

SECURITIES REGULATION

Errata, 1985 G.O. 2, 1121

Securities Act

(chapter V-1.1, r. 50)

TITLE I

GENERAL PROVISIONS

1. (Repealed).

O.C. 660-83, s. 1; M.O. 2003-01, s. 1.

1.1. Commodities futures contracts, financial futures contracts, currencies futures contracts and stock indices futures contracts are forms of investment subject to Titles V to VII and IX to XI of the Act, mutatis mutandis. The Authority is empowered to decide on the changes to be made for the application of those provisions to futures contracts.

O.C. 1758-84, s. 1.

1.2. Persons already registered with the Authority do not have to register again to trade futures contracts on behalf of clients.

O.C. 1758-84, s. 1.

1.3. An intermediary who trades in a futures contract for the account of a client shall give him before the first trade, in lieu of the document prescribed by section 167 of the Act, the information document prescribed by regulation.

O.C. 1758-84, s. 1; M.O. 2003-01, s. 2.

1.4. Trades in a futures market may only be affected in contracts appearing on a schedule determined by the Authority. This schedule includes contracts approved by the Authority or, in the case of exchanges located in another Canadian province or in the United States, approved by the regulatory body designated by the Authority.

The Authority may strike a contract off the schedule.

O.C. 1758-84, s. 1.

1.5. The rule prescribed in section 1.4 does not apply to a hedger, that is, a person who usually carries on a professional activity which exposes him to a risk attendant upon

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fluctuations in price and who offsets that risk through trading on markets where trading of futures contracts is of a nature to protect him against that particular risk.

O.C. 1758-84, s. 1.

1.6. *A person who trades in futures contracts solely for the account of hedgers is exempted from registration as a dealer with the Authority to carry on business as an intermediary in the trading of futures contracts, under the following conditions:*

- (1) the person is one of the approved participants of the Montréal Exchange;*
- (2) the person is subject to the by-laws and rules of the Montréal Exchange concerning futures contracts;*
- (3) the person responsible for the trading of the contracts meets the qualification requirements of the Montréal Exchange.*

O.C. 1758-84, s. 1; O.C. 1622-90, s. 1; M.O. 2003-01, s. 3.

1.7. *A limited partnership's unit is a form of investment to which the Act applies, the same as the other forms of investment enumerated in section 1 of the Act.*

O.C. 1263-85, s. 1.

2. *(Repealed)*

O.C. 660-83, s. 2; Errata, 1985 G.O. 2, 1121; M.O. 2005-04, s. 1.

3. *For the purpose of the Act and the Regulation, any of the following securities is acceptable as "gilt- edged security":*

- (1) debt securities secured by one of the following:*
 - (a) a first mortgage or a lien on an immovable;*
 - (b) the pledge of equipment, in the case of a company which has regularly paid in full the interest on these securities during the last 5 years;*
 - (c) the pledge of gilt-edged securities or of securities mentioned in paragraph 1 of section 3 of the Act or in paragraphs 1 or 2 of section 41 of the Act;*
- (2) debt securities issued or guaranteed:*
 - (a) either by a company whose common, restricted or preferred shares are considered gilt-edged securities;*

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(b) or by a company which has realized, during the last 5 years, accumulated earnings representing at least 10 times the interest on all indebtedness of or guaranteed by the company, other than indebtedness classified as a current liability;

(3) preferred shares issued:

(a) either by a company which has paid, during the last 5 years, the specified dividend on all its preferred shares;

(b) or by a company whose common or restricted shares are considered gilt-edged securities;

(4) common or restricted shares listed on a stock exchange recognized by the Authority for the purpose of this section and issued by a company which, during its last 5 years, has paid or had earnings available to pay, after deducting preferred dividends, a dividend equal to not less than 4% of the average value of these shares as shown in the capital stock account.

In this section, the term "year" means a normal accounting period of 12 months, so that necessary adjustments must be made in the case of a company that has an accounting period longer or shorter than 12 months.

In the case of a company resulting from a merger or of a parent company which owns an interest of more than 50% in another company, the financial criteria must be applied on the basis of consolidated accounts.

O.C. 660-83, s. 3; O.C. 1263-85, s. 2

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.

M.O. 2005-22, s. 1.

4. (Repealed).

O.C. 660-83, s. 4; O.C. 1263-85, s. 3; O.C. 1622-90, s. 2; M.O. 2003-01, s. 4; M.O. 2005-04, s. 1.

5. The documents prescribed by regulation must present clearly the information, by gathering the elements under the appropriate headings and subheadings, and by using tables to simplify the presentation.

O.C. 660-83, s. 5; M.O. 2003-01, s. 5.

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6. *The Authority may designate the elements of the disclosure documents prescribed by regulation that must be omitted where it considers that the disclosure presented might mislead investors.*

O.C. 660-83, s. 6; M.O. 2003-01, s. 6.

7. *The Authority may require the presentation in the prospectus of information not prescribed by regulation where it considers that the type of investment proposed requires it.*

O.C. 660-83, s. 7; M.O. 2003-01, s. 7.

8. *(Repealed).*

O.C. 660-83, s. 8; M.O. 2003-01, s. 8.

9. *It is not necessary to refer to an Item in a document prescribed by regulation that does not apply, or to repeat information that is prescribed under more than one heading.*

O.C. 660-83, s. 9; M.O. 2003-01, s. 9.

10. *Where a regulation prescribes tables, the essential elements of the presentation must be complied with.*

O.C. 660-83, s. 10; Errata, 1985 G.O. 2, 1121; M.O. 2003-01, s. 10.

11. *The information prescribed by regulation may be presented in summary form, provided there is no misrepresentation.*

O.C. 660-83, s. 11 M.O. 2003-01, s. 11.

12. *(Repealed).*

O.C. 660-83 s. 12; M.O. 2003-01, s. 12; M.O. 2008-06, s. 1.

13. *(Repealed).*

O.C. 660-83, s. 13; O.C. 30-96, s. 1; M.O. 2003-01, s. 13; M.O. 2005-04, s. 2; M.O. 2005-22, s. 2; M.O. 2008-06, s. 1.

14. *(Repealed).*

O.C. 660-83, s. 14; M.O. 2008-06, s. 1.

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14.01. *(Repealed).*

O.C. 748-2005, s. 1.

14.1. *(Repealed).*

O.C. 1548-96, s. 1; O.C. 1247-2001, s. 1; M.O. 2003-01, s. 14.

14.2. *(Repealed).*

O.C. 1548-96, s. 1; M.O. 2003-01, s. 14.

14.3. *(Repealed).*

O.C. 1247-2001, s. 2; M.O. 2003-01, s. 14.

TITLE II DISTRIBUTION OF SECURITIES TO THE PUBLIC

CHAPTER I PROSPECTUS

DIVISION I GENERAL PROVISIONS

15. *(Repealed).*

O.C. 660-83, s. 15; Errata, 1985 G.O. 2, 1121; M.O. 2003-01, s. 15; M.O. 2008-06, s. 1.

16. *(Repealed).*

O.C. 660-83, s. 16; M.O. 2003-01, s. 16; M.O. 2008-06, s. 1.

17. *(Repealed).*

O.C. 660-83, s. 17; M.O. 2003-01, s. 17; M.O. 2008-06, s. 1.

18. *(Repealed).*

O.C. 660-83, s. 18; M.O. 2003-01, s. 18.

18.1. *(Repealed).*

O.C. 977-88, s. 1; M.O. 2008-06, s. 1.

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19. (Repealed).

O.C. 660-83, s. 19; O.C. 226-93, s. 19; M.O. 2008-06, s. 1.

20. Where a distribution is made by a person who is not registered as prescribed by section 148 of the Act, the Authority may refuse to issue a receipt for the prospectus until the person is registered as a dealer.

O.C. 660-83, s. 320.

21. (Repealed).

O.C. 660-83, s. 21; M.O. 2008-06, s. 1.

22. (Repealed).

O.C. 660-83, s. 22; O.C. 1263-85, s. 4; M.O. 2003-01, s. 19; M.O. 2008-06, s. 1.

23. (Repealed).

O.C. 660-83, s. 23; M.O. 2008-06, s. 1.

24. The Authority may refuse to issue a receipt for a prospectus filed by an issuer who intends to carry out the distribution himself in the following cases:

- (1) the issuer does not have its head office in Québec;
- (2) a remuneration is paid to officers, directors or employees as a result of the distribution.

O.C. 660-83, s. 24; M.O. 2008-06, s. 2.

25. In the case of a distribution made by the issuer himself, the receipting of the prospectus is subject to the following conditions:

- (1) the issuer files a preliminary prospectus with the Authority;
- (2) the issuer files, no later than at the time it files a preliminary prospectus, its request for registration as an issuer-distributor in accordance with section 192;
- (3) the issuer files, at the time of the filing of the final prospectus, a list of the subscribers solicited in accordance with subsection 3 of section 21 of the Act;
- (4) the issuer files, when the distribution has been completed, a list of the subscribers indicating the name and address of each subscriber and the number of securities subscribed;

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(5) *the officers and directors of the issuer and their associates may not subscribe to securities that form part of the distribution, except to the extent that a declaration of that fact is made in the prospectus.*

In the case set out in paragraph 2, the Authority grants a conditional registration as a security issuer. The issuer must obtain his registration prior to the issue of a receipt for the prospectus.

O.C. 660-83, s. 25; O.C. 697-87, s. 1; M.O. 2008-06, s. 3.

26. *(Repealed).*

O.C. 660-83, s. 26; M.O. 2008-06, s. 4.

27. *(Repealed).*

O.C. 660-83, s. 27; M.O. 2008-06, s. 4.

28. *The Authority may refuse to issue its receipt where the registrar and transfer agents are not acceptable to the Authority.*

In addition, the Authority may require that the issuer not replace such persons without its prior consent.

O.C. 660-83, s. 28; M.O. 2008-06, s. 5.

29. *(Repealed).*

O.C. 660-83, s. 29; Errata, 1985 G.O. 2, 1121; O.C. 1263-85, s. 5; O.C. 697-87, s. 2; O.C. 977-88, s. 2; M.O. 2003-01, s. 20; M.O. 2008-06, s. 6.

30. *(Repealed).*

O.C. 660-83, s. 30; M.O. 2003-01, s. 21.

30.1. *(Repealed).*

O.C. 1263-85, s. 6; O.C. 697-87, s. 3; M.O. 2003-01, s. 21.

30.2. *(Repealed).*

O.C. 697-87, s. 3; M.O. 2003-01, s. 22; M.O. 2008-06, s. 6.

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31. (Repealed).

O.C. 660-83, s. 31; O.C. 1263-85, s. 7; M.O. 2003-01, s. 23.

32. (Repealed).

O.C. 660-83, s. 32; Errata, 1985 G.O. 2, 1121; M.O. 2003-01, s. 23.

33. (Repealed).

O.C. 660-83, s. 33; M.O. 2003-01, s. 24; M.O. 2008-06, s. 6.

33.1. (Repealed).

M.O. 2005-17, s. 1; M.O. 2008-06, s. 6.

33.2. (Repealed).

M.O. 2005-17, s. 1; M.O. 2005-17, s. 1; M.O. 2008-06, s. 6.

34. (Repealed).

O.C. 660-83, s. 34; M.O. 2008-06, s. 6.

35. (Repealed).

O.C. 660-83, s. 35; M.O. 2008-06, s. 6.

36. (Repealed).

O.C. 660-83, s. 36; O.C. 1263-85, s. 8; M.O. 2008-06, s. 6.

37. (Repealed).

O.C. 660-83, s. 37; M.O. 2003-01, s. 25; M.O. 2008-06, s. 6.

37.1. (Repealed).

O.C. 1263-85, s. 9; M.O. 2008-06, s. 6.

37.2. *When a distribution is made pursuant to an exemption, any disclosure document delivered to subscribers, even if such document is not required by the Act or the Regulations, must be filed without delay with the Authority, unless it has previously been filed.*

O.C. 697-87, s. 4.

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DIVISION I.1

DISTRIBUTIONS AT FIXED PRICE SUBJECT TO VARIATION OR AT NON-FIXED PRICE

37.3. (Repealed).

O.C. 226-93, s. 2; M.O. 2003-01, s. 26.

37.4. (Repealed).

O.C. 226-93, s. 2; M.O. 2003-01, s. 26.

37.5. (Repealed).

O.C. 226-93, s. 2; M.O. 2003-01, s. 26.

37.6. (Repealed).

O.C. 226-93, s. 2; M.O. 2003-01, s. 26.

37.7. (Repealed).

O.C. 226-93, s. 2; M.O. 2003-01, s. 26.

DIVISION II

FINANCIAL STATEMENTS

38. (Repealed).

O.C. 660-83, s. 38; Errata, 1985 G.O. 2, 1121; M.O. 2003-01, s. 26.

39. (Repealed)

O.C. 660-83, s. 39; M.O. 2003-01, s. 26.

40. (Repealed).

O.C. 660-83, s. 40; O.C. 1263-85, s. 10; M.O. 2005-04, s. 4; M.O. 2008-06, s. 6.

41. (Repealed)

O.C. 660-83, s. 41; M.O. 2005-04, s. 5.

42. (Repealed).

O.C. 660-83, s. 42; O.C. 977-88, s. 3; M.O. 2003-01, s. 26.

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43. (Repealed).

O.C. 660-83, s. 43; M.O. 2003-01, s. 26.

44. (Repealed).

O.C. 660-83, s. 44; M.O. 2008-06, s. 6.

45. (Repealed).

O.C. 660-83, s. 45; O.C. 226-93, s. 3; M.O. 2003-01, s. 26.

46. (Repealed).

O.C. 660-83, s. 46; O.C. 226-93, s. 3; M.O. 2003-01, s. 26.

47. (Repealed).

O.C. 660-83, s. 47; O.C. 226-93, s. 3; M.O. 2003-01, s. 26.

48. (Repealed).

O.C. 660-83, s. 48; M.O. 2003-01, s. 26.

49. (Repealed).

O.C. 660-83, s. 49; M.O. 2003-01, s. 26.

50. (Repealed).

O.C. 660-83, s. 50; O.C. 1263-85, s. 11; O.C. 1622-90, s. 4; M.O. 2003-01, s. 27; M.O. 2007-09, s. 1.

51. (Repealed).

O.C. 660-83, s. 51; M.O. 2008-06, s. 6.

52. *The Authority may permit the presentation in the prospectus of unconsolidated financial statements as additional information.*

O.C. 660-83, s. 52.

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53. (Repealed).

O.C. 660-83, s. 53; Errata, 1985 G.O. 2, 1121; M.O. 2003-01, s. 28; M.O. 2008-06, s. 6.

54. (Repealed).

O.C. 660-83, s. 54; M.O. 2003-01, s. 29.

55. (Repealed).

O.C. 660-83, s. 55; M.O. 2003-01, s. 29.

56. (Repealed).

O.C. 660-83, s. 56; M.O. 2003-01, s. 29.

57. (Repealed).

O.C. 660-83, s. 57; M.O. 2003-01, s. 29.

DIVISION III THE SIMPLIFIED PROSPECTUS

58. (Repealed).

O.C. 660-83, s. 58; O.C. 1263-85, s. 12; O.C. 1622-90, s. 5; M.O. 2003-01, s. 29.

58.1. (Repealed).

O.C. 1622-90, s. 6; M.O. 2003-01, s. 29.

59. (Repealed).

O.C. 660-83, s. 59; O.C. 1622-90, s. 7; M.O. 2003-01, s. 29.

59.1. (Repealed).

O.C. 1263-85, s. 14; O.C. 1622-90, s. 8; M.O. 2003-01, s. 29.

60. (Repealed).

O.C. 660-83, s. 60; O.C. 1263-65, s. 15; M.O. 2003-01, s. 29; M.O. 2008-06, s. 6.

61. (Repealed).

O.C. 660-83, s. 61; M.O. 2003-01, s. 29.

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62. (Repealed).

O.C. 660-83, s. 62; M.O. 2003-01, s. 29.

**DIVISION III.1
(REPEALED)**

O.C. 1263-85, s. 16; M.O. 2003-01, s. 29.

62.1. (Repealed).

O.C. 1263-85, s. 16; O.C. 1622-90, s. 9; M.O. 2003-01, s. 29.

62.2. (Repealed).

O.C. 1263-85, s. 16; M.O. 2003-01, s. 29.

62.3. (Repealed).

