals and consequential amendments are being published concurrently with this notice and will be available on websites of CSA members, including the following:

- [www.lautorite.qc.ca](http://www.lautorite.qc.ca)
- [www.albertasecurities.com](http://www.albertasecurities.com)
- [www.bcsc.bc.ca](http://www.bcsc.bc.ca)
- [www.osc.gov.on.ca](http://www.osc.gov.on.ca)

Notice of amendments to local securities legislation together with a notice that identifies remaining local exemptions for each jurisdiction will be published separately in each jurisdiction.

In Québec, the following consequential amendments are being published:

- Regulation to amend the *Securities Regulation*
- Regulation to amend *Regulation Q-3 respecting Options*
- Regulation to amend *Regulation 13-101 respecting the System for Electronic Document Analysis and Retrieval (SEDAR)*.

## **Background**

The CSA published Regulation 45-106 together with proposed consequential repeals and amendments to certain regulations and national instruments on December 17, 2004. The comment period ended March 17, 2005. We received 30 written submissions in response to our request for comments, most of which related to Regulation 45-106. The majority of comments were favourable.

Regulation 45-106 consolidates and harmonizes the prospectus and registration exemptions contained in various provincial statutes and national, multilateral and local regulations into a single regulation, while related consequential amendments and repeals will facilitate the consolidation and harmonization of existing exemptions and the associated resale, disclosure and filing requirements.

At present, most jurisdictions have a similar but not identical set of exemptions. Market participants that wish to effect a multi-jurisdictional exempt distribution must familiarize themselves with the various exempt distribution regimes of the relevant jurisdictions. This typically

necessitates culling through the various acts, regulations and rules of the different jurisdictions. On implementation of Regulation 45-106, market participants will generally have to look no further than Regulation 45-106 for available exemptions.

## **Summary of Changes to Proposed Consequential Amendments**

This section describes changes made to the proposed consequential amendments to various regulations published for comment on December 17, 2004 concurrently with Regulation 45-106. The CSA has made several minor drafting changes to Regulation 45-101 and Regulation 62-103 in response to comments received.

### *Amendments to Regulation 45-101*

1. We have repealed and replaced the definition of *acceptance date* in Part 1 to remove the Québec-prong of the definition to reflect recent amendments to the *Securities Act* (Québec) that brought the notice requirement into conformity with the 10-day notice period in all other jurisdictions.

### *Amendments to Regulation 62-103*

1. We are repealing clause (f) in the definition of *applicable provisions* in Part 1 referring to section 2.1 of Regulation 62-101 as that regulation is being repealed concurrently with the implementation of Regulation 45-106.
2. We are repealing clause (b) in section 6.1(1) and (2) referring to transactions effected under Regulation 32-101 as that regulation is being repealed concurrently with the implementation of Regulation 45-106.

## **Text of Repeals and Consequential Amendments to Regulations and National Instruments.**

The texts of the repeals and consequential amendments to the regulations referred to above are published concurrently with this Notice.

### **Questions**

Questions relating to the repeals and consequential amendments outlined in this notice may be referred to:

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