

Gouvernement du Québec

**O.C. 1247-2001, 17 October 2001**

Securities Act  
(R.S.Q., V-1.1)

**Securities**  
— **Amendments**

Regulation to amend the Regulation respecting securities

WHEREAS under subparagraph 4.1 of the first paragraph of section 331 of the Securities Act (R.S.Q., c. V-1.1), the Government may, by regulation, establish the form of insiders' reports, as well as the conditions and time limits for filing them;

WHEREAS the Government made, by Order in Council 660-83 dated 30 March 1983, the Regulation respecting securities;

WHEREAS under section 171 of that Regulation, the insider reports prescribed by sections 96 to 98, 102 and 103 of the Act must be drawn up in accordance with Form 1;

WHEREAS the Commission des valeurs mobilières du Québec and the other Canadian securities administrators have implemented National Instrument 55-102 - System for Electronic Disclosure by Insiders (SEDI), in particular to facilitate the filing and public disclosure of insider reports by electronic means;

WHEREAS the securities administrators of several provinces have amended their regulations in order to make the System for Electronic Disclosure by Insiders (SEDI) compulsory on their territory, as of 29 October 2001;

WHEREAS it is expedient to amend the Regulation respecting securities in order to require that the insider reports provided for in the Act be filed with the Commission des valeurs mobilières du Québec using the System for Electronic Disclosure by Insiders (SEDI) and to establish the applicable conditions;

WHEREAS under section 12 of the Regulations Act (R.S.Q., c. R-18.1), a regulation may be made without

having been published as required by section 8 of that Act if the authority making it is of the opinion that the urgency of the situation requires it;

WHEREAS under section 18 of that Act, a regulation may come into force between the date of its publication in the *Gazette officielle du Québec* and the date applicable under section 17 of that Act where the authority that has made it is of the opinion that the urgency of the situation requires it;

WHEREAS under sections 13 and 18 of that Act, the reason justifying the absence of prior publication and such coming into force shall be published with the regulation;

WHEREAS in the opinion of the Government, the urgency due to the following circumstances justifies the absence of prior publication and such coming into force:

— the amendments in the Regulation attached to this Order in Council are intended to render compulsory in Québec, as of 29 October 2001, the use of the System for Electronic Disclosure by Insiders (SEDI), which will come into force on that date in the other Canadian provinces;

— the filing by reporting issuers of insider reports with the Commission des valeurs mobilières du Québec using the System for Electronic Disclosure by Insiders (SEDI) will exempt them from filing the reports with the other Canadian securities administrators where they have outstanding securities and from filing them both on paper and by electronic means;

IT IS ORDERED, therefore, upon the recommendation of the Minister of Finance:

THAT the Regulation to amend the Regulation respecting securities, attached to this Order in Council, be made.

JEAN ST-GELAIS,  
*Clerk of the Conseil exécutif*

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## Regulation to amend the Regulation respecting securities\*

Securities Act  
(R.S.Q., c. V-1.1, s. 331, 1st par., subpar. 4.1)

1. The Regulation respecting securities is amended by inserting the following after the first paragraph of section 14.1:

“A person who files an insider report shall do so by means of electronic filing using the System for Electronic Disclosure by Insiders (SEDI) or by means of filing in paper form, in accordance with the provisions of Schedule XIX.”.

2. The following is inserted after section 14.2:

“14.3. Where an insider report is filed using the SEDI system, the link between the insider and the report is confirmed by the filing of an electronic attestation of the report.”.

3. “Schedule XIX” attached hereto is substituted for “Form 1” in section 171.

4. Form 1 is revoked.

5. This Regulation comes into force on 29 October 2001.

### SCHEDULE XIX

(s. 171)

#### INSIDER REPORTS

##### DIVISION I SCOPE

1. A reporting issuer, under the Securities Act (R.S.Q., c. V-1.1), that is required to file documents provided for in Schedule XVIII using the System for Electronic Document Analysis and Retrieval (SEDAR), as well as a foreign issuer that filed a notice of election with the Commission des valeurs mobilières du Québec to become an electronic filer using SEDAR, shall file the documents set forth in Division II in the System for Electronic Disclosure by Insiders (SEDI).