O.C. 1263-85, s. 16; M.O. 2003-01, s. 29.

62.4. (Repealed).

O.C. 1263-85, s. 16; O.C. 226-93, s. 4.

62.5. (Repealed).

O.C. 1263-85, s. 16; M.O. 2003-01, s. 29.

62.6. (Repealed).

O.C. 1263-85, s. 16; M.O. 2003-01, s. 29.

62.7. (Repealed).

O.C. 1263-85, s. 16; O.C. 226-93, s. 4.

62.8. (Repealed).

O.C. 1263-85, s. 16; O.C. 226-93, s. 4.

62.9. (Repealed).

O.C. 1263-85, s. 16; M.O. 2003-01, s. 29.

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62.10. *(Repealed).*

O.C. 1263-85, s. 16; O.C. 226-93, s. 4.

DIVISION IV

SPECIAL PLANS

The simplified prospectus

63. *(Repealed).*

O.C. 660-83, s. 63; M.O. 2003-01, s. 30; M.O. 2008-06, s. 6.

64. *(Repealed).*

O.C. 660-83, s. 64; M.O. 2003-01, s. 31.

65. *(Repealed).*

O.C. 660-83, s. 65; O.C. 697-87, s. 5; M.O. 2003-01, s. 31.

65.1. *(Repealed).*

O.C. 697-87, s. 5; M.O. 2003-01, s. 31.

DIVISION V

SPECIAL PLANS

Exemption from prospectus

O.C. 1263-85, s. 17

66. *(Repealed).*

O.C. 660-83, s. 66; O.C. 1263-85, s. 17; M.O. 2005-22, s. 3.

67. *(Repealed).*

O.C. 660-83, s. 67; O.C. 1263-85, s. 17; M.O. 2005-22, s. 3.

68. *(Repealed).*

O.C. 660-83, s. 68; O.C. 1263-85, s. 17; M.O. 2005-22, s. 3.

69. *(Repealed).*

O.C. 660-83, s. 69; O.C. 1263-85, s. 17; O.C. 226-93, s. 5; M.O. 2005-22, s. 3.

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70. (Repealed).

O.C. 660-83, s. 70; O.C. 1263-85, s. 17; M.O. 2005-22, s. 3.

70.1. (Repealed).

O.C. 1263-85, s. 17; M.O. 2005-22, s. 3.

70.2. (Repealed).

O.C. 1263-85, s. 17; M.O. 2005-22, s. 3.

70.3. (Repealed).

O.C. 1263-85, s. 17; M.O. 2005-22, s. 3.

70.4. (Revoked).

O.C. 1263-85, s. 17; O.C. 30-96, s. 2.

70.5. (Revoked)

O.C. 1263-85, s. 17; O.C. 30-96, s. 2.

DIVISION VI

SPECIAL PLANS

Person issuing options and futures contracts

71. The Authority shall qualify persons as prescribed by section 67 of the Act on the following conditions:

(1) the person issuing securities referred to in that section must furnish the following information:

(a) its corporate name, the address of its head office, and the method and date of incorporation;

(b) a brief description of its activities;

(c) the names of the members of its board of directors and their main occupations;

(d) the audited financial statements for the last financial year;

(e) a description of the different types of contracts that it wants to issue or guarantee;

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(2) the qualification remains valid only inasmuch as the person issuing securities referred to in section 67 of the Act files with the Authority, within 150 days from the end of its financial year, the information required by subparagraphs a to d of paragraph 1;

(3) the qualification only covers the types of contracts mentioned in the request.

O.C. 660-83, s. 71; O.C. 1263-85, s. 18.

71.1. Before issuing a new type of contract, the qualified person must file with the Authority the information regarding the new contract; it can issue the new contract when the Authority agrees thereto or does not raise any objection within 10 days of receiving the information.

O.C. 1263-85, s. 18.

72. In the case of a recognized self-regulatory organization, subparagraphs a to d of paragraph 1 and paragraph 2 of section 71 do not apply.

O.C. 660-83, s. 72; O.C. 1263-85, s. 18.

73. (Revoked).

O.C. 660-83, s. 73; O.C. 1263-85, s. 18; O.C. 697-87, s. 7; O.C. 977-88, s. 4.

DIVISION VII

THE PRELIMINARY PROSPECTUS AND THE DRAFT PROSPECTUS

74. (Repealed).

O.C. 660-83, s. 74; M.O. 2003-01, s. 31.

75. (Repealed).

O.C. 660-83, s. 75; O.C. 1263-85, s. 19; M.O. 2003-01, s. 32; M.O. 2008-06, s. 6.

76. (Repealed).

O.C. 660-83, s. 76; M.O. 2008-06, s. 6.

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DIVISION VIII FORM OF THE PROSPECTUS

77. (Repealed).

O.C. 660-83, s. 77; M.O. 2008-06, s. 6.

78. (Repealed).

O.C. 660-83, s. 78; M.O. 2008-06, s. 6.

79. (Repealed).

O.C. 660-83, s. 79; M.O. 2008-06, s. 6.

80. (Repealed).

O.C. 660-83, s. 80; M.O. 2008-06, s. 6.

81. (Repealed).

O.C. 660-83, s. 81; M.O. 2003-01, s. 33; M.O. 2008-06, s. 6.

82. (Repealed).

O.C. 660-83, s. 82; M.O. 2008-06, s. 6.

83. (Repealed).

O.C. 660-83, s. 83; M.O. 2008-06, s. 6.

DIVISION IX DOCUMENTS TO BE FILED

84. If the Act or a regulation prescribes that an attestation or certificate be issued by a lawyer, it may also be issued by a notary.

O.C. 660-83, s. 84; O.C. 697-87, s. 8; M.O. 2003-01, s. 34.

85. (Repealed).

O.C. 660-83, s. 85; M.O. 2003-01, s. 35; M.O. 2008-06, s. 6.

86. (Repealed).

O.C. 660-83, s. 86; M.O. 2003-01, s. 36.

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87. (Repealed).

O.C. 660-83, s. 87; M.O. 2003-01, s. 36.

88. (Repealed).

O.C. 660-83, s. 88; M.O. 2003-01, s. 36.

89. (Repealed).

O.C. 660-83, s. 89; M.O. 2003-01, s. 36.

90. (Repealed).

O.C. 660-83, s. 90; M.O. 2003-01, s. 37; M.O. 2008-06, s. 6.

91. (Repealed).

O.C. 660-83, s. 91; M.O. 2003-01, s. 38.

92. (Repealed).

O.C. 660-83, s. 92; M.O. 2003-01, s. 38.

93. (Repealed).

O.C. 660-83, s. 93; M.O. 2003-01, s. 39; M.O. 2008-06, s. 6.

94. *Within 15 working days following the end of a distribution of securities by means of a prospectus, a report on the securities distributed to owners residing in Québec and to holders registered in the name of an intermediary acting as nominee for a person residing in Québec must be filed with the Authority.*

O.C. 660-83, s. 94; O.C. 697-87, s. 9; M.O. 2005-22, s. 4; M.O. 2008-06, s. 7.

95. *The report must indicate the number and value of the securities distributed in Québec by the underwriter or by each member of the selling group or purchase group.*

O.C. 660-83, s. 95; O.C. 1263-85, s. 20.

96. (Repealed).

O.C. 660-83, s. 96; M.O. 2008-06, s. 8.

97. *The investment fund manager or the dealer who has signed the certificate at the end of the prospectus, or the dealer who made the distribution, as the case may be, draws*

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up and files the report. In the case of a distribution made through a group of dealers, the lead underwriter draws up and files the report.

O.C. 660-83, s. 97; M.O. 2008-06, s. 9.

98. In the case of a continuous distribution, the report prescribed in section 94 must deal with the preceding financial year and is filed at the end of the twelfth month following the issuance of a receipt for the prospectus.

O.C. 660-83, s. 98.

98.1. In the case of a medium term notes program distribution, a report containing a summary of pricing supplements must be filed with the Authority at the end of each of two 12 month periods following the date of receipt of the preliminary shelf prospectus.

The report shall include the following information: the supplement number, the distribution date, the gross value and the interest rate of the notes.

O.C. 30-96, s. 4.

DIVISION X ADVERTISING DOCUMENTS

99. (Repealed).

O.C. 660-83, s. 99; Errata, 1985 G.O. 2, 1121; M.O. 2008-06, s. 10.

100. (Repealed).

O.C. 660-83, s. 100; M.O. 2008-06, s. 10.

CHAPTER II EXEMPTION FROM PROSPECTUS

101. (Repealed).

O.C. 660-83, s. 101; M.O. 2005-22, s. 5.

102. (Repealed).

O.C. 660-83, s. 102; M.O. 2005-22, s. 5.

103. (Repealed).

O.C. 660-83, s. 103; O.C. 1263-85, s. 21; O.C. 1622-90, s. 10; O.C. 748-2005, s. 2.

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104. (Repealed).

O.C. 660-83, s. 104; O.C. 1263-85, s. 21; O.C. 977-88, s. 5.

104.1. (Repealed).

O.C. 1263-85, s. 21; M.O. 2005-22, s. 5.

105. (Repealed).

O.C. 660-83, s. 105; Errata, 1985 G.O. 2, 1121; O.C. 1263-85, s. 22; O.C. 697-87, s. 10; M.O. 2005-22, s. 5.

105.1. (Repealed).

O.C. 1263-85, s. 23; M.O. 2005-22, s. 5.

106. (Repealed).

O.C. 660-83, s. 106; O.C. 1263-85, s. 24; O.C. 697-87, s. 11; O.C. 226-93, s. 6; M.O. 2003-01, s. 40; M.O. 2005-22, s. 5.

106.1. (Repealed).

O.C. 226-93, s. 7; M.O. 2003-01, s. 41.

107. (Repealed).

O.C. 660-83, s. 107; M.O. 2005-22, s. 5.

108. (Repealed).

O.C. 660-83, s. 108; O.C. 1263-85, s. 25; M.O. 2003-01, s. 42; M.O. 2005-22, s. 5.

109. (Repealed).

O.C. 660-83, s. 109; O.C. 1263-85, s. 26; O.C. 697-87, s. 12; M.O. 2003-01, s. 43; M.O. 2005-22, s. 5.

110. (Repealed).

O.C. 660-83, s. 110; M.O. 2005-22, s. 5.

111. (Repealed).

O.C. 660-83, s. 111; O.C. 1263-85, s. 27; M.O. 2005-22, s. 5.

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112. (Repealed).

O.C. 660-83, s. 112; M.O. 2005-22, s. 5.

113. (Repealed).

O.C. 660-83, s. 113; M.O. 2003-01, s. 44; M.O. 2005-22, s. 5.

114. (Repealed).

O.C. 660-83, s. 114; O.C. 1263-85, s. 28; D. 1622-90, s. 11; M.O. 2005-04, s. 6; M.O. 2005-22, s. 5.

114.1. (Repealed).

M.O. 2003-01, s. 45; M.O. 2005-22, s. 5.

114.2. (Repealed).

M.O. 2003-01, s. 45; M.O. 2005-22, s. 5.

114.3. (Repealed).

M.O. 2003-01, s. 45; M.O. 2005-22, s. 5.

114.4. (Repealed).

M.O. 2003-01, s. 45; M.O. 2005-22, s. 5.

115. *The following information is required for the purposes of applying the second paragraph of section 12 of the Act and is to be presented in the order hereinafter set forth:*

- (1) *the date planned for the beginning of the distribution;*
- (2) *a brief description of the securities to be distributed, in particular the voting rights, the dividend rights, the conversion rights and the conditions relative to redemption or to a sinking fund;*
- (3) *the number of securities to be distributed, the price and the total value;*
- (4) *a description of the method of distribution together with the name and address of the principal dealer making the distribution when that information is known;*
- (5) *the net proceeds that the issuer will receive, the principal uses of those proceeds and the sums allocated for each of those proceeds;*

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(6) *the name of any security holder selling securities, if any;*

(7) *the name of the competent authority entitled to issue a receipt or to grant an exemption, as the case may be;*

(8) *a copy of any information document that will be remitted to subscribers or that will be filed with the competent authority.*

O.C. 660-83, s. 115; O.C. 1263-85, s. 29; D. 1622-90, s. 12; O.C. 226-93, s. 8; M.O. 2003-01, s. 46.

TITLE III DISCLOSURE REQUIREMENTS

115.01. *(Repealed).*

M.O. 2005-04, s. 3; M.O. 2008-06, s. 11; M.O. 2008-08, s. 1.

115.02. *The Authority may require that an officer, a director, a promoter of an issuer or the promoter of a venture complete the Personal Information Form and Authorization of Indirect Collection, Use and Disclosure of Personal Information in Appendix A to Regulation 41-101 respecting General Prospectus Requirements approved by Ministerial Order No. 2008-05 dated 4 March 2008.*

M.O. 2008-06, s. 12.

CHAPTER I 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.*

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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.

M.O. 2005-22, s. 6

CHAPTER I.1 PERIODICAL DISCLOSURE”.

DIVISION I ANNUAL REPORT AND FINANCIAL STATEMENTS

115.1. (Repealed).

M.O. 2003-01, s. 47; M.O. 2008-08, s. 1.

116. (Repealed).

O.C. 660-83, s. 118; M.O. 2003-01, s. 48; M.O. 2008-08, s. 1.

117. (Repealed).

O.C. 660-83, s. 117; M.O. 2005-04, s. 7; M.O. 2008-08, s. 1.

118. (Repealed).

O.C. 660-83, s. 118; M.O. 2005-04, s. 7; M.O. 2008-08, s. 1.

118.1. (Repealed).

M.O. 2003-01, s. 49; M.O. 2008-08, s. 1.

119. (Repealed).

O.C. 660-83, s. 119; O.C. 1622-90, s. 13; M.O. 2005-04, s. 8; M.O. 2008-08, s. 1.

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 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.

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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, 2 copies of any document sent to the holders.

M.O. 2005-22, s. 7; M.O. 2008-08, s. 2.

119.1. *(Repealed).*

O.C. 1622-90, s. 13; M.O. 2005-04, s. 9.

119.2. *(Repealed).*

O.C. 1622-90, s. 13; M.O. 2005-04, s. 9.

119.3. *(Repealed)*

O.C. 1622-90, s. 13; O.C. 226-93, s. 9; M.O. 2005-04, s. 9.

119.4. *(Repealed).*

O.C. 1622-90, s. 13; M.O. 2005-04, s. 10; M.O. 2008-08, s. 3.

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.*

O.C. 1622-90, s. 13; M.O. 2005-04, s. 11; M.O. 2008-08, s. 4.

119.6. *(Repealed).*

O.C. 1622-90, s. 13; O.C. 2326-93, s. 10; M.O. 2005-04, s. 12.

120. *When the annual report contains a management report, it must state more particularly that*

(1) the financial statements contained in the annual report were prepared by management in accordance with generally accepted accounting principles;

(2) the financial information contained elsewhere in the annual report conforms to the financial statements, should such be the case;

(3) the auditor has the responsibility of auditing the financial statements and giving an opinion on them.

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The Management's report must accompany the financial statements but does not form part of them.

When the board of directors has formed an audit committee, the management report must mention the composition and functions of the committee and its responsibilities relating to the financial statements of the reporting issuer.

O.C. 660-83, s. 120; Errata, 1985 G.O. 2, 1121; O.C. 1263-85, s. 30.

DIVISION II QUARTERLY FINANCIAL STATEMENTS

120.1. (Repealed).

M.O. 2003-01, s. 50; M.O. 2008-08, s. 5.

121. (Repealed).

O.C. 660-83, s. 121; M.O. 2003-01, s. 51; M.O. 2008-08, s. 5.

122. (Repealed).

O.C. 660-83, s. 122; M.O. 2008-08, s. 5.

123. (Repealed).

O.C. 660-83, s. 123; M.O. 2008-08, s. 5.

123.1. (Repealed).

M.O. 2003-01, s. 52; M.O. 2008-08, s. 5.

DIVISION III FILING OF DOCUMENTS

124. (Repealed).

O.C. 660-83, s. 124; O.C. 226-93, s. 11; M.O. 2005-04, s. 13; M.O. 2005-22, s. 8.

125. (Repealed).

O.C. 660-83, s. 125; O.C. 226-93, s. 12; M.O. 2005-04, s. 14; M.O. 2005-22, s. 8.

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DIVISION IV SPECIAL PLANS

126. (Repealed).

