

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. (3), (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 replacing, in the French text of the definition of “designated foreign issuer”, the words “règles d’information étrangères” with the words “règles étrangères sur l’information à fournir” and the words “titres de participation” with the words “titres de capitaux propres”;

(2) by inserting the following after the definition of “executive officer”:

““financial statements” has the same meaning as in section 1.1 of Regulation 51-102 respecting Continuous Disclosure Obligations;”;

(3) in the definition of “transition year”, by adding “a” after “of”;

(4) by replacing the definition of “inter-dealer bond broker” with the following:

““inter-dealer bond broker” means a person that is approved by the Investment Industry Regulatory Organization of Canada under its Rule 36 Inter-Dealer Bond Brokerage Systems, as amended, and is subject to its Rule 36 and its Rule 2100 Inter-Dealer Bond Brokerage Systems, as amended;”;

(5) by replacing, in the French text of the definition of “principal trading market”, the words “titres de participation” with the words “titres de capitaux propres”;

(6) in the definition of “AIF”, by deleting “Form 10-KSB”;

(7) in the definition of “MD&A”, by deleting “or Item 303 of Regulation S-B”;

(8) by replacing the introductory paragraph of the French text of the definition of “foreign disclosure requirements” with the following:

“« règles étrangères sur l’information à fournir » : les règles auxquelles est soumis l’émetteur assujéti étranger concernant l’information à fournir au public, aux porteurs de l’émetteur ou à une autorité en valeurs mobilières étrangère et :”.

2. Subparagraph (i) of paragraph (b) of section 1.3 of the Regulation is amended by replacing the words “operating results are” with the words “financial performance is”.

3. Section 4.3 of the Regulation is replaced with the following:

“4.3 Financial Statements

An SEC foreign issuer satisfies securities legislation requirements relating to the preparation, approval, filing and delivery of annual financial statements and auditor's reports on annual financial statements if it

(a) complies with the requirements of U.S. federal securities law relating to financial statements and auditor's reports on annual financial statements;

(b) complies with the U.S. market requirements relating to annual financial statements, if securities of the issuer are listed or quoted on a U.S. market;

(c) files the financial statements and auditor's reports on annual financial statements filed with or furnished to the SEC or a U.S. market;

(d) complies with section 3.2 of this Regulation; and

(e) complies with Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards approved by Ministerial Order (*indicate the number and date of the Ministerial Order approving the Regulation*) as it relates to financial statements of the issuer that are included in any documents specified in paragraph (c).”.

4. Subparagraph (b) of paragraph (2) of section 4.7 of the Regulation is amended by deleting the words “, Form 10-KSB”.

5. Section 4.14 of the Regulation is replaced with the following:

“4.14 Business Combinations and Related Party Transactions

Securities legislation requirements relating to business combinations and related party transactions in Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions approved by Ministerial Order No. 2008-01 dated 22 January 2008 do not apply to an SEC foreign issuer carrying out a business combination or related party transaction if the total number of equity securities of the SEC foreign issuer owned, directly or indirectly, by residents of Canada, does not exceed 20 per cent, on a diluted basis, of the total number of equity securities of the SEC foreign issuer.”.

6. Section 5.4 of the Regulation is replaced with the following:

“5.4 Financial Statements

A designated foreign issuer satisfies securities legislation requirements relating to the preparation, approval, filing and delivery of financial statements and auditor's reports on annual financial statements if it

(a) complies with the foreign disclosure requirements relating to financial statements and auditor's reports on annual financial statements;

(b) files the financial statements and auditor's reports on annual financial statements required to be filed with or furnished to the foreign regulatory authority;

(c) complies with section 3.2 of this Regulation; and

(d) complies with Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards as it relates to financial statements of the issuer that are included in any documents specified in paragraph (b).”.

7. Section 5.15 is replaced with the following:

“5.15 Business Combinations and Related Party Transactions

Securities legislation requirements relating to business combinations and related party transactions in Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions do not apply to a designated foreign issuer carrying out a business combination or related party transaction.”.

8. The Regulation is amended by adding the following after section 6.1:

“6.2. Despite section 7.1, the amendments to this Regulation which came into force on January 1, 2011 only apply to periods relating to financial years beginning on or after January 1, 2011.”.

- 9.** The Regulation is amended by replacing, wherever they occur in the French text, the words “règles d’information étrangères” with the words “règles étrangères sur l’information à fournir”.
- 10.** The Regulation is amended by replacing, wherever they occur in the French text, the words “titres de participation” with the words “titres de capitaux propres”.
- 11.** The Regulation is amended by replacing, wherever they occur, the words “Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency” with the words “Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards”.
- 12.** The Regulation is amended by replacing, wherever they occur, the words “results of operations” with the words “financial performance”.
- 13.** The Regulation is amended by replacing, wherever they occur in the French text, the words “de vérificateur” with the words “d’auditeur”.
- 14.** This Regulation only applies to periods relating to financial years beginning on or after January 1, 2011.
- 15.** This Regulation comes into force on January 1, 2011.