

(c) performing a policy-making function in respect of the issuer;"

**2.** Section 2.1 of the Regulation is amended by replacing, in subparagraphs (d) and (f) of paragraph (2) of the English text, "Regulation 51-102" with "Regulation 51-102 respecting Continuous Disclosure Obligations";

**3.** Section 4.1 of the Regulation is amended by replacing "filed by an SEC issuer" with "of an SEC issuer that are filed with or delivered to a securities regulatory authority or regulator" in paragraph (1).

**4.** Section 4.2 of the Regulation is amended by replacing "filed by an SEC issuer" with "of an SEC issuer that are filed with or delivered to a securities regulatory authority or regulator".

**5.** Section 5.1 of the Regulation is amended by replacing "filed by a foreign issuer" with "of a foreign issuer that are filed with or delivered to a securities regulatory authority or regulator".

**6.** Section 5.2 of the Regulation is amended:

(1) by replacing "filed by a foreign issuer" with "of a foreign issuer that are filed with or delivered to a securities regulatory authority or regulator";

(2) by replacing paragraph (a) with the following:

"(a) U.S. GAAS, if the auditor's report

(i) contains an unqualified opinion;

(ii) identifies all financial periods presented for which the auditor has issued an auditor's report;

(iii) refers to the former auditor's reports on the comparative periods, if the issuer has changed its auditor and one or more of the comparative periods presented in the financial statements were audited by a different auditor; and

(iv) identifies the auditing standards used to conduct the audit and the accounting principles used to prepare the financial statements;"

**7.** Section 9.1 of the Regulation is amended by replacing paragraph (3) of with the following:

"(3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 Definitions,

adopted by the *Commission des valeurs mobilières du Québec* pursuant to decision No. 2001-C-0274 dated June 12, 2001, opposite the name of the local jurisdiction."

**8.** This Regulation comes into force on December 29, 2006.

### 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) and (34))

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

(1) by adding the following paragraph after paragraph (a) of the definition of "recognized exchange", and making the necessary changes:

"(a.1) in Québec, a person or company authorized by the securities regulatory authority to carry on business as an exchange; and";

(2) by repealing the definition of "board of directors";

(3) by adding "in a designated foreign jurisdiction" after "foreign disclosure requirements" in paragraph (b) of the definition of "designated foreign issuer";

(4) 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;";

(5) by repealing the definition of "SEDI issuer";

(6) by replacing the definition of "executive officer" with the following:

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

\* Regulation 71-102 respecting Continuous Disclosure and Other Exemptions Relating to Foreign Issuers, approved by Ministerial Order No. 2005-07 dated May 19, 2005 (2005, G.O. 2, 1591), has not been amended since its approval.

(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; or

(c) performing a policy-making function in respect of the issuer;";

(7) 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 adding the following paragraph 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";

(8) by deleting "or" at the end of the English text of paragraph (a) of the definition of "interim period";

(9) by replacing "Regulation 51-102" with "Regulation 51-102 respecting Continuous Disclosure Obligations" in the English text of the definition of "investment fund".

**2.** Section 4.2 of the Regulation is amended by replacing "is exempt from" with "satisfies".

**3.** Section 4.7 of the Regulation is amended, in the English text of paragraph (2), 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.** Section 5.8 of the Regulation is amended, in the English text of paragraph (2), 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.** Section 5.14 of the Regulation is amended, in the English text of paragraph (b), 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".