O.C. 660-83, s. 126; M.O. 2003-01, s. 53; M.O. 2005-04, s. 15.

127. (Repealed).

O.C. 660-83, s. 127; M.O. 2005-04, s. 15.

128. (Repealed).

O.C. 660-83, s. 128; M.O. 2005-04, s. 15.

129. (Repealed).

O.C. 660-83, s. 129; O.C. 1263-85, s. 31; M.O. 2005-04, s. 15.

130. (Repealed).

O.C. 660-83, s. 130; Errata, 1985 G.O. 2, 1121; M.O. 2005-04, s. 15.

131. (Repealed).

O.C. 660-83, s. 131; O.C. 1263-85, s. 32; M.O. 2005-04, s. 15.

132. (Repealed).

O.C. 660-83, s. 132; M.O. 2005-04, s. 15.

133. (Repealed).

O.C. 660-83, s. 133; O.C. 1263-85, s. 33; O.C. 1622-90, s. 14; M.O. 2005-04, s. 15.

134. (Repealed).

O.C. 660-83, s. 134; L.Q. 1987, c. 95, s. 402; M.O. 2003-01, s. 54; M.O. 2005-04, s. 15.

135. (Repealed).

O.C. 660-83, s. 135; M.O. 2008-06, s. 13.

136. (Repealed).

O.C. 660-83, s. 136; M.O. 2005-04, s. 15.

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137. (Repealed).

O.C. 660-83, s. 137; O.C. 977-88, s. 6; O.C. 30-96, s. 3; M.O. 2005-04, s. 15.

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 6 months before the end of that year, no later than 60 days following the end of the interim period of the business.*

O.C. 660-83, s. 138; M.O. 2008-08, s. 6.

139. (Revoked).

O.C. 660-83, s. 139; O.C. 30-96, s. 5.

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.*

O.C. 660-83, s. 140; O.C. 1263-85, s. 34.1; O.C. 697-87, s. 13; M.O. 2005-22, s. 9.

CHAPTER II SOLICITATION OF PROXIES

DIVISION I PROXY FORM

141. (Repealed).

O.C. 660-83, s. 141; M.O. 2008-08, s. 7.

142. (Repealed).

O.C. 660-83, s. 142; M.O. 2008-08, s. 7.

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143. (Repealed).

O.C. 660-83, s. 143; M.O. 2008-08, s. 7.

144. (Repealed).

O.C. 660-83, s. 144; M.O. 2008-08, s. 7.

145. (Repealed).

O.C. 660-83, s. 145; M.O. 2008-08, s. 7.

146. (Repealed).

O.C. 660-83, s. 146; M.O. 2008-08, s. 7.

147. (Repealed).

O.C. 660-83, s. 147; M.O. 2008-08, s. 7.

148. (Repealed).

O.C. 660-83, s. 140; M.O. 2008-08, s. 7.

149. (Repealed).

O.C. 660-83, s. 149; M.O. 2008-08, s. 7.

DIVISION II THE CIRCULAR

150. (Repealed).

O.C. 660-83, s. 150; M.O. 2008-08, s. 7.

151. (Repealed).

O.C. 660-83, s. 151; M.O. 2008-06, s. 14; M.O. 2008-08, s. 7.

152. (Repealed).

O.C. 660-83, s. 152; M.O. 2008-08, s. 7.

153. (Repealed).

O.C. 660-83, s. 140; M.O. 2008-08, s. 7.

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154. *(Repealed).*

O.C. 660-83, s. 154; M.O. 2008-08, s. 7.

155. *(Repealed).*

O.C. 660-83, s. 155; M.O. 2008-06, s. 15; M.O. 2008-08, s. 7.

156. *(Repealed).*

O.C. 660-83, s. 156; M.O. 2005-04, s. 15.

157. *(Repealed).*

O.C. 660-83, s. 157; O.C. 1263-85, s. 35; M.O. 2005-04, s. 15; M.O. 2008-08, s. 7.

158. *(Repealed).*

O.C. 660-83, s. 158; M.O. 2005-04, s. 15.

CHAPTER III PERMANENT INFORMATION RECORD

159. *(Repealed).*

O.C. 660-83, s. 159; O.C. 1263-85, s. 36; O.C. 1622-90, s. 15; M.O. 2003-01, s. 55;
M.O. 2008-08, s. 7.

160. *(Repealed).*

O.C. 660-83, s. 160; O.C. 1263-85, s. 37; O.C. 1622-90, s. 15; M.O. 2008-06, s. 16.

161. *(Repealed).*

O.C. 660-83, s. 161; O.C. 1263-85, s. 37.1; O.C. 1622-90, s. 15; M.O. 2008-08, s. 7.

162. *In the case of egregious deficiencies in the annual information form, the Authority may require that the information be restated.*

O.C. 660-83, s. 162; O.C. 1263-85, s. 38; O.C. 1622-90, s. 15.

163. *(Repealed).*

O.C. 660-83, s. 163; O.C. 1622-90, s. 15; O.C. 226-93, s. 13; M.O. 2005-04, s. 15.

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163.1. (Repealed).

O.C. 1622-90, s. 15; O.C. 226-93, s. 14; M.O. 2005-04, s. 15.

164. (Repealed).

O.C. 660-83, s. 164; O.C. 1622-90, s. 15; M.O. 2003-01, s. 56.

165. (Repealed).

O.C. 660-83, s. 165; O.C. 1622-90, s. 15; M.O. 2003-01, s. 56.

166. (Repealed).

O.C. 660-83, s. 166; O.C. 1263-85, s. 39; O.C. 697-87, s. 14; O.C. 1622-90, s. 15; M.O. 2003-01, s. 56.

167. (Repealed).

O.C. 660-83, s. 167; O.C. 1263-85, s. 40; O.C. 1622-90, s. 15; M.O. 2003-01, s. 56.

168. (Repealed).

O.C. 660-83, s. 168; O.C. 1263-85, s. 41; O.C. 1622-90, s. 15; M.O. 2003-01, s. 56.

169. (Repealed).

O.C. 660-83, s. 169; O.C. 1622-90, s. 15; M.O. 2003-01, s. 56.

169.1. (Repealed).

O.C. 1622-90, s. 15; M.O. 2008-08, s. 7.

169.2. (Repealed).

O.C. 226-93, s. 15; M.O. 2005-04, s. 15.

170. (Repealed).

O.C. 660-83, s. 170; O.C. 1263-85, s. 42; O.C. 1622-90, s. 15; M.O. 2003-01, s. 57; M.O. 2005-04, s. 16; M.O. 2008-06, s. 16.

170.1. (Repealed).

O.C. 1263-85, s. 43; O.C. 1622-90, s. 15; M.O. 2003-01, s. 58.

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CHAPTER IV INSIDER REPORTS

171. *In accordance with section 96 of the Act, a person who becomes an insider shall disclose to the Authority his control over the securities of the issuer within 10 days thereafter.*

O.C. 660-83, s. 140; O.C. 697-87, s. 15; O.C. 1247-2001, s. 3; M.O. 2003-01, s. 59.

171.1. *In accordance with section 98 of the Act, an officer or a director deemed to be an insider shall file the required report within the first 10 days of the month following the start of the presumption.*

M.O. 2003-01, s. 59; M.O. 2008-06, s. 17.

172. *The report prescribed by section 102 of the Act must be filed not later than the tenth day following the date of the registration of the securities in the name of a third party.*

O.C. 660-83, s. 172.

173. *Where a person declares, in accordance with sections 96 to 100 of the Act, that he exercises control; or that there is a change in his control over the securities owned by a company controlled by it or an affiliate, such declaration replaces the one that the company would have been required to make.*

O.C. 660-83, s. 173.

174. *The insider of a reporting issuer must report, within 10 days of the event, any change in his holding.*

O.C. 660-83, s. 174; O.C. 977-88, s. 7.

174.1. *(Repealed).*

O.C. 977-88, s. 8; O.C. 1622-90, s. 16; M.O. 2003-01, s. 60.

175. *(Repealed).*

O.C. 660-83, s. 175; O.C. 1263-85, s. 44; O.C. 977-88, s. 9; O.C. 1622-90, s. 17; M.O. 2003-01, s. 60.

TITLE IV TAKE-OVER BIDS AND ISSUER BIDS

176. *(Repealed).*

O.C. 660-83, s. 176; O.C. 697-87, s. 16; M.O. 2008-03, s. 1.

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176.1. (Repealed).

M.O. 2003-01, s. 61; M.O. 2008-03, s. 1.

176.2. (Repealed).

M.O. 2003-01, s. 61; M.O. 2008-03, s. 1.

176.3. (Repealed).

M.O. 2003-01, s. 61; M.O. 2008-03, s. 1.

176.4. (Repealed).

M.O. 2003-01, s. 61; M.O. 2008-03, s. 1.

176.5. (Repealed).

M.O. 2003-01, s. 61; M.O. 2008-03, s. 1.

176.6. (Repealed).

M.O. 2003-01, s. 61; M.O. 2008-03, s. 1.

177. (Repealed).

O.C. 660-83, s. 177; M.O. 2008-03, s. 1.

177.1. (Repealed).

M.O. 2003-01, s. 62; M.O. 2008-03, s. 1.

177.2. (Repealed).

M.O. 2003-01, s. 62; M.O. 2008-03, s. 1.

177.3. (Repealed).

M.O. 2003-01, s. 62; M.O. 2008-03, s. 1.

178. (Repealed).

O.C. 660-83, s. 178; M.O. 2008-03, s. 1.

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179. (Repealed).

O.C. 660-83, s. 179; M.O. 2008-03, s. 1.

180. (Repealed).

O.C. 660-83, s. 180; O.C. 1263-85, s. 45; O.C. 697-87, s. 17; M.O. 2008-03, s. 1.

181. (Repealed).

O.C. 660-83, s. 181; O.C. 697-87, s. 18; O.C. 1622-90, s. 18; M.O. 2008-03, s. 1.

182. (Repealed).

O.C. 660-83, s. 182; Errata, 1985 G.O. 2, 1121; O.C. 697-87, s. 18; M.O. 2008-03, s. 1.

183. (Repealed).

O.C. 660-83, s. 183; O.C. 1263-85, s. 47; O.C. 697-87, s. 18; O.C. 977-88, s. 10; O.C. 1622-90, s. 19; M.O. 2003-01, s. 63.

184. (Repealed).

O.C. 660-83, s. 184; M.O. 2003-01, s. 63.

185. (Repealed).

O.C. 660-83, s. 185; M.O. 2003-01, s. 63.

186. (Repealed).

O.C. 660-83, s. 186; M.O. 2003-01, s. 63.

186.1. (Repealed).

O.C. 697-87, s. 19; M.O. 2008-03, s. 1.

187. (Repealed).

O.C. 660-83, s. 187; O.C. 1263-85, s. 47; O.C. 697-87, s. 20; O.C. 1622-90, s. 20; O.C. 226-93, s. 16; M.O. 2003-01, s. 64; M.O. 2008-03, s. 1.

188. (Repealed).

O.C. 660-83, s. 188; O.C. 1263-85, s. 48; O.C. 697-87, s. 20; O.C. 30-96, s. 6.

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189. (Repealed).

O.C. 660-83, s. 189; O.C. 697-87, s. 20; O.C. 977-88, s. 11; M.O. 2003-01, s. 65; M.O. 2008-03, s. 1.

189.1. (Repealed).

O.C. 697-87, s. 20; M.O. 2008-03, s. 1.

189.1.1. (Repealed).

O.C. 1346-93, s. 1; M.O. 2008-03, s. 1.

189.1.2. An offeror making a take-over bid or an issuer bid must file with the Authority the take-over or issuer bid circular prescribed in section 2.10 of Regulation 62-104 respecting Take-Over Bids and Issuer Bids approved by Ministerial Order no. 2008-02 dated January 22, 2008 that is required at the time of filing the bid, and this take-over or issuer bid circular is deemed to be the report prescribed in section 271.4.

A person who makes an issuer bid in reliance on a normal course issuer bid exemption must file with the Authority the news release prescribed in section 4.8 of Regulation 62-104 respecting Take-Over Bids and Issuer Bids, and this news release is deemed to be the report prescribed in section 271.4.

O.C. 1346-93, s. 1; M.O. 2008-03, s. 2.

189.1.3. (Repealed).

O.C. 1346-93, s. 1; M.O. 2008-03, s. 3.

189.2. (Repealed).

O.C. 697-87, s. 20; M.O. 2008-03, s. 3.

189.3. (Repealed).

O.C. 697-87, s. 20; M.O. 2008-03, s. 3.

189.4. (Repealed).

O.C. 697-87, s. 20; M.O. 2008-03, s. 3.

189.5. (Repealed).

O.C. 697-87, s. 20; O.C. 1622-90, s. 21; M.O. 2003-01, s. 66.

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189.6. *(Repealed).*

O.C. 697-87, s. 20; O.C. 1622-90, s. 22; M.O. 2003-01, s. 67; M.O. 2008-03, s. 3.

189.7. *(Repealed).*

O.C. 697-87, s. 20; O.C. 1622-90, s. 23; M.O. 2008-03, s. 3.

189.8. *(Repealed).*

O.C. 697-87, s. 20; O.C. 977-88, s. 12; O.C. 1622-90, s. 24; M.O. 2008-03, s. 3.

189.9. *(Repealed).*

O.C. 977-88, s. 13; O.C. 1622-90, s. 25; M.O. 2003-01, s. 68; M.O. 2008-03, s. 3.

189.10. *(Repealed).*

M.O. 2003-01, s. 68; M.O. 2008-03, s. 3.

189.11. *(Repealed).*

M.O. 2003-01, s. 68; M.O. 2008-03, s. 3.

189.12. *(Repealed).*

M.O. 2003-01, s. 68; M.O. 2008-03, s. 3.

189.13. *(Repealed).*

M.O. 2003-01, s. 68; M.O. 2008-03, s. 3.

189.14. *(Repealed).*

M.O. 2003-01, s. 68; M.O. 2008-03, s. 3.

189.15. *(Repealed).*

M.O. 2003-01, s. 68; M.O. 2008-03, s. 3.

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TITLE V SECURITIES DEALERS AND ADVISERS

CHAPTER I REGISTRATION CATEGORIES

190. *Persons required to register as securities dealers or advisers apply to be registered in one of the categories prescribed by the following sections.*

O.C. 660-83, s. 190.

191. *A person who intends to practise as a dealer must apply for registration for unrestricted practice, unless he intends to limit his activity to forms of investment or types of transactions calling for registration for restricted practice.*

O.C. 660-83, s. 191.

191.1. *The introducing broker who solicits orders from his clients in order to have those orders executed on a stock exchange or on the over-the-counter market by a carrying broker shall apply for registration as a dealer with an unrestricted practice.*

O.C. 30-96, s. 8.

191.2. *A person who intends to limit his activity as a dealer to that which is permitted at an International Financial Centre as prescribed by the Regulation respecting the Taxation Act (R.R.Q., 1981, c. I-3, r. 1) shall apply for registration as a dealer with an unrestricted practice.*

O.C. 30-96, s. 8.

191.3. *Any person who intends to act as an intermediary in the trading of securities without giving advice on the purchase or sale of securities shall apply for registration as a discount broker.*

O.C. 627-2000, s. 1.

192. *The categories of registration as a dealer with a restricted practice are the following:*

- (1) *(paragraph repealed);*
- (2) *(paragraph repealed);*
- (3) *(paragraph repealed);*
- (4) *(paragraph repealed);*

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(5) *(paragraph repealed);*

(6) *security issuer, for the issuer which intends to limit its activity to the distribution, without a prospectus exemption, of a security issued by it;*

(7) *independent trader, for the member of a recognized stock exchange or the holder of a restricted trading licence issued by such an exchange and who carries out transactions on his own behalf or on behalf of a dealer;*

(7.1) *dealer distributing Québec business investment company (QBIC) shares, for persons who intend to limit their activity to distributing QBIC shares;*

(7.2) *debt security dealer, for persons who intend to limit their activity to the distribution or sale of the securities described in paragraphs 1 and 2 of section 41 of the Act;*

(8) *any other category designated by the Authority.*

The dealer with a restricted practice, except for the ones in the categories provided for in subparagraphs 6 and 7, must always present himself using the specific designation of the category to which he belongs, in particular in printed documents and in advertising.

O.C. 660-83, s. 192; O.C. 697-87, s. 21; O.C. 977-88, s. 14; O.C. 1622-90, s. 26; O.C. 30-66, s. 9; O.C. 627-2000, s. 2.

