

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), (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 the definition of the expression “financial statements” with the following:

““financial statements” includes interim financial reports;”;

(2) by inserting, after the definition of “interim period”, the following:

““major acquisition” has the same meaning as in section 1 of Regulation 51-103 respecting Ongoing Governance and Disclosure Requirements for Venture Issuers;”;

(3) by inserting, after the definition of “U.S. market requirements”, the following:

““venture issuer” has the same meaning as in section 1 of Regulation 51-103 respecting Ongoing Governance and Disclosure Requirements for Venture Issuers;

““venture issuer annual report” means a completed Form 51-103F1 of Regulation 51-103 respecting Ongoing Governance and Disclosure Requirements for Venture Issuers, prepared as an annual report;

““venture issuer interim report” means a completed Form 51-103F1 of Regulation 51-103 respecting Ongoing Governance and Disclosure Requirements for Venture Issuers, prepared as an interim report.”.

2. Section 1.3 of the Regulation is amended by replacing, in subparagraph (i) of paragraph (b), “statement and MD&A filings under this Regulation , on the first day of the most recent financial year or year-to-date interim period for which financial performance is presented in the financial statements or MD&A” with “statements and MD&A filings, or, for a venture issuer, the venture issuer annual report and venture issuer interim report under this Regulation, on the first day of the most recent financial year or year-to-date interim period for which financial performance is presented in the financial statements or MD&A, or for a venture issuer, the venture issuer annual report or venture issuer interim report”.

3. The Regulation is amended by inserting, after section 4.4, the following:

“4.4.1. Venture Issuer Annual Reports and Venture Issuer Interim Reports

An SEC foreign issuer that is a venture issuer satisfies securities legislation requirements relating to the preparation, approval, filing and delivery of venture issuer annual reports and venture issuer interim reports 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 requirements of U.S. federal securities law relating to annual reports, quarterly reports, current reports and management’s discussion and analysis;

(c) files the financial statements, auditor's report on annual financial statements, annual report, quarterly report, current report and management's discussion and analysis filed with or furnished to the SEC;

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

(e) complies with Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards (c. V-1.1, r. 25) as it relates to financial statements of the issuer that are included in any documents specified in paragraph (c).”

4. The Regulation is amended by inserting, after section 4.5, the following:

“4.5.1. Form 51-103F2

An SEC foreign issuer that is a venture issuer satisfies securities legislation requirements relating to the preparation and filing of a report in accordance with Form 51-103F1 of Regulation 51-103 respecting Ongoing Governance and Disclosure Requirements for Venture Issuers for a major acquisition if it complies with section 4.5 of this Regulation.”

5. The Regulation is amended by inserting, after section 5.5, the following:

“5.5.1. Venture Issuer Annual Reports and Venture Issuer Interim Reports

A designated foreign issuer that is a venture issuer satisfies securities legislation requirements relating to the preparation, approval, filing and delivery of venture issuer annual reports and venture issuer interim reports if it

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

(b) complies with the foreign disclosure requirements relating to annual reports, quarterly reports and management's discussion and analysis;

(c) files the financial statements, auditor's report on annual financial statements, annual report, quarterly report and management's discussion and analysis required to be filed with or furnished to the foreign regulatory authority;

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

(e) complies with Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards (c. V-1.1, r. 25) as it relates to financial statements of the issuer that are included in any documents specified in paragraph (c).”

6. The Regulation is amended by inserting, after section 5.6, the following:

“5.6.1. Form 51-103F2

A designated foreign issuer that is a venture issuer satisfies securities legislation requirements relating to the preparation and filing of a report Form 51-103F2 of Regulation 51-103 respecting Ongoing Governance and Disclosure Requirements for Venture Issuers for a major acquisition if it complies with section 5.6 of this Regulation.”

7. This Regulation comes into force on (*indicate the date of coming into force of this Regulation*).