

## **REGULATION TO AMEND REGULATION 71-102 RESPECTING CONTINUOUS DISCLOSURE AND OTHER EXEMPTIONS RELATING TO FOREIGN ISSUERS**

Securities Act

(R.S.Q., c. V-1.1, s. 331.1, par. (11), (20), (34))

1. Section 1.1 of Regulation 71-102 respecting Continuous Disclosure and Other Exemptions Relating to Foreign Issuers is amended:

(1) by repealing the definitions of “board of directors” and “SEDI issuer”;

(2) by adding “in a designated foreign jurisdiction” after “foreign disclosure requirements” in paragraph (b) of the definition of “designated foreign issuer”;

(3) by replacing the definition of “executive officer” with the following:

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

(a) a chair, vice-chair or president;

(b) a vice-president in charge of a principal business unit, division or function including sales, finance or production;

(c) an officer of the issuer or any of its subsidiaries who performs a policy-making function in respect of the issuer; or

(d) performing a policy-making function in respect of the issuer;”;

(4) in the definition of “interim period”:

(a) by adding “a non-standard year or” after “in the case of a year other than” in paragraph (a);

(b) by deleting “or” at the end of paragraph (a) in the English text;

(c) by adding the following after paragraph (a):

“(a.1) in the case of a non-standard year, a period commencing on the first day of the financial year and ending within 22 days of the date that is nine, six or three months before the end of the financial year; or”;

(5) by replacing, in the English text of the definition of « investment fund », « Regulation 51-102 » with « Regulation 51-102 respecting Continuous Disclosure Obligations »;

(6) by adding the following after the definition of “Nasdaq”:

““non-standard year” means a financial year, other than a transition year, that does not have 365 days, or 366 days if it includes February 29;”.

2. Section 4.2 of the Regulation is amended by replacing “is exempt from” with “satisfies”.

3. Paragraph (2) of section 4.7 of the Regulation is amended, in the English text, by deleting “the exemption in”.

4. Section 4.8 of the Regulation is amended by replacing “is exempt from” with “satisfies”.

5. Section 4.9 of the Regulation is amended by replacing “is exempt from” with “satisfies”.

6. Section 4.10 of the Regulation is amended:

(1) by replacing “An SEC foreign issuer is exempt from securities” with “Securities”;

(2) by adding “do not apply to an SEC foreign issuer” after “material contracts”.

7. Section 4.11 of the Regulation is amended by replacing “is exempt from” with “satisfies”.

8. Section 4.12 of the Regulation is replaced with the following:

**“4.12 Insider Reporting**

The insider reporting requirement does not apply to an insider of an SEC foreign issuer that has a class of securities registered under section 12 of the 1934 Act if the insider complies with the requirements of U.S. federal securities law relating to insider reporting.”

9. Section 5.3 of the Regulation is amended by replacing “is exempt from” with “satisfies”.

10. Paragraph (2) of section 5.8 of the Regulation is amended, in the English, text by deleting “the exemption in”.

11. Section 5.9 of the Regulation is amended by replacing “is exempt from” with “satisfies”.

12. Section 5.10 of the Regulation is amended by replacing “is exempt from” with “satisfies”.

13. Section 5.11 of the Regulation is amended:

(1) by replacing “A designated foreign issuer is exempt from securities” with “Securities”;

(2) by adding “do not apply to a designated foreign issuer” after “material contracts”.

14. Section 5.12 of the Regulation is amended by replacing “is exempt from” with “satisfies”.

15. Section 5.13 of the Regulation is replaced with the following:

**“5.13 Insider Reporting**

The insider reporting requirement does not apply to an insider of a designated foreign issuer if the insider complies with foreign disclosure requirements relating to insider reporting.”

16. Subsection (b) of section 5.14 of the Regulation is amended, in the English text, by replacing « Regulation 54-101 Respecting Communication with Beneficial Owners of Securities of a Reporting Issuer » with « Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer ».

17. The Regulation is amended, in the English text and wherever they appear, by replacing the words « Regulation 52-107 » with « Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency ».

18. This Regulation comes into force on •, 2006.