192.0.1. *Only representatives of registered unrestricted practice dealers or registered discount brokers may register under the following categories:*

(1) *group savings representatives, for representatives who intend to distribute securities of mutual funds.*

(2) *investment contract representatives, for representatives who intend to distribute investment contracts;*

(3) *scholarship plan representatives, for representatives who intend to distribute units in scholarship plans.*

O.C. 627-2000, s. 3; M.O. 2008-08, s. 8.

192.1. *A person, who intends to carry out transactions on options on commodities or currencies exclusively for the account of hedgers, is exempted from registration as a dealer if it fulfills the following conditions:*

(1) *he is a member or an associate member of the Montréal Exchange;*

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(2) *he is subject to the regulations and the rules of operation of the Montréal Exchange with respect to those options;*

(3) *the person responsible for the trading of those options must meet the professional training required by the Montréal Exchange.*

“Hedger” means: a person who normally carries on a professional activity which exposes him to a price risk and who offsets that risk through transactions on markets where are traded options or commodities suited to protect him against that risk.

O.C. 1263-85, s. 49.

193. *A person who intends to act as a securities adviser must apply for an unrestricted registration, unless he intends not to offer any portfolio management services, in which case he must apply for a restricted registration.*

O.C. 660-83, s. 193; O.C. 1622-90, s. 27.

193.1. *A person who intends to limit his activity as adviser to that which is permitted at an International Financial Centre as prescribed by the Regulation respecting the Taxation Act (R.R.Q., 198 1, c. I-3, r. 1) must apply for registration as an unrestricted practice adviser.*

O.C. 30-66, s. 10.

194. *A dealer with an unrestricted practice who intends to offer portfolio management services is exempted from registration as a securities adviser if it fulfills the following conditions:*

(1) *the natural persons who perform the management are registered as dealer's representatives;*

(2) *it draws up suitable operating rules to protect its clients' interests;*

(3) *it respects the rules prescribed in section 190 of the Act and paragraphs 2, 3 and 4 of section 224 and sections 240 and 249 of this Regulation;*

(4) *it advises the Authority before it starts offering portfolio management services.*

O.C. 660-83, s. 194; O.C. 697-87, s. 22; O.C. 1622-90, s. 28.

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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.*

M.O. 2005-22, s. 10.

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.

M.O. 2005-22, s. 10.

CHAPTER II REGISTRATION PROCEDURES

195. *An applicant for registration as a securities dealer or adviser must submit his application on Form 2.*

Except in the case of an security issuer, an application for registration must be accompanied by financial statements and an auditor's report.

O.C. 660-83, s. 195; O.C. 697-87, s. 23.

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196. *An applicant for registration as a securities dealer or adviser must produce proof of insurance or bonding providing the coverage required in section 213, at the time of his application.*

The Authority may grant an exemption, on the conditions that it determines, to certain dealers with restricted practice.

O.C. 660-83, s. 196.

197. *(Repealed).*

O.C. 660-83, s. 197; M.O. 2008-06, s. 18.

197.1. *Representatives who act as discount brokers, group savings representatives, investment contract representatives or scholarship plan representatives shall always describe themselves as representatives and indicate the category to which they belong.*

O.C. 30-66, s. 11; O.C. 627-2000, s. 4.

198. *An applicant for registration as a securities dealer or advisor must include with his application for registration the fees prescribed by Chapter II of Title VI.*

O.C. 660-83, s. 198.

CHAPTER III EFFECTS OF REGISTRATION

199. *Registration is valid until it is cancelled. It requires the annual payment of fees prescribed by Chapter II of Title VI.*

O.C. 660-83, s. 199.

200. *The rights conferred by the registration are automatically suspended, unless the Authority decides otherwise, if the fees prescribed by section 271.5 have not been paid on the 30th day from the date they became due. At least 10 days before the end of that delay, the Authority sends the registered person in default a notice reminding that person of its obligation to pay the fees and of the consequences of a non-payment.*

The suspension is lifted when the fees are paid to the Authority.

O.C. 660-83, s. 200; O.C. 1622-90, s. 29; O.C. 226-93, s. 17; O.C. 30-96, s. 12.

201. *The rights conferred on an security issuer by registration are suspended when the distribution is interrupted or terminated.*

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The suspension is lifted when the security issuer resumes the distribution or commences the distribution of another security.

O.C. 660-83, s. 201; O.C. 697-87, s. 24; O.C. 30-96, s. 13.

201.1. *The Authority may automatically cancel a registration of a dealer or an adviser when the period of suspension exceeds one year.*

O.C. 30-96, s. 14.

202. *The representative of a securities dealer or adviser must cease his activity in the following cases:*

(1) *he ceases to represent the securities dealer or adviser that he said he represented at the time of registration;*

(2) *the securities dealer or adviser that he represents has had his registration suspended or cancelled.*

He may resume his activity when another dealer or adviser informs the Authority that it has engaged him as a representative or when the suspension against the dealer or adviser has been lifted.

However, the representative of a dealer with a restricted practice who moves to a dealer with an unrestricted practice, to a discount broker or to a dealer with a restricted practice of another category may resume his activity only with a decision from the Authority, once it has verified if the representative has an adequate professional training.

The third paragraph also applies to the representative of a discount broker who moves to an unrestricted practice dealer or to a restricted practice dealer.

The Authority may however automatically cancel the registration of the representative when he has ceased his activity for more than 6 months.

O.C. 660-83 s. 140; O.C. 977-88, s. 15; O.C. 627-2000, s. 5.

CHAPTER IV CONDITIONS TO BE MET

203. *A securities dealer or adviser must have a principal establishment in Québec, under the direction of a person who is an officer residing in Québec. The securities dealer or adviser must keep at this establishment clear identification and a separate telephone line.*

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The Authority may, however, exempt a securities adviser from those requirements on terms set by it.

O.C. 660-83, s. 203; M.O. 2003-01, s. 69.

204. *An applicant who applies for registration as a representative of a dealer or an adviser must be at least 18 years old and must be resident in Québec.*

O.C. 660-83, s. 204.

205. *An applicant for registration as a representative of a dealer or an adviser must have successfully completed the courses that would in the opinion of the Authority give him an adequate professional training.*

In addition, a person who wishes to carry out the duties of an officer must possess the knowledge and experience which, in the opinion of the Authority, would adequately prepare him for his duties.

O.C. 660-83, s. 205; O.C. 30-96, s. 15; M.O. 2003-01, s. 70; M.O. 2008-06, s. 19.

206. *A natural person who applies for registration as a securities dealer or adviser must possess the experience and knowledge required of an officer.*

This rule does not apply to an independent trader.

O.C. 660-83, s. 206; O.C. 1263-85, s. 50; M.O. 2008-06, s. 19.

207. *A dealer with an unrestricted practice or a discount broker must possess a minimum capital of \$250 000.*

An introducing broker must possess a minimum capital of \$75 000.

A dealer with an unrestricted practice or a discount broker must possess a risk adjusted capital, which is not less than zero, calculated according to the method prescribed by The Montreal Exchange. The deductible under the insurance policy or the bonding prescribed by section 213 must be included.

O.C. 660-83, s. 207; O.C. 1263-85, s. 51; O.C. 1622-90, s. 30; O.C. 30-96, s. 16.

208. *A dealer with a restricted practice, with the exception of a security issuer or an independent trader must possess a net free capital at least equal to the sum of 50 000 \$ and the amount deductible under the insurance policy or the bonding prescribed by section 213.*

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The method of calculating the net free capital is prescribed by regulation.

O.C. 660-83, s. 208; O.C. 977-88, s. 16; O.C. 1622-90, s. 31; O.C. 30-96, s. 17; O.C. 627-2000, s. 6; M.O. 2003-01, s. 71.

209. *A securities adviser with an unrestricted practice must possess a working capital at least equal to the sum of 25 000 \$ and the amount deductible under the insurance policy or the bonding prescribed by section 213.*

A securities adviser with a restricted practice must possess a working capital of at least 5 000 \$.

O.C. 660-83, s. 209; O.C. 1622-90, s. 32.

210. *The Authority may increase or reduce the amount of net free or working capital in cases where it considers that the nature of the activity carried on requires greater liquidity or that the protection of the investors is adequately provided for.*

O.C. 660-83, s. 210; M.O. 2003-01, s. 72.

211. *A securities dealer or an adviser must inform the Authority immediately when it does not have the net free or working capital required by sections 207 to 209.*

O.C. 660-83, s. 211.

212. *A dealer or an adviser may, with the authorization of the Authority, borrow funds that will be included in its risk adjusted capital, its net free capital or its working capital, provided that their repayment is subordinated to the repayment of other creditors, and fills in the form prescribed by regulation.*

O.C. 660-83, s. 212; O.C. 30-66, s. 18; M.O. 2003-01, s. 73.

213. *A dealer in any category or an adviser with an unrestricted practice must subscribe for insurance or bonding giving it a coverage considered adequate by the Authority. The insurance coverage and bonding must meet the requirements prescribed by the rules of a self-regulatory organization of which it is a member.*

Unless there is a decision by the Authority to the contrary, the minimum coverage is:

(1) 500 000 \$ for each category of risks covered by the financial institution bond for a dealer with an unrestricted practice or for a discount broker;

(2) 200 000 \$ for each category of risks covered by the financial institution bond for an introducing broker;

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(3) 100 000 \$, plus 50 000 \$ for each employee, for a debt security dealer or a dealer distributing QBIC shares;

(4) 10 000 \$ for the securities adviser.

O.C. 660-83, s. 213; O.C. 697-87, s. 25; O.C. 1622-90, s. 33; O.C. 627-2000, s. 7; M.O. 2003-01, s. 74.

214. A dealer in any category or an adviser with an unrestricted practice must inform the Authority of any change or any call on the insurance or bonding required according to section 213.

O.C. 660-83, s. 214.

215. A dealer with an unrestricted practice or a discount broker must be a member of a self-regulatory organization and must participate in a contingency fund deemed acceptable by the Authority.

A dealer which is not a member of a self-regulatory organization must participate in a contingency fund approved by the Authority; the latter may determine the amount of the dealer's contribution.

O.C. 660-83, s. 215; O.C. 1622-90, s. 34; M.O. 2003-01, s. 75.

216. A dealer who keeps, on behalf of a customer, fully paid securities not assigned as security must separate them from other securities. On statements of account and in its registers, it must indicate clearly that such securities are on deposit.

A dealer is not required to use a separate certificate in the customer's name.

O.C. 660-83, s. 216.

217. A dealer may use free credit balances on the following conditions:

(1) the statement of account sent to the customer must indicate that the funds are being used to finance the dealer's working capital and are payable on demand;

(2) it pays a reasonable interest;

(3) it may keep such funds only temporarily, with a view to investing them in securities.

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However, the Authority may, on the conditions it may determine, authorize a departure from the rule prescribed by paragraph 3, in the case of a dealer which offers an account allowing the issuance of cheques and credit card transactions.

O.C. 660-83, s. 217; O.C. 1263-85, s. 52.

218. An adviser with an unrestricted practice must keep in a trust account, separate from his assets, sums received as subscriptions or advance payments, until the time to use them in accordance with their intended purpose.

O.C. 660-83, s. 218.

218.1. The adviser who receives a remuneration or subscription fees for services not yet rendered must keep in a trust account sums received in advance until the services have been rendered, unless the remuneration or subscription fees received in advance cover a period not exceeding three months.

O.C. 977-88, s. 17.

219. A dealer is required to make an inventory of the securities kept on behalf of its customers, or to obtain a confirmation in the case of securities kept by a co-contractant or deposited in a current account with a clearing agency, and to reconcile the results with the entries in its books and registers:

- (1) semi-annually in the case of securities referred to in section 216;
- (2) monthly in the case of the other securities.

O.C. 660-83, s. 219.

219.1. A dealer distributing QBIC shares may not underwrite the distribution of those securities and the dealer shall immediately deposit any funds received into a trust account controlled by the issuer's trustee.

O.C. 627-2000, s. 8.

CHAPTER V ACCOUNTING DOCUMENTS

220. A dealer or adviser must keep the accounting books and registers necessary for its activities and must retain them for a period of at least 5 years, except for the opening of account form which must be retained for a period of at least 5 years from the closing of the account.

Such books and registers may be kept by means of data processing or mechanical systems, on condition that:

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(1) adequate precautions are taken to minimize the risks of falsification of the data;

(2) it is possible to furnish the information, within a reasonable time and in a precise and comprehensible form, to any person authorized by law to audit it.

O.C. 660-83, s. 220; O.C. 1263-85, s. 53; O.C. 30-96, s. 19.

221. The accounting books and registers that a dealer or adviser must keep in Québec must be kept in the principal establishment that it is required to keep in Québec.

O.C. 660-83, s. 221; O.C. 1263-85, s. 54.

222. The accounting books and registers that a dealer with its head office in Québec must keep include:

(1) a register for primary registration in which are entered in chronological order purchases and sales of securities allocated according to the markets on which the transactions were effected, securities received and delivered, cash receipts and disbursements;

(2) a customers' ledger in which, for each separate account, are entered the buy and sell transactions, the securities received and delivered, and all the other transactions entered as debits or credits in the account;

(3) the books in which are entered;

(a) the securities being transferred;

(b) dividends and interest received;

(c) securities borrowed or loaned;

(d) sums borrowed or loaned, with identification of the security attached;

(e) securities not received or not delivered by settlement date;

(f) long and short positions for each security, both in customers' accounts and in those of the registered person, with identification of the account and the place in which the securities are kept or the position taken in compensation for the securities sold short;

(4) a register of buy and sell orders and the related instructions, in which are entered:

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- (a) *the description of the order;*
- (b) *the account to which it refers;*
- (c) *the name of the person who placed the order, where it is not the same as that in paragraph b;*
- (d) *the date and the time of the order;*
- (e) *where applicable, the fact that the order was placed under a management contract;*
- (f) *the price at which the order was executed;*
- (g) *the date;*
- (5) *a register containing the copies of the confirmation slips and the statements sent to customers;*
- (6) *a file for each customer containing:*
 - (a) *the name and address of the account holder and, where applicable, of his guarantor;*
 - (b) *any proxy by which the account holder grants to another person power to place orders for him, with the address of that person;*
 - (c) *in the case of a joint account or an account opened in the name of a company, the name and address of the person authorized to place orders, with the document granting him such power;*
 - (d) *where appropriate, a contract for a margin account, signed by the holder of the account, and, where applicable, by his guarantor;*
 - (e) *the opening account form and its updates;*
 - (f) *the document required at the time of the opening of an account by a dealer authorized to act as a financial planner;*
 - (g) *the form "Declaration of Funds" used for important cash transactions;*
- (7) *a register in which are entered the options bought, sold or underwritten by the dealer, with the value and number of the securities to which those options refer;*
- (8) *books and registers showing in detail all the assets and liabilities, proceeds and expenses as well as capital;*

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(9) a monthly trial balance and a monthly computation of the risk adjusted capital or net free capital;

(10) a register in which are entered details of the daily commissions of the representatives;

(11) a register of commission sharing where the following information is recorded with respect to each share: the identity of those sharing the commission with their address and industry segment, the object and date of the transaction, the identity of the persons who are parties thereto, the percentage of the commission or its amount and the way it is allocated between those sharing it.

O.C. 660-83, s. 222; O.C. 30-66, s. 20.

223. The books and registers, concerning transactions executed in Québec or for residents of Québec, that a dealer whose head office is not in Québec must keep include:

(1) copies of the primary registration registers in which are entered in chronological order the purchases and sales of securities allocated according to the markets on which the transactions were effected;

(2) copies of the customers' statements in which are entered for each separate account buy and sell transactions, securities received and delivered and any other transactions charged as debits or credits to the account;

(3) the registers prescribed by paragraphs 4, 5, 6 and 10 of section 222.

O.C. 660-83, s. 223.

224. The books and registers that an adviser with an unrestricted practice must keep include:

(1) a journal in which are entered in chronological order receipts and disbursements, and any other book for primary entry of transactions transferred to another book;

(2) a ledger of accounts managed under a management contract;

(3) a file for each customer containing:

(a) the opening account form;

(b) management contracts made with its customers;

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(c) the document required at the time of the opening of an account by a dealer authorized to act as a financial planner.

(d) the form "Declaration of Funds" used for important cash transactions;

(e) options or futures trading agreement.

