

Draft Regulation

Securities Act

(chapter V-1.1, s. 331.1, pars. (1), (2), (3), (4.1), (5), (8), (11), (14), (18), (19), (20) and (34), and s. 331.2)

Regulation respecting real estate prospectus and registration exemptions

Notice is hereby given by the *Autorité des marchés financiers* (the "Authority") that, in accordance with section 331.2 of the *Securities Act*, chapter V-1.1, the following Regulation, the text of which is published hereunder, may be made by the Authority and subsequently submitted to the Minister of Finance for approval, with or without amendment, after 30 days have elapsed since its publication in the Bulletin of the Authority:

- *Regulation respecting real estate prospectus and registration exemptions*

The following Policy Statement is also published hereunder:

- *Policy Statement to the Regulation respecting real estate prospectus and registration exemptions.*

The Regulation seeks to prescribe and simplify the framework governing certain real estate distributions by proposing, with conditions, a prospectus exemption in respect of the sale of real estate investment contracts specified therein. A real estate offering document must therefore be delivered to the subscriber, and certain disclosures are required under the Regulation. As well, the Regulation proposes a prospectus and registration exemption in respect of the distribution of a security giving a right of exclusive use in an immovable. The related Policy Statement helps users understand how to interpret the Regulation and provides guidance on future applications of the Regulation, in particular factors that may trigger the registration requirement in respect of the sale of real estate investment contracts.

The Regulation is being published further to the growth in real estate projects launched in Québec, which has highlighted the need for a legal framework adapted to related distributions. Moreover, the recent amendments made to *Regulation 45-106 respecting Prospectus Exemptions*, chapter V-1.1, r. 21, related to certain prospectus exemptions in the exempt market, have restricted the scope of some exemptions that were previously available for such distributions.

Request for Comment

Comments regarding the above may be made in writing by **December 24, 2016**, to the following:

M^e Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers
800, square Victoria, 22^e étage
C.P. 246, tour de la Bourse
Montréal (Québec) H4Z 1G3
Fax: 514-864-6381
E-mail: consultation-en-cours@lautorite.qc.ca

Additional Information

Additional information is available from the following:

Tania Boulanger
Corporate Finance Analyst
Corporate Finance
Autorité des marchés financiers
Tel.: 514-395-0337, ext. 4383
Toll-free: 1-877-525-0337
Tania.Boulanger@lautorite.qc.ca

November 24, 2016