

REGULATION TO AMEND THE SECURITIES REGULATION¹

Securities Act

(R.S.Q. c. V-1.1, s. 331.1, pars. (1), (3), (8), (9), (11), (14), (19), (19.1), (20); 2007, c. 15)

1. Sections 115.01 and 115.1 to 119 of the Securities Regulation are repealed.
2. Section 119.01 of the Regulation is amended by replacing the first paragraph with the following:

"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 security holder audited annual financial statements no later than 120 days following the end of its financial year, and its interim financial statements for the period beginning on the first day of the financial year and ending 6 months before the end of that year no later than 60 days following the end of the interim period."

3. Section 119.4 of the Regulation is repealed.
4. Section 119.5 of the Regulation is replaced by the following:

"**119.5.** Where substantial deficiencies are found in a continuous disclosure document of a reporting issuer, the Authority may require that the information be corrected and that all continuous disclosure documents containing such information be restated, filed again and sent to security holders."

5. Sections 120.1 to 123.1 of the Regulation are repealed.
6. Section 138 of the Regulation is replaced by the following:

"**138.** In the case of an investment contract, the financial statements of the business are presented in the form of a statement of net revenue.

The statement of net revenue presents the net revenue of the business and the distribution of income between the holders of each class of units, the promoter and the officers of the business. The statement of net revenue also indicates the balance of the amounts to be reimbursed to all holders and for each unit issued.

The reporting issuer must file with the Authority and send its security holders:

(1) the audited annual statement of net revenue of the business no later than 120 days following the end of the financial year of the business.

(2) the interim statement of net revenue of the business for the period beginning on the first day of the financial year and ending six (6) months before the end of that year, no later than 60 days following the end of the interim period of the business."

7. Sections 141 to 157, 159, 161 and 169.1 of the Regulation are repealed.
8. Section 192.0.1 of the Regulation is amended by replacing the words "shares in unincorporated mutual funds or units in mutual funds" in paragraph (1) with the words "securities of mutual funds".

¹ 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 Regulation to amend the Regulation approved by Ministerial Order No. 2008-03 dated January 22, 2008 (2008, *G.O.* 2, 561). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec 2007, updated to September 1, 2007.

9. Section 237.3 of the Regulation is amended by replacing the words "an unincorporated or incorporated mutual fund" in paragraph (2) with the words "a mutual fund".

10. Section 296 of the Regulation is replaced by the following:

"296. In as much as its securities are not traded on a published market, a limited partnership or an unincorporated issuer that was a reporting issuer on June 1, 2005 is exempted from the obligations to file with the Authority and to send its security holders:

(1) the interim financial statements for a period beginning on the first day of its financial year and ending 3 and 9 months before the end of that year,

(2) the annual management's discussion and analysis and the interim management's discussion and analysis prescribed by regulation.

In the present section, the term "published market" means a market where securities whose quotations are published regularly in the press are traded."

11. This Regulation comes into force on June 1, 2008.