(4) a register in which are entered, for each customer, the buy and sell transactions, with the date of the transaction, the number of securities bought or sold and the price;

(5) a register in which is entered, for each security, the number of securities belonging to each customer;

(6) books and registers showing in detail all the assets and liabilities, proceeds and expenses as well as capital;

(7) a monthly trial balance and a monthly computation of working capital.

O.C. 660-83, s. 224; O.C. 30-96, s. 21.

224.1. The dealer or the adviser keeps a complaints register which includes the following information:

(1) the date of the complaint;

(2) the plaintiff's name;

(3) the name of the person who is the object of the complaint;

(4) the security or services which are the object of the complaint;

(5) the date and conclusions of the decision rendered in connection with the complaint.

O.C. 30-96, s. 22.

224.2. The dealer or the adviser shall establish in writing rules of internal control allowing the officer in charge of the principal place of business in Québec to:

(1) oversee the opening and management of clients' accounts;

(2) supervise representatives and office staff;

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(3) ensure compliance with the Act, a regulation and the rules of the self-regulatory organization of which it is a member.

O.C. 30-96, s. 22; M.O. 2003-01, s. 76; M.O. 2008-06, s. 20.

224.3. The introducing broker with a head office in Québec is exempted from the obligations under paragraphs 1, 2, 3, 5 and 7 of section 222, which are incumbent upon the carrying broker.

O.C. 30-96, s. 22.

224.4. The introducing broker with a head office outside Québec is exempted from the obligations under paragraph 5 of section 222 and paragraphs 1 and 2 of section 223, which are incumbent upon the carrying broker.

O.C. 30-96, s. 22.

CHAPTER VI NOTICES TO THE COMMISSION

225. A dealer or an adviser must inform the Authority within ten days of:

- (1) a change of address of any of its establishments;
- (2) the end of the term of office of a director;
- (3) the termination of employment of a representative and the reason therefor;
- (4) the termination of duties of an officer;
- (5) change in the ending date of a financial year.

O.C. 660-83, s. 225; O.C. 1263-85, s. 55; O.C. 30-96, s. 23; M.O. 2008-06, s. 21.

226. In addition, a dealer must inform the Authority within 10 days of:

- (1) the opening or closing of an establishment located in Québec;
- (2) the appointment of a representative to be in charge of an establishment.

O.C. 660-83, s. 226.

227. A representative or an officer must inform the Authority within 10 days of:

- (1) any change of address;

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- (2) *the termination of his employment;*
- (3) *a petition in bankruptcy or a declaration in bankruptcy;*
- (4) *an assignment of its property;*
- (5) *an indictment regarding a criminal or an infraction to a fiscal law, and the judgement rendered with regards to that indictment or the guilty plea in response to that indictment;*
- (6) *one or many civil proceedings instituted against him for an aggregate amount greater than 50 000 \$;*
- (7) *disciplinary measures instituted against him or a penalty imposed by a self-regulatory organization or a securities regulatory authority.*

O.C. 660-83, s. 227; O.C. 1622-90, s. 35; O.C. 30-96, s. 24, M.O. 2003-01, s. 77.

228. *A dealer or adviser must give notice to the Authority of the following changes which are subject to its approval as prescribed by the second paragraph of section 159 of the Act:*

- (1) *the appointment of an officer;*
- (2.1) *the appointment of a new officer responsible for the principal establishment in Québec, as required by section 203;*
- (2) *the appointment of a director;*
- (3) *a change affecting the volume or the conditions of the subordinated loans described in section 212;*
- (4) *the taking or strengthening of a material position;*
- (5) *the end of office of an officer in charge of the principal office in Québec;*
- (6) *the carrying on of another function.*

A major position is defined as holding by one person of more than 10 % of the voting rights attached to the securities issued by the dealer or the person controlling it. In calculating the percentage of voting rights held by a person, the voting rights controlled by that person and his joint actors must be added to those that belong to that person and his joint actors, in particular due to the fact that they can exercise the voting rights attached to these securities.

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Are deemed to be joint actors of a person, the affiliates and the associates of that person.

O.C. 660-83, s. 228; O.C. 1263-85, s. 56; O.C. 697-87, s. 26; O.C. 226-93, s. 19; M.O. 2008-06, s. 22.

228.1. *In the case of the appointment as director or as officer of a person who is not yet approved as an officer or a director, the notice prescribed by section 228 is given by submitting the form provided for in Schedule 33-109F4 of Regulation 33-109 respecting Registration Information approved by Ministerial Order No. 2007-05 dated July 11, 2007.*

In the case of a person already approved as a director who is appointed officer or in the case of an officer or a director already approved who is appointed officer or director of a dealer of a different category, Form 3 is substituted by a notice.

Notwithstanding section 228, the other appointments need not be approved by the Authority; only a notice is sent to the Authority within 10 days of the appointment.

O.C. 1263-85, s. 56; M.O. 2008-06, s. 23.

229. *Paragraph 3 of section 228 does not apply to members of a self-regulatory organization recognized by the Authority.*

O.C. 660-83, s. 229; O.C. 697-87, s. 27.

230. *Security issuers are exempted from the application of paragraphs 1 and 2 of section 225, and of sections 226 and 228.*

O.C. 660-83, s. 230; O.C. 697-87, s. 28.

CHAPTER VII

OPENING OF ACCOUNTS AND OBLIGATIONS TOWARD CUSTOMERS

230.1. *In this Chapter:*

“connected issuer”: a connected issuer within the meaning of Regulation 33-105 respecting Underwriting Conflicts approved by Ministerial Order 2005-14 dated 2 August 2005 ;

“related issuer”: a related issuer within the meaning of Regulation 33-105 respecting Underwriting Conflicts;

“networking arrangement” means, an arrangement between a dealer or an adviser and a financial institution (whether or not registered) under which the dealer or the adviser:

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(1) offers to the public a combination of securities and goods or services, a portion of which consists of securities, goods or services issued or provided by the financial institution,

(2) cooperates with the financial institution in the joint offering to the public of securities and goods or services, in particular by paying the financial institution or its employees a commission for referring to the dealer a client to whom the dealer sells securities or services,

but does not include transactions in securities of the financial institution if they are made on the same basis as other transactions in securities of other issuers.

O.C. 977-88, s. 18; M.O. 2005-17, s. 2.

230.2. (Repealed).

O.C. 977-88, s. 18; M.O. 2005-17, s. 3.

230.3. For the purposes of the definitions of “connected issuer” and “related issuer”, an issuer is not a connected or a related issuer of a dealer only by reason of the fact that the dealer, acting as an underwriter, owns securities of the issuer in the course of a distribution and in the ordinary course of business of the dealer.

O.C. 977-88, s. 18.

230.4. (Repealed)

O.C. 977-88, s. 18; M.O. 2005-17, s. 3.

230.5. The Authority may designate a person as a related issue of a dealer or an adviser where it deems it appropriate because of the business relations between the person and the dealer or adviser or any related issuer of the dealer or adviser.

Before rendering a decision, the Authority must give the dealer or adviser and the person an opportunity to be heard.

O.C. 977-88, s. 18.

231. A dealer in any category or an adviser with an unrestricted practice must entrust to an officer who is a resident of Québec responsibility for the opening of accounts.

However, the Authority may, on the conditions it determines, authorize the person in charge of an establishment to authorize the opening of accounts.

O.C. 660-83, s. 231; O.C. 697-87, s. 29; M.O. 2008-06, s. 24.

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232. *When an account is opened, a dealer in any category or an adviser with an unrestricted practice must complete a form containing the information prescribed by regulation of the Authority.*

Where it applies, he must attach to the form the proxy by which the account holder authorizes a third party to place orders on his behalf.

O.C. 660-83, s. 232; O.C. 30-96, s. 25; M.O. 2003-01, s. 78.

233. *Any transaction effected under a management contract must be approved in advance by an officer of the dealer or the adviser.*

O.C. 660-83, s. 233; O.C. 1263-85, s. 57; M.O. 2008-06, s. 24.

234. *An adviser may not have securities or cash belonging to his customers in his possession or safekeeping, subject to section 218.*

O.C. 660-83, s. 234; O.C. 1263-85, s. 58.

234.1. *(Repealed).*

O.C. 977-88, s. 19; M.O. 2003-01, s. 79.

234.2. *The dealer or adviser shall file with the Authority a statement of policies that contains:*

(1) *a complete statement of the policies regarding the activities in which the dealer or adviser is prepared to engage as dealer or adviser in respect of its own securities and those of related issuers and, in the course of a distribution, of securities of connected issuers;*

(2) *a list of the related issuers that are reporting issuers or that have distributed securities outside Québec on a basis that would have made them reporting issuers in Québec;*

(3) *a concise statement of the relationship between the dealer or adviser and each of the related issuers referred to in paragraph 2;*

(4) *the following note, or an expanded version of it, in a conspicuous position and in bold face type of a size at least equivalent to that of the text:*

“The securities legislation of certain jurisdictions in Canada requires securities dealers and advisers, when they trade in or advise with respect to their own securities or securities of certain other issuers to which they, or certain other parties related to them, are related or connected, to do so only in accordance with particular disclosure or other rules. In certain provinces or territories, these rules require dealers

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and advisers to inform their clients of the relevant relationship and connections with the issuer of the securities prior to trading with them. Clients should refer to the applicable provisions of these securities legislations for the particulars of these rules and their rights or consult with a legal adviser.”

O.C. 977-88, s. 19.

234.3. *The dealer or adviser who acts as principal, solicits a client in order to make a transaction or makes a recommendation shall provide to a client, free of charge, a copy of its statement of policies before the settlement of a transaction, unless he has already been provided with a copy. The dealer or adviser shall also provide a copy to a client requesting it.*

O.C. 977-88, s. 19.

234.4. *In the event of a material change in the information contained in the statement of principles, the dealer or adviser shall:*

(1) *file with the Authority a revised version or an amendment to the statement of policies;*

(2) *provide to each of its clients who have received the initial statement a copy of the revised version or of the amendment as soon as a transaction is made for a client or advice is given, but without exceeding a delay of 45 days from the filing with the Authority.*

However, it is not required to provide a copy of the revised version or of the amendment to a client whose account has been inactive for 2 years. A copy will however have to be provided to him as soon as he makes a transaction.

O.C. 977-88, s. 19.

235. *In his relations with his customers and in the execution of the mandate received from them, a registered person is required to use the care that one might expect of an informed professional placed in the same circumstances. Particularly, the registered person must see that orders are executed at the best price available on canadian exchanges, unless he is instructed otherwise.*

O.C. 660-83, s. 235; O.C. 1263-85, s. 59.

236. *A registered person acting under a management contract must avoid any transactions on behalf of a customer where his own interest might distort his judgment.*

More particularly, he must refrain from subscribing or buying, on behalf of a client securities he or an affiliate owns, securities he or an affiliate is underwriting or securities issued by a company having as officer or director, an officer, a director or a representative

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of the dealer or adviser, unless he obtains the consent of the client after having informed him of that fact.

For the application of the present rule, the portfolios managed by persons which are affiliates of the registered person are considered as portfolios managed by the registered person.

O.C. 660-83, s. 238; O.C. 1263-85, s. 60; M.O. 2008-06, s. 25.

236.1. *(Repealed).*

O.C. 1263-85, s. 61; O.C. 977-88, s. 20; M.O. 2005-17, s. 3.

236.2. *(Repealed).*

O.C. 1263-85, s. 61; O.C. 697-87, s. 30; O.C. 977-88, s. 20; M.O. 2005-17, s. 3.

236.3. *A dealer or adviser that proposes to enter a networking arrangement shall advise the Authority, at least 30 days before entering the arrangement, and give with the notice all the necessary information to determine:*

- (1) if the proposed arrangement makes use of methods for selling securities, goods or services, that are prejudicial to the public interest;*
- (2) if it is likely to give rise to conflicts of interests;*
- (3) if it is likely to hinder him complying with the conditions of registration applicable to him.*

The arrangement may be signed after approval by the Authority or, if the Authority does not raise any objection, after the expiry of the 30 days delay.

O.C. 1263-85, s. 61; O.C. 977-88, s. 20.

236.4. *Any portfolio management agreement entered into between a client and a dealer or adviser with an unrestricted practice:*

- (1) shall contain a clause stipulating that the client retains the right to cancel the agreement at any time;*
- (2) shall indicate the name of the custodian responsible for the safekeeping of securities and cash belonging to the client and, in the case of a third party, the address.*

O.C. 30-96, s. 26

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237. A registered person who makes a written recommendation to his customer to buy shares must explain to him the voting rights or the absence of such rights attached to the securities offered or proposed.

This prohibition does not apply, to recommendations made by a firm underwriter or a principal best effort underwriter when the provisions of sections 236.1 or 236.2 are otherwise respected.

O.C. 660-83, s. 237; O.C. 30-96, s. 27.

237.1. A dealer or adviser shall not in any medium of communication recommend the purchase, the sale or the holding of its own securities, securities of a related issuer or, in the course of a distribution securities of a connected issuer. He shall not cooperate with another person in the making of such a recommendation.

This prohibition does not apply to recommendations made in a circular, pamphlet or similar publication that is published or distributed by the registrant with regularity in the ordinary course of its business, provided that the publication includes in a conspicuous position, in type of a size at least equivalent to that of the rest of the text, a complete statement of the relationship or connection between the dealer or adviser and the issuer.

This prohibition does not apply, to recommendations made by a firm underwriter or a principal best effort underwriter when the provisions of Regulation 33-105 respecting Underwriting Conflicts are otherwise respected.

O.C. 977-88, s. 21; O.C. 226-93, s. 20; O.C. 30-96, s. 27; M.O. 2005-17, s. 4.

237.2. The dealer or adviser shall not publish or send an advertisement, notice or other similar publication in respect of securities of a related issuer or, in the course of a distribution, in respect of securities of a connected issuer, unless the publication states, in a conspicuous position, in bold face, at least 12 points type and, as the case may be, of such larger type as is required to ensure its prominence in such publication, that the issuer is a related or connected issuer of the dealer or adviser.

O.C. 977-88 s. 21.

237.3. Sections 234.2, 234.3, 237.1 and 237.2 do not apply:

- (1) to transactions or advices with respect to securities referred to in section 41 of the Act;
- (2) to the distribution of the securities of a mutual fund;

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(3) to a debt security dealer, a dealer distributing QBIC shares or to a security issuer.

O.C. 977-88, s. 21; O.C. 627-2000, s. 9; M.O. 2005-17, s. 5; M.O. 2008-08, s. 9.

238. (Repealed).

O.C. 660-83, s. 238; M.O. 2003-01, s. 79.

239. A dealer must send, upon request by a customer, the annual statement of its financial position for the preceding year drawn up in the form prescribed by regulation as well as a list of its officers and directors or its partners prepared less than 30 days from the date of the request. The Authority may, on the conditions it determines, exempt a dealer from the obligations imposed by this section.

O.C. 660-83, s. 239; O.C. 30-96, s. 28; M.O. 2003-01, s. 80; M.O. 2008-06, s. 26.

240. An adviser with an unrestricted practice must describe the method of computing his remuneration when he applies for registration.

The remuneration must be computed separately for each account in terms of the value of the portfolio or of its yield, but not on the value or the volume of the transactions.

O.C. 660-83, s. 240.

241. In the case of an adviser or of a representative of a broker or adviser, the statement prescribed by section 166 of the Act must contain the following information:

(1) the number of securities of the investment recommended held by the adviser or the representative;

(2) the number of securities of the same issuer, but of another class, held by the adviser or the representative;

(3) the options or other rights held by the adviser or the representative in respect of the securities referred to in paragraphs 1 and 2;

(4) the remuneration to be received as a result of transactions in the securities recommended.

O.C. 660-83, s. 241; O.C. 697-87, s. 31.

242. In the case of a securities dealer, the statement prescribed by section 166 of the Act must contain the following information:

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(1) *its participation , during the last 12 months, in the distribution of the securities recommended in the capacity of firm underwriter;*

(2) *its role as remunerated adviser of the issuer for the distribution of the securities recommended.*

O.C. 660-83, s. 242.

242.1. *A registered person who, as an ancillary activity, gives advices through the press must declare, for each security recommended, whether or not he holds a position or whether or not he has the intention to make any transactions. He must also declare whether he is an insider or an officer or a director of the company whose securities are recommended. This statement must appear at the beginning or at the end of the article in bold letters or in italics of a size equivalent at least to that of the article.*

O.C. 697-87, s. 32; M.O. 2008-06, s. 27.