2. An insider of an issuer referred to in section 1 shall also file in SEDI the documents provided for in Division II.

3. An insider that is exempted from filing in SEDI the documents provided for in Division II shall file its report in paper format in accordance with Division V.

4. This Schedule does not apply to a mutual fund or to the insider of this mutual fund.

##### DIVISION II FILING IN THE SYSTEM FOR ELECTRONIC DISCLOSURE BY INSIDERS (SEDI)

###### §1. General provisions

5. A system filing by an issuer or insider is carried out using an access key made up of an alpha-numeric code assigned by the system operator.

6. The alpha-numeric code assigned by the system or system operator to an insider that files an insider profile or to an issuer that files an issuer profile supplement, is the access key of this system.

###### §2. Insider profile

7. As of November 13, 2001, an insider of an issuer referred to in section 1 shall file an insider profile or an amended insider profile before filing an insider report in respect of that issuer.

8. The insider profile or an amended insider profile shall include, among other things, the following mandatory information:

- (1) insider's name;
- (2) insider representative's name;
- (3) insider's residential address or the insider representative's business address and e-mail address;
- (4) telephone and fax numbers;
- (5) language of correspondence;
- (6) confidential question and answer for identification purposes;
- (7) issuer's name;
- (8) insider's relationship to the issuer;

\* The Regulation respecting securities, made by Order in Council 660-83 dated 30 March 1983 (1983, G.O. 2, 1269), was last amended by the Regulation made by Order in Council 871-2001 dated 4 July 2001 (2001, G.O. 2, 3887). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2000, updated to 1 November 2000.

(9) date on which the insider became an insider or the date on which the insider ceased to be an insider or the date of the previous paper filing.

9. An insider that filed an insider profile shall file an amended insider profile in the following circumstances:

(1) within ten days if there is a change in the insider's name or the insider's relationship to an issuer disclosed in the insider's most recently filed insider profile or if the insider ceased to be the insider of this issuer;

(2) when the insider files its next insider report or amended insider profile or if there is another change in the information disclosed in its most recently filed insider profile.

10. An insider required to file an insider profile shall only file one profile.

### §3. *Insider report*

11. As of November 13, 2001, an insider that is required to file the insider report of an issuer referred to in section 1 shall do so through a system user.

The user may be the insider if it registers as such before the expiry of the deadline set forth for filing its report.

12. The insider report or the amended insider report shall include, among other things, the following mandatory information:

- (1) issuer's name;
- (2) securities designation;
- (3) ownership type;
- (4) identity of securities holder;
- (5) opening balance of initial report in system;
- (6) date and nature of transaction;
- (7) number or value of the securities acquired or disposed of;
- (8) unit price or exercise price;
- (9) currency used;
- (10) closing balance of securities held;

(11) in the case of holdings or transactions involving derivatives, the designation, opening balance, number or equivalent number of securities, conversion or exercise unit price and the date of expiry or maturity.

### §4. *Issuer profile supplement*

13. An issuer referred to in section 1 shall file an issuer profile supplement within three business days after the date it became an issuer.

14. An issuer shall file an amended profile supplement immediately if one of the following events takes place:

(1) the issuer issues any security, class or series of securities that is not disclosed in its issuer profile supplement;

(2) there is any change in the designation of any security, class or series of securities of the issuer disclosed or required to be disclosed in its issuer profile supplement;

(3) any security, class or series of securities of the issuer disclosed or required to be disclosed in its issuer profile supplement has ceased to be outstanding and is not subject to issuance at a future date;

(4) there is any other change in the information disclosed or required to be disclosed in its issuer profile supplement.

