

— Regulation to repeal National instrument 32-101, Small securityholder selling and purchase arrangements published in the Supplement to the Bulletin concerning securities of the Autorité des marchés financiers, volume 1, No. 46 of December 17, 2004 and made on August 15, 2005, by the decision No. 2005-PDG-0255;

— Regulation to amend Regulation 45-101 respecting rights offerings published in the Supplement to the Bulletin concerning securities of the Autorité des marchés financiers, volume 1, No. 46 of December 17, 2005 and made on August 15, 2005, by the decision No. 2005-PDG-0256;

— Regulation to repeal National instrument 62-101, Control block distribution issues published in the Supplement to the Bulletin concerning securities of the Autorité des marchés financiers, volume 1, No. 46 of December 17, 2005 and made on August 15, 2005, by the decision No. 2005-PDG-0257;

— Regulation to amend Regulation 62-103 respecting the early warning system and related take-over bid and insider reporting issues published in the Supplement to the Bulletin concerning securities of the Autorité des marchés financiers, volume 1, No. 46 of December 17, 2005 and made on August 15, 2005, by the decision No. 2005-PDG-0258;

WHEREAS there is cause to approve those regulations without amendment;

CONSEQUENTLY, the Minister of Finance approves without amendment the following regulations appended hereto:

— Regulation to amend the Securities Regulation;

— Regulation to amend Policy statement Q-3, Options;

— Regulation to amend Regulation 13-101 respecting the system for electronic document analysis and retrieval (SEDAR);

— Regulation to amend Policy statement 14-501Q on Definitions;

— Regulation to repeal National instrument 32-101, Small securityholder selling and purchase arrangements;

— Regulation to amend Regulation 45-101 respecting rights offerings;

— Regulation to repeal National instrument 62-101, Control block distribution issues;

— Regulation to amend Regulation 62-103 respecting the early warning system and related take-over bid and insider reporting issues.

August 17, 2005

MICHEL AUDET  
*Minister of Finance*

## Regulation to amend the Securities Regulation\*

Securities Act

(R.S.Q., c. V-1.1, s. 331.1, subpars. 1 to 4, 6, 8, 9, 11, 14, 18.2, 19 and 20, and s. 334; 2004, c. 37)

**1.** The Securities Regulation is amended by inserting the following after section 3:

“**3.1.** For the purposes of paragraph 9 of the definition of “distribution” in section 5 of the Act, the determined portion that must be held by a person or group of persons is more than 20% of the voting securities and the determined portion that the person or group of persons must dispose of in accordance with the provisions determined by regulation is a single security.”.

**2.** Section 13 of the Regulation is amended by replacing the number “33” with the number “33.2”.

**3.** Sections 66 to 70.3 of the Regulation are repealed.

**4.** Section 94 of the Regulation is amended by deleting the words “or pursuant to the exemption provided by section 66”.

**5.** Sections 101, 102 and 104 to 114.4 of the Regulation are repealed.

**6.** The heading of Chapter I of Title III of the Regulation is replaced with the following:

\* The Securities Regulation, enacted pursuant to Order-in-Council No. 660-83 dated March 30, 1983 (1983, *G.O.* 2, 1269), was last amended by the regulations approved by Ministerial Orders No. 2005-04 dated May 19, 2005 (2005, *G.O.* 2, 1496) and No. 2005-17 dated August 2, 2005 (2005, *G.O.* 2, 3523). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2005, updated to March 1, 2005.

## “ISSUER DEEMED TO HAVE MADE A DISTRIBUTION OF SECURITIES TO THE PUBLIC

**115.0.1.** For the purposes of subparagraph 8 of the second paragraph of section 68 of the Act, an issuer may be designated by the Authority as deemed to have made a distribution of securities to the public where it has met any of the following criteria:

(1) The performance of the securities of a reporting issuer or of an issuer deemed to have made a distribution of securities to the public referred to in subparagraphs 1 to 7 of the second paragraph of section 68 of the Act arises from the performance of the securities of such person;

(2) This person’s financial information is necessary for a decision to invest in the issuer;

(3) Its outstanding securities are listed on a stock exchange or on a published market and are held by at least 50 beneficial holders residing in Québec who hold at least 2% of all these securities.

Notwithstanding the first paragraph, the Authority may, at its discretion, decide to designate any other issuer where, in its opinion, such designation is necessary in the interest of investors.

### CHAPTER I.1 PERIODICAL DISCLOSURE”.

**7.** The Regulation is amended by adding by adding the following after section 119:

“**119.01.** An issuer that has distributed securities under a prospectus exemption provided for under sections 47 or 48 of the Act as they read prior to their repeal is required to file with the Authority and send to every securityholder audited annual financial statements and unaudited semi-annual financial statements in the form and within the time limit determined by regulation.

The issuer must notify the Authority in writing of the sending of these financial statements and file, no later than one day following the date of sending, two copies of any document sent to the holders.”.

**8.** Sections 124 and 125 of the Regulation are repealed.

**9.** Section 140 of the Regulation is replaced with the following:

“**140.** An issuer of securities to which is attached a fiscal benefit is required to furnish holders the information that they will need to claim in their tax return this fiscal benefit.”.

**10.** The Regulation is amended by adding the following after section 194:

“**194.1.** Registration as a dealer is not required for the following:

(1) an issuer that limits its activities as a dealer to the distribution, under a prospectus exemption pursuant to section 41 of the Act, of securities of its own issue, provided that such distributions are only a secondary activity of the issuer;

(2) a bank or an authorized foreign bank listed in Schedule I, II or III to the Bank Act, the Caisse centrale Desjardins du Québec established under the Act respecting the Mouvement Desjardins (2000, c. 77), a financial services cooperative within the meaning of the Act respecting financial services cooperatives (R.S.Q., c. C-67.3) or a trust company licensed under the Act respecting trust companies and savings companies that limits its activities as a dealer to the distribution or sale of a promissory note payable in one year or less under the prospectus exemption referred to in paragraph 3 of section 41 of the Act.

**194.2.** Registration as an adviser is not required for a person that acts as an adviser only to accredited investors referred to in paragraph *a*, *b*, *c*, *d*, *f*, *g*, *i*, *p*, in subparagraph *i* of paragraph *q* or in paragraph *v* of the definition of “accredited investor” provided for in section 1.1 of Regulation 45-106 respecting Prospectus and Registration Exemptions approved by Ministerial Order No. 2005-20 dated August 12, 2005 and in respect of whom the exemption provided for in section 2.3 thereof applies.

The first paragraph does not apply to a person that carries on business in respect of a trust company or trust corporation registered or authorized to carry on business in a foreign jurisdiction referred to in paragraph *p* of the definition of “accredited investor” or in respect of a person registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a foreign jurisdiction referred to in subparagraph *i* of paragraph *q* of this definition.”.

**11.** Schedules VI, XVI and XVII to the Regulation are repealed.

**12.** This Regulation comes into force on September 14, 2005.