242.2. *A registered person who, as an ancillary activity, gives advice through a financial letter published by a registered adviser must make the statement prescribed by section 242.1.*

O.C. 697-87, s. 32.

243. *The confirmation slip prescribed by section 162 of the Act contains the following information:*

- (1) *identification of the security;*
- (2) *the number of securities;*
- (3) *the unit price;*
- (4) *the gross amount of the transaction;*
- (5) *the commission and other charges;*
- (6) *the net amount of the transaction;*
- (7) *the date of the transaction;*
- (8) *the settlement date;*
- (9) *the name of the representative;*
- (10) *the name of the stock exchange on which the order was executed;*

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(11) *the capacity of agent or principal in which the dealer carried out the transaction;*

(12) *the method of remuneration of the dealer where he acts as principal;*

(13) *identification of non-voting shares or shares with restricted voting rights. .*

O.C. 660-83, s. 243

244. *The name of the representative may be indicated in the confirmation slip by means of a code or a symbol provided that:*

(1) *the confirmation slip contains an agreement to supply the name of the representative on request;*

(2) *the dealer maintains an up to date list of codes or symbols used and the representatives so designated, and files a copy of such list with the Authority on request.*

O.C. 660-83, s. 244.

245. *Dealers must send to their customers the statement of account prescribed by section 162 of the Act at least quarterly, where there is a cash balance or a securities balance in the account.*

In addition, they must send such statement at the end of every month during which the customer effected a transaction or the dealer modified the balance of securities or cash in the customer's account, unless the entries refer to interest or dividends.

O.C. 660-83, s. 245.

246. *(Repealed).*

O.C. 660-83, s. 246; O.C. 1263-85, s. 62; O.C. 627-2000, s. 10.

246.1. *(Repealed).*

O.C. 1263-85, s. 63; O.C. 627-2000, s. 10.

247. *The monthly or quarterly statement must give the following information:*

(1) *the designation and number of the securities kept on behalf of the customer;*

(2) *the cash balance;*

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(3) where applicable, the statement prescribed by paragraph 13 of section 243.

O.C. 660-83, s. 247.

248. The monthly statement must also give the following information for each transaction carried out during the month:

- (1) the designation of the security;
- (2) the number of securities;
- (3) the unit price;
- (4) the amount of the transaction;
- (5) the balance at the end of the month.

O.C. 660-83, s. 248.

249. An adviser with an unrestricted practice must send to his customers at least quarterly a statement of the clients portfolio that he is managing for them. The statement must contain, where applicable, the identification prescribed by paragraph 13 of section 243.

O.C. 660-83, s. 249.

249.1. (Repealed).

O.C. 1263-85, s. 64; O.C. 627-2000, s. 10.

CHAPTER VIII

TRANSACTIONS INTENDED TO FIX OR STABILIZE THE MARKET PRICE OF A SECURITY

250. Any transaction intended to fix or stabilize the market price of a security is prohibited except where it is made by the firm underwriter from the time of the receipt for the prospectus in its final form to the end of the distribution or by the firm purchaser during a secondary distribution for the sole purpose of facilitating the distribution or the secondary distribution, and in accordance with the following conditions:

- (1) the transaction is made at a market price that is not higher than the bid price of the securities being the object of the distribution or of the secondary distribution;
- (2) the transaction is made only for the purpose of preventing or retarding a decline in the open market price of a security;

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(3) the dealer who effects the transaction does not have priority over another person who wishes to buy at the same price;

(4) the transaction is not made on a security being distributed during a distribution or a secondary distribution made through the facilities of a recognized stock exchange.

O.C. 660-83, s. 250; O.C. 1263-85, s. 65; O.C. 977-88, s. 22; O.C. 1622-90, s. 36.

251. The requirements of section 250 are without application in the case of transactions made on the floor of a stock exchange recognized by the Authority and in accordance with the operating rules of that exchange by a specialist acting within the scope of his function.

O.C. 660-83, s. 251; O.C. 1263-85, s. 65; O.C. 977-88, s. 23.

252. (Repealed).

O.C. 660-83, s. 252; O.C. 1263-85, s. 65; M.O. 2008-06, s. 28.

252.1. Any transaction intended to fix or stabilize the market price of the securities proposed in exchange is prohibited during a take-over bid by way of exchange.

O.C. 1263-85, s. 65.

TITLE V.1

CIVIL ACTIONS FOR SECONDARY MARKET

252.2. For the purposes of Division II of Chapter II of Title VIII of the Act:

“market capitalization” means the sum of the following amounts determined for each class of equity securities:

(1) for securities for which there is a published market, the amount determined by adding the number of outstanding securities of the class at the close of trading on each of the 10 trading days before the day on which the misrepresentation was made or the failure to make timely disclosure first occurred, by dividing the sum determined by 10, and by multiplying the quotient obtained by the trading price of the securities of the class on the principal market for the securities for the 10 trading days before the day on which the misrepresentation was made or the failure to make timely disclosure first occurred;

(2) for securities not traded on a published market, the amount determined by adding the fair market value of the outstanding securities of that class as of the day on which the misrepresentation was made or the failure to make timely disclosure first occurred;

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“trading price” means, in respect of a security of a class of securities for which there is a published market, the following market prices:

(1) for securities on which there were no trades during the period for which the trading price is to be determined, the trading price is the fair market value of the security;

(2) for securities on which there was trading on fewer than half of the trading days during the period for which the trading price is to be determined, the trading price is determined by calculating the sum of the average of the highest bid and lowest ask prices for each trading day in the period on which there were no trades in the securities, by dividing the sum determined by the number of trading days on which there were no trades, by adding to the quotient obtained the volume weighted average price of securities of that class on the published market for those trading days on which securities of that class were traded, and by dividing by 2 the amount determined;

(3) for all other securities, the trading price is the volume weighted average price of securities of that class on the published market during the period for which the trading price is to be determined;

“trading day” means a day during which the principal market for a security is open;

“principal market” means, in respect of a class of securities, the published market in Canada or, failing which, the foreign published market on which the greatest volume of trading in securities of that class occurred during the 10 trading days before the day on which the misrepresentation was made or the failure to make timely disclosure first occurred;

“equity security” means a security of an issuer that carries the residual right to participate in the earnings of the issuer and, on liquidation or winding-up of the issuer, in its assets.

M.O. 2008-03, s. 4.

252.3. Division II of Chapter II of Title VIII of the Act applies to any person who subscribes to or acquires a security pursuant to the prospectus exemption set out in section 2.8 of Regulation 45-102 respecting Resale of Securities approved by Ministerial Order no. 2005-21 dated August 12, 2005.

The Division also applies to any person who acquires or disposes of a security of an issuer in connection with or pursuant to a take-over bid contemplated under section 4.1, 4.4 or 4.5 of Regulation 62-104 respecting Take-Over Bids and Issuer Bids or in connection with or pursuant to an issuer bid contemplated under section 4.8, 4.10 or 4.11 of the Regulation.

M.O. 2008-03, s. 4.

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TITLE VI ADMINISTRATION OF THE ACT

CHAPTER 1 CODE OF ETHICS

DIVISION I GENERAL RULES

253. *The following rules apply to members of the Authority and to members of its personnel. They are forbidden to:*

(1) *accept remuneration or gratuities, except a gift of modest value, for acting as speaker or as member of a panel, or for drafting a document where it is directly related to their duties;*

(2) *perform any other paid function;*

(3) *be officers or directors of a company that has made a public offering in Québec or a company registered under the Act;*

(4) *be shareholders of a company registered in accordance with Title V of the Act, unless the Authority decides otherwise;*

(5) *execute transactions on futures contracts;*

(6) *sell securities short;*

(7) *buy securities on margin;*

(8) *execute transactions on securities that are being investigated by the Authority;*

(9) *except in the case of securities eligible for a stock savings plan or a tax abatement programme, or of units of an incorporated mutual fund or an unincorporated mutual fund, buy or subscribe for securities that are distributed within 60 days following receipt of a final prospectus;*

(10) *buy, subscribe or sell securities in respect of which a document has been filed and is being studied by the Authority or in respect of which an application has been made for a decision prescribed by the Act;*

(11) *buy, subscribe for or sell securities in respect of which a take-over bid has been made, from the time when that fact is known to the Authority to the time when it is made public by the offeror;*

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(12) buy a security defined as “speculative” in a prospectus filed with the Authority, except where it is a security referred to in paragraph 9.

O.C. 660-83, s. 253; Errata, 1985 G.O. 2, 1121; M.O. 2008-06, s. 29.

254. A member of the Authority or a member of its personnel who wishes to execute a transaction on a security has an obligation to make sure that he does not contravene paragraphs 8 to 12 of section 253.

O.C. 660-83, s. 254.

255. A security bought or subscribed by a member of the Authority or by a member of its personnel must be kept by the acquiror for a minimum of 6 months from the date of the transaction, except for a security obtained under a dividend reinvestment plan or received in a stock dividend distribution or in the case of the exercise of a warrant or the sale of a warrant acquired with the subscription of another security.

O.C. 660-83, s. 255; O.C. 697-87, s. 33.

256. Within 5 days following the receipt of the confirmation slip, a declaration must be sent to the president of the Authority.

O.C. 660-83, s. 256; O.C. 697-87, s. 33.

256.1. The prohibitions applicable to the members of the Authority are also applicable to transactions they may make through or in the name of associates.

O.C. 697-87, s. 33.

257. The declaration must contain the following information:

- (1) the name of the intermediary;
- (2) the description of the security;
- (3) the number of securities bought or sold;
- (4) the date of the transaction;
- (5) the value of the transaction.

In the case of securities acquired through a stock savings plan, it is not necessary to give the number of securities.

O.C. 660-83, s. 257.

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258. *At the time when he assumes his duties, a member of the Authority or a member of its personnel must give the president a statement of his portfolio.*

The president may require that a member of the Authority or a member of its personnel dispose of certain securities within a set period.

O.C. 660-83, s. 258.

259. *A member of the Authority or a member of its personnel must give to the President, at the end of each calendar year, a statement of his portfolio.*

O.C. 660-83, s. 259.

260. *The reports prescribed by sections 258 and 259 are confidential, unless the Authority decides otherwise.*

O.C. 660-83, s. 260; Errata, 1985 G.O. 2, 1121.

DIVISION II

RULES APPLYING TO MEMBERS OF THE COMMISSION

261. *A member of the Authority is also forbidden to:*

(1) solicit or accept for himself or for other persons benefits conferred on him owing to his position;

(2) use for personal reasons or for the purpose of obtaining an advantage information which he has obtained in the exercise of his duties.

O.C. 660-83, s. 261.

DIVISION III

PENALTIES

262. *The only penalties for a breach of a rule by a member of the Authority are a reprimand or a suspension.*

A suspension imposed under this Regulation may not exceed 2 months.

O.C. 660-83, s. 262.

263. *The only penalties for a breach of a rule by a member of the personnel of the Authority are a reprimand, suspension or dismissal.*

O.C. 660-83, s. 263.

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DIVISION IV EXEMPTIONS

264. Paragraph 2 of section 253 does not apply to a member of the Authority who carries out his duties part time.

O.C. 660-83, s. 264.

265. The Authority may authorize a derogation from the rule referred to in paragraph 2 of section 253.

O.C. 660-83, s. 265.

266. This Title does not apply to the forms of investment referred to in section 3 of the Act nor to the exercise of a right obtained from a security owned by a member of the Authority or a member of the personnel of the Authority.

O.C. 660-83, s. 265.

CHAPTER II FEES

267. The following fees are payable by a person who intends to distribute securities:

(1) at the time of filing a draft prospectus or a preliminary prospectus in order to get a receipt in accordance with section 11, 12 or 20 of the Act, \$1 000 or, in the case of a money market mutual fund, 5 000 \$ per issuer and, as the case may be, for the group of holders distributing securities;

(2) at the time of filing a preliminary shelf prospectus, \$5 000;

(3) at the time of filing a prospectus in its final form or a price fixing supplement to a shelf prospectus, a payment corresponding to the amount by which the following sums exceed the fees paid pursuant to paragraphs 1 or 2:

(a) where the distribution takes place only in Québec, 0.04 % of the gross value of the issue;

(b) where the distribution takes place in Québec and elsewhere, 0.04 % of 25 % of the gross value of the issue;

(4) at the time of filing a report of exempt distribution, in the case of a distribution exempt from a prospectus by regulation, 0.025% of the gross value of the securities distributed in Québec, subject to a minimum of \$250; in the case of a money market fund, the calculation of the fees is made on the basis of the net distribution, that is, the purchases less the redemptions ;

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(5) (paragraphe repealed);

(6) (paragraphe repealed);

(7) (paragraphe repealed);

(8) at the time of filing an amendment to a prospectus, \$250 and, where there is an increase in the number or value of the securities to be distributed, a payment corresponding to the surplus over \$250 of the following sums:

(a) where the distribution takes place only in Québec, 0.04 % of the gross value of the issue;

(b) where the distribution takes place in Québec and elsewhere, 0.04 % of 25 % of the gross value of the issue;

(9) at the time of filing a geological report, \$125 or, if the report concerns more than 2 properties, \$50 per property;

(10) at the time of filing the information required in compliance with the second paragraph of section 12 of the Act, \$100;

(11) at the time of filing an escrow agreement, \$500.

If the funds to be raised in the course of a distribution allow for a minimum and a maximum, the fees required at the time of filing the prospectus in its final version or an amendment to the prospectus must be calculated on the maximum.

O.C. 660-83, s. 267; O.C. 1263-85, s. 66; O.C. 977-88, a. 24; O.C. 1622-90, s. 37; O.C. 680-92, s. 1; O.C. 1346-93, s. 2; O.C. 30-96, s. 29; O.C. 748-2005, s. 3.

267.1. (Repealed).

O.C. 977-88, a. 24; O.C. 680-92, s. 1.

267.2. (Repealed).

O.C. 977-88, a. 24; O.C. 680-92, s. 1.

267.3. (Repealed).

O.C. 1493-89, s. 1; O.C. 680-92, s. 1.

267.4. (Repealed).

O.C. 1622-90, s. 38; O.C. 680-92, s. 1.

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268. As a departure from the requirements of paragraph 3 of section 267:

(1) in the case of a continuous distribution, except in the case of the distribution of medium term notes, the fee to be paid at the time of filing the prospectus in its final form is equal to the amount by which 0.04 % of the gross value of the securities distributed in Québec during the last financial year exceeds \$1 000 or \$5 000 in the case of a money-market fund.

However, in the case of a money market fund, the calculation of the fees is made pursuant to the net distribution, that is the purchases less the redemptions.

In the case where an issuer decides not to file a new prospectus, the fees payable with respect to securities distributed during the last financial year are paid at the time of filing the report prescribed in section 98.

(2) in the case of a medium term notes program distribution, the fee is equal to 0.04 % of the value of the notes distributed where the distribution takes place only in Québec and in other cases to 0.04 % of 25 % of the value of the notes distributed in Canada.

The fees shall be paid at the time of filing the report prescribed in section 98.1.

The total fees paid shall be equal to the amount exceeding the \$5 000 paid at the time of filing the preliminary shelf prospectus.

O.C. 660-83, s. 268; O.C. 1263-85, s. 67; O.C. 977-88, s. 24; O.C. 1622-90, s. 39; O.C. 680-92, s. 1; O.C. 30-96, s. 30.

268.1. As a departure from the requirements of paragraph 3 of section 267, in the case of a distribution of units comprised of securities that give the right to receive distributions and to benefit from all other attributes of ownership of an underlying security and securities that give the right to benefit from the potential capital appreciation of an underlying security, the fee to be paid at the time of filing the report prescribed by section 94 is equal to the amount by which 0.004 % of the value of the securities distributed in Québec exceeds \$1 000.

O.C. 30-96, s. 31.

269. (Repealed).

O.C. 660-83, s. 269; O.C. 1263-85, s. 68; O.C. 977-88, s. 24; O.C. 1622-90, s. 40; O.C. 680-92, s. 1; O.C. 748-2005, s. 4.