15. The profile supplement shall include, among other things, the following mandatory information:

- (1) issuer's name;
- (2) name of the insider affairs contact, his or her business address, e-mail address, telephone and fax numbers and his or her confidential question and answer for identification purposes;
- (3) the designation of securities, any change in designation and any reference to the fact that a security, class or series of securities has ceased to be outstanding and is not subject to issuance at a future date.

### §5. *Issuer event*

16. As of November 13, 2001, an issuer referred to in section 1 shall file an issuer event report no later than one business day following the occurrence of the event. This report shall include, among other things, mandatory information regarding the event type, details about the event and the effective date of the event.

An issuer event report includes a stock dividend, a stock split, consolidation, amalgamation, reorganization, merger or other similar event that affects all holdings of a class or series of securities of an issuer.

#### **§6. User registration in the system**

17. Before filing, an individual who is a filer, filing agent or authorized representative of a filer or of a filing agent shall register as a user by completing a registration form and delivering it to the system operator.

18. The user registration form includes the following mandatory information:

- (1) user name and classification;
- (2) employer name and position held by the user with that employer;
- (3) address, telephone and fax numbers and e-mail address of the user;
- (4) confidential question and answer for identification purposes.

19. For verification purposes, a copy of the registration form in paper format bearing the manual signature of the user is sent to the system operator by mail, by personal delivery or by fax.

#### **DIVISION III SYSTEM FILING EXEMPTION**

20. In cases where unanticipated technical difficulties occur or where an issuer fails to file its profile supplement on a timely basis, thereby preventing the timely submission of an insider report in the system, the filer shall file it in paper format as soon as practicable and in any event no later than two business days after the date on which it was supposed to be filed.

21. An insider report that was filed in paper format shall include, among other things, the mandatory information referred to in section 12 and shall be produced on the form provided by the Commission. It must also bear the following legend in capital letters at the top of the front page:

“IN ACCORDANCE WITH SECTION 4.1 OF NATIONAL INSTRUMENT 55-102 SYSTEM FOR ELECTRONIC DISCLOSURE BY INSIDERS (SEDI), THIS INSIDER REPORT IS BEING FILED IN PAPER FORMAT UNDER A TEMPORARY HARDSHIP EXEMPTION”.

22. An insider report that was filed in paper format in accordance with this Division is considered to be filed within the timeframe prescribed by the Act.

23. A filer that makes a paper format filing in accordance with this Division, shall file the insider report in the system as soon as practicable after the unanticipated technical difficulties have been resolved or after the insider has become aware that the issuer has filed its issuer profile supplement.

#### **DIVISION IV PREPARATION AND TRANSMISSION OF FILINGS**

24. Filings shall be prepared and transmitted using the software application located at the SEDI Web site.

25. After an issuer profile supplement or an insider profile has been filed, all information filed shall be authenticated using the filer's access key.

#### **DIVISION V FILING OF REPORTS IN PAPER FORMAT**

26. An insider report that is not required to be filed in SEDI shall be filed with the Commission in paper format.

27. As of November 13, 2001, all insider reports filed in paper format shall include, among other things, the mandatory information referred to in section 12 and shall be produced on the form provided by the Commission, subject to an exemption set forth by the Act that permits the use of another form.

As of this date, an insider report or a report referred to in section 102 or 103 of the Act shall be prepared in accordance with this form, shall bear a manual signature and shall be sent to the Commission for filing by mail, by personal delivery or by fax.

#### **DIVISION VI TRANSITIONAL PROVISIONS**

28. An issuer that is an issuer referred to in section 1 on the date this Regulation comes into effect, shall file an issuer profile supplement in SEDI by November 5, 2001 at the latest.

29. As of November 13, 2001, an insider of an issuer referred to in section 1 that files an insider report, an amended insider report, an insider profile or an amended insider profile, shall use SEDI.