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270. *The fees payable under paragraphs 1, 3 and 8 of section 267 with respect to the issuing by a savings and credit union of permanent shares referred to in section 73 of the Savings and Credit Unions Act (R.S.Q., c. C-4.1) shall be determined on the following basis:*

(1) *distributions of permanent shares or, as the case may be, amendments to prospectuses, are deemed to constitute a single distribution or, as the case may be, a single amendment, if carried out simultaneously or within the context of a similar operation during a period not exceeding 12 months by savings and credit unions affiliated with a federation belonging to a confederation;*

(2) *the confederation is deemed to be the person intending to carry out the distribution of the aggregate value of the shares thereby distributed by these savings and credit unions.*

O.C. 660-83, s. 270; O.C. 1263-85, s. 69; O.C. 977-88, s. 24; O.C. 1622-90, s. 41; O.C. 680-92, s. 1; O.C. 226-93, s. 21; O.C. 30-96, s. 32; O.C. 748-2005, s. 5.

271. *In the case of an incorporated or unincorporated mutual fund which invests all its assets in another incorporated or unincorporated mutual fund of the same group, the fees are payable only on the gross value of the securities distributed in Québec by the first incorporated or unincorporated mutual fund.*

In the case of a mining exploration limited partnership where the prospectus provides for the transfer of the shares acquired from the participating companies to an incorporated or unincorporated mutual fund, the fees are payable only on the gross value of the securities distributed by the limited partnership in accordance with the provisions of paragraph 3 of section 267.

O.C. 660-83, s. 271; O.C. 1263-85, s. 70; O.C. 977-88, s. 24; O.C. 680-92, s. 1.

271.1. *In the case of a distribution of an issue in which a determined tranche is to be distributed outside of Canada subject only to transfers among underwriters for the purpose of ensuring orderly marketing, the fees payable pursuant to paragraphs 3 or 8 of section 267 are calculated on the gross value of the securities to be distributed in Canada.*

O.C. 680-92, s. 1; O.C. 30-96, s. 33; O.C. 748-2005, s. 6.

271.2. *The following fees are payable by an issuer:*

(1) *at the time of filing the annual financial statements by the issuer which may avail itself of the simplified prospectus regime, \$2 000;*

(2) *at the time of filing the annual financial statements by an issuer other than the issuer mentioned in paragraph 1, but one which has a security listed on a Canadian stock exchange, \$1 000;*

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(3) at the time of filing the annual financial statements by the issuer not mentioned in paragraph 1 or 2, \$500;

(4) at the time of filing the annual financial statements by an incorporated and an unincorporated mutual fund, \$500;

(5) (paragraphed deleted);

(6) at the time of filing annual financial statements by an issuer not mentioned in paragraphs 1 to 4, \$500;

(7) at the time of filing an application prescribed by section 69 of the Act to revoke the issuer's status as a reporting issuer or to release the issuer from all or part of its continuous disclosure obligations, \$100;

(8) at the time of filing an application prescribed by section 79 of the Act to exempt it from presenting in the financial statements any disclosure that should normally be made there, \$500;

(9) at the time of filing a statement of material change pursuant to section 73 of the Act, \$100.

O.C. 680-92, s. 1; O.C. 1346-93, s. 3; O.C. 30-96, s. 34; D. 630-2003, s. 1; O.C. 748-2005, s. 7.

271.3. Notwithstanding section 271.2, a fee of \$350 is payable by a savings and credit union at the time of filing the annual report.

O.C. 680-92, s. 1.

271.4. The following fees are payable by the offeror in a take-over or issuer bid or, in the case of a person who makes a bid in reliance on an exemption from take-over bid and issuer bid rules:

(1) at the time of filing the bid and the take-over or issuer bid circular prescribed by section 128 of the Act or, as the case may be, of the report required by section 189.1.2:

(a) where the bid is made only in Québec, 0.02 % of the consideration offered for the securities which are the subject of the bid,

(b) where the bid is made in Québec and elsewhere, 0.02 % of 25 % of the consideration offered in Canada for the securities which are the subject of the bid, subject to a minimum of \$1 000;

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however, in the cases provided for in paragraph (2) of section 189.1.2, the value of the consideration offered is established on the basis of the closing price on the day preceding the filing of the report and of the maximum number of securities indicated in this report

(2) at the time of filing the notice prescribed by section 130 or 132 of the Act respecting a change in the initial terms of the bid or a significant change in the facts on which the circular is based, 500 \$ and, as the case may be, the surplus over 500 \$ of 0.02 % of the additional consideration added by the amendment, on the basis given in paragraph 1.

The offeree company pays a fee of 500 \$ when filing the circular of the board of directors.

O.C. 680-92, s. 1; O.C. 226-93, s. 22; O.C. 1346-93, s. 4; O.C. 30-96, s. 35.

271.4.1. A fee of \$ 1 000 is payable by the offeror at the time of filing the documents prescribed in subparagraph 3 of the first paragraph of section 121 of the Act.

O.C. 30-96, s. 36.

271.5. The following fees are payable by a dealer, an adviser or a representative:

(1) at the time of an application for registration as a dealer or as an adviser, \$1 500, except in the case of an independent trader;

(2) at the time of an application for registration as a representative:

(a) of a dealer which is a member of a self-regulatory organization to which the Authority has delegated the provisions concerning the registration of representatives, \$150;

(b) of a dealer with an unrestricted practice or of a discount broker if they are not a member of such self-regulatory organization, or of an adviser, \$375;

(c) of a dealer with a restricted practice except a discount broker, \$300;

(3) on December 31 of each year, in the case of a dealer with an unrestricted practice or of a discount broker:

(a) \$1 500;

(b) \$375 for each representative registered on December 31 excluding the representatives who ceased their activity, except that this fee is reduced to \$175 in the case of a dealer which is a member of a self-regulatory organization to which the Authority has delegated the provisions concerning the registration of representatives;

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(c) \$75 for each establishment, an establishment being a location where registered dealer carries on its activities.

(3.1) the first day of the fourth month following the end of the financial year of a dealer with an unrestricted practice or of a discount broker, the amount exceeding 0.14% of the capital employed in the province and the fee prescribed in clause a of subparagraph 3;

(4) on December 31 of each year, in the case of a dealer with a restricted practice with the exception of a discount broker and of an independent trader:

(a) \$1 500;

(b) \$300 for each representative registered on December 31 excluding the representatives who ceased their activity;

(c) \$75 for each establishment, an establishment being a location where a registered dealer carries on its activities.

(5) on December 31 of each year, in the case of a securities adviser:

(a) \$1 500;

(b) \$375 for each representative registered on December 31 excluding the representatives who ceased their activity;

(6) at the time of filing a notice prescribed by paragraphs 1 and 2 of section 228 concerning the approval of an officer or a director,

(a) 375 \$ in the case of an officer or a director of a dealer with an unrestricted practice or of a discount broker, except if the dealer or broker is a member of a self-regulatory organization to which the Authority has delegated the provisions concerning the approval of officers and directors;

(b) 300 \$ in the case of an officer or a director of a dealer with a restricted practice, except if the dealer is a discount broker;

(c) 375 \$ in the case of an officer or a director of an adviser;

except in the case of a member of a self-regulatory organization to which the Authority has delegated the provisions concerning the approval of an officer or a director;

(7) at the time of filing a notice prescribed by paragraphs 3 and 6 of section 228 relating to a change in the disclosure made at the time of registration, \$200;

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(8) with respect to the preparation of an inspection, the, inspection itself and the follow-up of the recommendations, \$85 per hour per inspector within 30 days from the date of the statement of fees;

(9) at the time of filing the notice, prescribed in section 202, by a dealer which is not a member of a self-regulatory organization to which the Authority has delegated the provisions concerning the registration of representatives, or by an adviser, to the effect that it has hired a representative, \$50;

(10) at the time of filing, by a representative of a dealer with a restricted practice, an application pursuant to section 202 to move to a dealer with an unrestricted practice or to a dealer with a restricted practice of another category, \$125;

(11) at the time of filing the notice prescribed by paragraph 4 of section 228, \$500.

For the purpose of calculating the fee prescribed by paragraph 3, the capital employed in the province is calculated in accordance with the following formula:

$$\text{total capital} \times \frac{\frac{\text{salaries and wages paid in the province}}{\text{total salaries and wages}} + \frac{\text{revenue earned in the province}}{\text{Total revenue earned}}}{2}$$

The total capital represents the aggregate of the amounts shown in line total capital of Statement A, and in line standby subordinated loan of Statement B of the Joint Regulatory Financial Questionnaire and Report adopted by self-regulatory organizations.

O.C. 680-92, s. 1; O.C. 1346-93, s. 5; O.C. 30-96, s. 37; O.C. 1132-2004, s. 1.

271.5.1. A fee of \$85 per hour per inspector is payable by any investment fund incorporated or organized under an Act that provides for an inspection by the Authority, within 30 days of the date of the statement of fees regarding the preparation of the inspection, the inspection itself and the follow-up of the recommendations.

O.C. 30-96, s. 38.

271.6. The following fees are payable by the person making an application:

(1) at the time of an application for an exemption from a requirement prescribed by the Act or a regulation, \$500, except in the case of an application for an exemption from the requirement prescribed by section 145 of the Act, giving rise to a hearing and in

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the case of an application for an exemption from the valuation report required by regulation, where the fee is \$1 000;

(1.1) at the time of an application for an exemption from a requirement prescribed by the Act or a regulation in respect of a distribution, \$500, and within 10 days of the exempt distribution, 0.025% of the gross value of the securities distributed in Québec, subject to an additional minimum of \$250; in the case of a money market fund, the calculation of the fees is made on the basis of the net distribution, that is, the purchases less the redemptions;

(1.2) at the time of an application to designate an accredited investor, \$500;

(2) at the time of an application to regularize a previous issue of securities, prescribed by section 338.1 of the Act, \$250;

(3) at the time of an application for the certificate prescribed by section 71 of the Act respecting the position of a reporting issuer, \$150;

(4) at the time of an application prescribed by section 68 or 68.1 of the Act, \$250;

(5) at the time of the filing of a valuation report required by regulation, 500 \$;

(6) at the time of the filing of a networking arrangement required under section 236.3, 500 \$.

O.C. 680-92, s. 1; O.C. 1346-93, s. 6; O.C. 630-2003, s. 2; O.C. 748-2005, s. 8.

271.7. (Repealed).

O.C. 980-92, s. 1; O.C. 30-96, s. 39; O.C. 871-2001, s. 1.

271.8. (Repealed).

O.C. 980-92 s. 1, O.C. 30-96, s. 40; O.C. 871-2001, s. 1.

271.9. (Repealed).

O.C. 30-96, s. 41; O.C. 871-2001, s. 1.

271.10. (Repealed).

O.C. 30-96, s. 41; O.C. 871-2001, s. 1.

271.11. An unincorporated mutual fund managed within the scope of an instructional program established by an educational institution at the university level within the meaning

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of the Act respecting educational institutions at the university level (R.S.Q., c. E-14.1) is exempt from the payment of the fees provided for in this Chapter.

The exemption shall also apply to an adviser acting as adviser with the fund, so long as his activities are restricted to that function.

O.C. 566-97, s. 1.

271.12. *The fees payable under this chapter are reduced by 15% for the period of March 1, 2003 to February 28, 2006.*

O.C. 52-2003, s. 1.

CHAPTER III ADMINISTRATIVE MONETARY PENALTIES

271.13. *Any reporting issuer who contravenes a provision of Title III of the Act for failure to file a periodic disclosure document is liable to an administrative monetary penalty of \$100 per document for each business day during which such failure occurs, to a maximum amount of \$5,000 during any given fiscal year of the Authority.*

O.C. 1183-2005, s. 1; L.Q. 2008, c. 7, s. 172.

271.14. *Any insider or senior executive deemed to be an insider who contravenes a provision of any of sections 96 to 98 or 102 of the Act for failure to disclose control or a change in control over securities is liable to an administrative monetary penalty of \$100 for each day during which such failure to report occurs, to a maximum amount of \$5,000.*

O.C. 1183-2005, s. 1.

271.15. *An administrative monetary penalty is payable as of the time the Authority sends a notice thereof.*

O.C. 1183-2005, s. 1.

TITLE VII (REPEALED)

O.C. 660-83, Title VII; M.O. 2005-17, s. 6.

CHAPTER I RIGHT OF CANCELLATION

272. *(Repealed)*

O.C. 660-83, s. 272; O.C. 1263-85, s. 71; O.C. 627-2000, s. 11; M.O. 2005-17, s. 6.

273. (Repealed).

O.C. 660-83, s. 273; M.O. 2005-17, s. 6.

274. (Repealed).

O.C. 660-83, s. 274; M.O. 2005-17, s. 6.

275. (Repealed).

O.C. 660-83, s. 275; M.O. 2005-17, s. 6.

276. (Repealed).

O.C. 660-83, s. 276; M.O. 2005-17, s. 6.

CHAPTER II

RULES OF OPERATION RESPECTING THE MANAGEMENT, KEEPING AND COMPOSITION OF ASSETS OF INCORPORATED MUTUAL FUNDS AND UNINCORPORATED MUTUAL FUNDS

277. (Repealed).

O.C. 660-83, s. 277; M.O. 2005-17, s. 6.

278. (Repealed).

O.C. 660-83, s. 278; M.O. 2005-17, s. 6.

279. (Repealed).

O.C. 660-83, s. 279; L.Q. 1987, c. 95, s. 402; M.O. 2003-01, s. 81; M.O. 2005-17, s. 6.

280. (Repealed).

O.C. 660-83, s. 280; O.C. 977-88, s. 25; M.O. 2005-17, s. 6.

281. (Repealed).

O.C. 660-83, s. 281; M.O. 2005-17, s. 6.

282. (Repealed).

O.C. 660-83, s. 282; M.O. 2005-17, s. 6.

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283. (Repealed).

O.C. 660-83, s. 283; O.C. 977-88, s. 26; O.C. 30-96, s. 42; M.O. 2005-17, s. 6.

284. (Repealed).

O.C. 660-83, s. 284; Errata, 1985 G.O. 2, 1121; M.O. 2005-17, s. 6.

285. (Repealed).

O.C. 660-83, s. 285; Errata, 1985 G.O. 2, 1121; M.O. 2005-17, s. 6.

286. (Repealed).

O.C. 660-83, s. 286; M.O. 2005-17, s. 6.

287. (Repealed).

O.C. 660-83, s. 287; M.O. 2005-17, s. 6.

288. (Repealed).

O.C. 660-83, s. 288; M.O. 2005-17, s. 6.

289. (Repealed).

O.C. 660-83, s. 289; Errata, 1985 G.O. 2, 1121; M.O. 2005-17, s. 6.

290. (Repealed).

O.C. 660-83, s. 290; O.C. 1263-85, s. 72; M.O. 2005-17, s. 6.

TITLE VIII RULES FOR THE OVER-THE-COUNTER MARKET

291. (Repealed).

O.C. 660-83, s. 291; O.C. 1263-85, s. 73; M.O. 2005-17, s. 6.

292. (Repealed).

O.C. 660-83, s. 292; O.C. 1263-85, s. 73; O.C. 977-88, s. 27; M.O. 2005-17, s. 6.

293. (Repealed).

O.C. 660-83, s. 293; O.C. 1263-85, s. 73; M.O. 2005-17, s. 6.

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294. (Repealed).

O.C. 660-83, s. 294; O.C. 1263-85, s. 73.

295. (paragraph revoked).

O.C. 660-83, s. 295; O.C. 1263-85, s. 73.

TITLE VIII ADDITIONAL EXEMPTION

O.C. 660-83, Title IX; O.C. 697-87, s. 34.

296. *Inasmuch as its securities are not traded on a published market, a limited partnership or an unincorporated issuer, other than an investment fund or an income trust, 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.

O.C. 660-83, s. 296; O.C. 1263-85, s. 74; O.C. 1622-90, s. 42; O.C. 226-93, s. 23; M.O. 2005-04, s. 17; M.O. 2008-08, s. 10.

297. (Omitted).

O.C. 660-83, s. 297; Errata, 1985 G.O. 2, 1121.

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SCHEDULE I (REPEALED)

O.C. 660-83, Sch. I; Errata, 1985 G.O. 2, 1121; O.C. 1263-85, s. 75 to 80; O.C. 1263-85, s. 81; O.C. 697-87, s. 35 and 36; O.C. 977-88, s. 28, 29 and 30; O.C. 1622-90, s. 43; O.C. 226-93, s. 24 to 26; O.C. 30-96, s. 43; M.O. 2003-01, s. 82.

SCHEDULE II (REPEALED)

O.C. 660-83, Sch. II; O.C. 1263-85, s. 83; O.C. 1263-85, s. 82; M.O. 2003-01, s. 83; M.O. 2008-06, s. 31.

SCHEDULE III (REPEALED)

O.C. 660-83, Sch. III; O.C. 1263-85, s. 84 and 85; O.C. 697-87, s. 38 and 39; M.O. 2003-01, s. 84.

SCHEDULE IV (REPEALED)

O.C. 660-83, Sch. IV; Errata, 1985 G.O. 2, 1121; O.C. 1263-85, s. 86 to 88; O.C. 697-87, s. 40; O.C. 226-93, s. 27 to 29; O.C. 30-96, s. 44; M.O. 2003-01, s. 84.

SCHEDULE V (REPEALED)

O.C. 660-83, Sch. V; O.C. 1263-85, s. 89; O.C. 697-87, s. 43; O.C. 226-93, s. 30; M.O. 2003-01, s. 84.

SCHEDULE VI (REPEALED)

O.C. 660-83, Sch. VI; Errata, 1985 G.O. 2, 1121; O.C. 1263-85, s. 90 to 96 and 98 to 101; O.C. 1263-85, s. 97; O.C. 697-87, s. 44 and 45; O.C. 977-88, s. 31; O.C. 30-96, s. 45; M.O. 2003-01, s. 85; M.O. 2005-22, s. 11.

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SCHEDULE VII ANNUAL REPORT - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

PART I

General Instructions

1. *There is no requirement for management's discussion and analysis of financial condition and results of operations to accompany interim financial statements required under Section 76 of the Securities Act. However issuers are encouraged to provide significant management's discussions and analysis of financial condition and results of operations disclosures with their interim financial statements.*
2. *The disclosure required shall include that relating to each subsidiary or investee of an issuer whose total assets constitute more than 10 % of consolidated assets of the issuer at the most recent financial year end or whose total revenues constitute more than 10 % of consolidated revenues of the issuer for the most recent financial year.*
3. *Generally, information shall be presented as at the end of the last completed financial year. Where material events or conditions have arisen subsequent to the end of the last completed financial year but prior to the date of preparation of the annual report, this updated information shall be included in the annual report.*
4. *The instructions for the preparation of the annual report require issuers to discuss certain forward-looking information. Required disclosure is based on presently known trends, commitments, events and uncertainties that are reasonably expected to materially affect the issuer. A disclosure duty exists where a trend, commitment, event or uncertainty is both presently known to management and reasonably expected to have a material impact on the issuer's business, financial condition or results of operations. This Schedule requires a discussion of forward-looking information based on the issuers' expectations as of the date of the AIF.*

Issuers are encouraged, but not required, to supply other forward-looking information. Optional forward-looking disclosure involves anticipating a future trend or event or anticipating a less predictable impact of known event, trend or uncertainty. This other forward-looking information is to be distinguished from presently known information which is reasonably expected to have a material impact on future operating results, such as known future increases in costs of labour or materials, which information is to be disclosed.

Although information provided under this Schedule may involve some prediction or projection of the future these instructions do not call for a forecast or projection as defined by the CICA Handbook. In the event that an issuer chooses to provide a forecast or projection, the application of relevant regulatory provisions should be considered.

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5. *The focus of the annual report disclosure shall be on the issuer. There is no requirement to provide extensive discussion of factors external to the issuer.*

6. *The annual report also presents management's discussion and analysis of financial condition and results of operations, required by regulation, for the simplified prospectus system.*

PART II **Specific Instructions**

1. General

(1) *(paragraph repealed).*

(2) *(paragraph repealed).*

(3) *(paragraph repealed).*

(4) *(paragraph repealed).*

(5) *(paragraph repealed)..*

(6) *(paragraph repealed).*

(7) *(paragraph repealed).*

(8) *When issuer intends to proceed with a business acquisition or disposition or asset acquisition or disposition not in the normal course of operations that will have a material effect on the future financial condition or results of operations of the issuer, the transaction and its effect should be discussed as part of the annual report. Disclosure must be made when a decision to proceed with the transaction has been made by the issuer's board of directors or by senior management with the expectation of concurrence from the board of directors. If this disclosure is considered unduly detrimental to the issuer, confidentiality may be maintained as prescribed for in section 74 of the Act.*

2. (Repealed).

3. (Repealed).

4. (Repealed).

O.C. 660-83, Sch. VII; O.C. 1263-85, s. 102; O.C. 977-88, s. 32; O.C. 1622-90, s. 44; M.O. 2003-01, s. 86.

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**SCHEDULE VII.1
(REPEALED)**

O.C. 1263-85, s. 103; O.C. 697-87, s. 46; O.C. 977-88, s. 32.

**SCHEDULE VII.2
(REPEALED)**

O.C. 697-87, s. 47; O.C. 977-88, s. 32.

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SCHEDULE VIII **INFORMATION CIRCULAR - SOLICITATION OF PROXIES**

When there is no solicitation, make the necessary adaptations.

Item 1: **Right of revocation**

State whether the security holder giving the mandate has the power to revoke the proxy.

Briefly describe the terms and conditions of revocation and any limitation which the right may include.

Item 2: **Identification of the person making the solicitation**

1. *If solicitation is made on behalf of the management of the reporting issuer, so state. Give the name of any director of the reporting issuer who has informed the management in writing that he intends to oppose any action intended to be taken by the management and indicate the action that he intends to oppose.*

2. *If a solicitation is made otherwise than on behalf of the management of the reporting issuer, so state and give the name of the person on whose behalf it is made.*

3. *If the solicitation is to be made otherwise than by mail, describe the method to be employed.*

4. *If the solicitation is to be made by specially engaged employees or soliciting agents, state the material elements of the contract for the solicitation and identify the parties to the contract, and the cost or anticipated cost thereof.*

5. *State the name of the person by whom the cost of soliciting has been or will be borne.*

Item 3: **Interest of certain persons in matters to be acted upon**

Describe briefly the interest which each of the following persons has in any matter to be acted upon, other than the election of directors or the appointment of auditors, whether such interest is by way of beneficial ownership of securities or otherwise:

(1) *if the solicitation is made on behalf of the management of the reporting issuer, each person who has been an officer or a director of the reporting issuer at any time since the beginning of the last financial year of the reporting issuer;*

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(2) if the solicitation is made otherwise than on behalf of the management of the reporting issuer, each person on whose behalf the solicitation is made;

(3) each proposed nominee for election as a director of the reporting issuer;

(4) each associate or affiliate of any of the foregoing persons referred to in subparagraphs 1 to 3.

Instructions

1. The following persons shall be deemed to be persons on whose behalf the solicitation is made:

(1) any member of a group that solicits proxies, and any person who acting alone or with one or more other persons, engages in organizing, directing or financing any such group;

(2) any person who contributes more than 250 \$ to finance the solicitations of proxies;

(3) any person who lends money, provides credit or enters into any other arrangements, pursuant to any contract with a person on whose behalf a solicitation is made, for the purpose of financing the solicitation or making certain recommendations respecting securities or voting of securities of the reporting issuer. However, this provision does not include a bank or other lending institution or a dealer that, in the ordinary course of business, lends money or executes orders for the purchase or sale of securities.

2. The following persons shall be deemed not to be persons on whose behalf a solicitation is made, unless they are referred to in subparagraph 1 of the instructions:

(1) any person employed by a person on whose behalf a solicitation is made to solicit proxies or any person who merely transmits proxy-soliciting material or performs clerical duties;

(2) any person employed by a person on whose behalf a solicitation is made in the capacity of advocate, accountant, or advertising, public relations or financial adviser and whose activities are limited to the performance of his duties;

(3) an officer, or an employee of the reporting issuer or any of its affiliates;

(4) an officer, director or employee of any other person on whose behalf a solicitation is made.

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Item 4:

Voting securities and principal holders of voting securities

1. State as to each class of voting securities, the number of securities outstanding and the particulars of voting rights for each security of each such class.

2. Give the record date as of which the security holders entitled to vote at the meeting will be determined or particulars as to the closing of the security transfer register, as the case may be, and, if the right to vote is not limited to security holders of record as of a specified record date, indicate the conditions under which security holders are entitled to vote.

3. If, to the knowledge of the officers or directors of the reporting issuer, any person exercises control or direction over voting securities carrying more than 10 % of the voting rights attached to any class of securities of the reporting issuer, name each such person, state the number of the securities over which control or direction is exercised by each such person and the percentage of the class of outstanding securities of the reporting issuer represented by the number of the class of securities so controlled.

Item 5:

Election of directors

1. Provide the following information, in tabular form, for each person proposed to be nominated for election as a director of the reporting issuer and each other person whose term of office as a director will continue after the meeting:

(1) Name and identify as such each proposed director of the reporting issuer and name each director of the reporting issuer whose term of office has not expired;

(2) State when the term of office for each director and proposed director will expire;

(3) State only the last position held in the reporting issuer, or a parent or subsidiary thereof;

(4) State the present principal occupation and for whom such occupation is carried on.

2. Provide the following additional information for each person proposed to be nominated for election as a director:

(1) All of the principal occupations of each proposed director within the 5 preceding years, unless he is now a director and was elected to his present term of office by a vote of security holders at a meeting, the notice of which was accompanied by an information circular. Give the name and principal business of any person for whom any such employment is carried on;

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(2) If the proposed director is or has been a director of the reporting issuer, state the period or periods during which he has served as such;

(3) State the number of securities of each class of voting securities of the reporting issuer or of any subsidiary of the reporting issuer over which control is exercised;

(4) If any proposed director is to be elected pursuant to any arrangement between the nominee and any other person, except the officers and directors of the reporting issuer acting solely in such capacity, name the other person and describe briefly the arrangement.

3. State whether the Board of Directors of the reporting issuer has an executive committee and name those directors who are members of each such committee.

State whether the Board of Directors of the reporting issuer is required to have an audit committee and name those directors who are members of each such committee.

4. If voting securities carrying more than 10 % of the voting rights attached to all voting securities of the reporting issuer or of a subsidiary of the reporting issuer are controlled by any proposed director and his associates or affiliates, state the number of securities of each class of voting securities controlled by the associates or affiliates, naming each associate or affiliate whose security holdings are 10 % or more.

Item 6: Executive Remuneration

1. Scope of application

The information to be provided relates to the company's executive officers: chairman and vice-chairmen of the Board if they perform their functions on a full time basis, president, vice-presidents in charge of principal business units, divisions or functions (sales, finance, etc.) and any other officer of the issuer or of a subsidiary who performs a policy-making function in respect of the issuer.

Remuneration of directors, who are not also executive officers, is taken into account only as provided in paragraph 6. When no election of directors is contemplated, it is not necessary to give the remuneration.

2. Cash remuneration

(1) State the aggregate cash remuneration paid to executive officers by the issuer and its subsidiaries for services rendered during the last financial year.

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Cash remuneration includes in particular salaries, director's fees, commissions and bonuses. This information may be broken down into those categories.

The information may be presented in accordance with the following table:

CASH REMUNERATION TABLE

Number	Amount
Executive officers _____	Cash Remuneration _____ \$

(2) In addition to amounts actually paid during and for the last financial year, cash remuneration includes:

(a) bonuses to be paid for services rendered during the last financial year unless such amounts have not yet been allocated;

(b) bonuses paid during the last financial year, for services rendered in a previous financial year, less any amount already disclosed;

(c) any remuneration earned during the last financial year the cash payment of which is deferred.

(3) Remuneration, for a period during which a person included in the group was not then an executive officer, shall not be included.

3. Remuneration pursuant to plans

Remuneration pursuant to plans need be taken into account only to the extent that they discriminate, in scope, terms or operation in favor of executive officers or are not available to all full time employees other than those covered by collective agreements.

(1) Describe briefly any plan, pursuant to which cash or non-cash remuneration was paid or distributed during the last financial year or is proposed to be paid or distributed in a subsequent year.

This description includes:

(a) a summary of how the plan operates;

(b) the criteria used to determine amounts payable or, in the case of any plan involving options to purchase securities, the criteria used to determine the number of securities under options;

(c) the time periods over which the measurement of benefits will be determined;

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- (d) *payment schedules;*
- (e) *any recent material amendments to the plan;*
- (f) *amounts paid or distributed during the last financial year or, in the case of any plan involving options to purchase securities, the number of securities optioned during the last financial year;*
- (g) *amounts accrued for the group during the last financial year, inasmuch as the distribution or unconditional vesting of same is not subject to future events.*
- (2) *With respect to options to purchase securities granted during the last financial year provide in addition to the information prescribed by 3 (1) a to f;*
- (a) *the designation and aggregate number of securities under option;*
- (b) *the average per security exercise price (when options with differing terms are granted, the information should be given for each class or type of option);*
- (c) *when the price mentioned in b is less than the market value of the security underlying the option on the date the option is granted, provide the market price on such date.*
- (3) *With respect to options exercised during the last financial year, provide, in addition to the information prescribed by subparagraphs a to c of paragraph (2), the aggregate net value (market value less exercise price) of the securities underlying the options.*
- (4) *Where disclosure of an amount paid or distributed pursuant to a plan is made under cash remuneration in paragraph 2, that amount shall not be included under sub-paragraph (1) f if a statement to that effect is made under paragraph 3.*
- (5) *The disclosure required by sub-paragraph (1) f and g need not be provided where the amounts are paid, distributed or accrued pursuant to a defined benefit plan that specifies certain pension benefits to be received after retirement and determines an employee's entitlement to such pension benefits as a function of either or both the employee's years of service and earnings.*

4. Other remuneration

Describe any other remuneration not covered in the cash or plans remuneration sections, and in particular, personal benefits, securities or property paid or distributed other than pursuant to a plan, inasmuch as it is not offered, on the same terms, to all full time employees other than those covered by collective agreements.

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The value to be given for such remuneration shall be the issuer's and subsidiaries' aggregate incremental cost.

However, when the aggregate value of other remuneration does not exceed the lesser of 10 000 \$ times the number of persons in the group or 10% of the cash remuneration reported pursuant to section 2, it is necessary to declare that fact only.

In the case of an issuer that may avail itself of the simplified prospectus system, the 10 000 \$ threshold is raised to 25 000 \$.

5. Termination of employment or change of control

Describe any plan or arrangement in respect of compensation received or that may be received by executive officers in the last financial year in view of compensating such officers in the event of the termination of employment (resignation, retirement, change of control) or in the event of a change in responsibilities following a change in control, where in respect of an executive officer the value of such compensation exceeds 60 000 \$.

6. Remuneration of directors

(1) Describe any standard arrangement, stating amounts, pursuant to which directors are remunerated for their services in their capacity as director, including any additional amounts payable for committee participation or special assignments.

(2) Describe any other arrangements, stating amounts, in addition or in lieu of any standard arrangement, pursuant to which directors were remunerated during the last financial year.

Where compensation is in non-cash form, state the value of the benefit conferred, or if it is not possible to state the value, describe the benefit conferred.

7. Special provisions concerning issuers most of which are unincorporated

Unincorporated issuers must report:

(a) the aggregate amount of fees paid to individuals acting as directors or trustees in respect of each of the financial years reported upon;

(b) the aggregate amount of expenses reimbursed to directors or trustees in respect of the fulfillment of their duties as directors or trustees.

Where compensation is in non-cash form, state the value of the benefit conferred, or if it is not possible to state the value, describe the benefit conferred.

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The information required by this section may be disclosed in the annual financial statements.

The same rules apply to incorporated mutual funds which do not directly employ officers and the business of which is managed by a management company.

Item 7: Indebtedness of officers and directors

- 1. Disclose any information regarding the indebtedness of each officer or director of the company, of a nominee for the position of director or of a person associated with such officer, director or nominee, to the extent that it is not routine indebtedness.*
- 2. This information need be given only in the circular prepared for the annual meeting.*

Instructions

- 1. State the name and address of each person who received such a loan. Solely the municipality of residence or postal address may be given.*
- 2. State the largest aggregate amount of indebtedness outstanding towards the issuer and its subsidiaries by each such persons at any time during the last financial year, the nature of the indebtedness and the transaction in which it was incurred, the balance thereof presently outstanding, and the rate of interest paid or charged thereon.*
- 3. "Routine indebtedness" means*
 - (1) loans made on equal terms to employees generally and not exceeding 25 000 \$;*
 - (2) a loan made to an officer or director who is a full-time employee of the issuer provided that the loan is less than twice the amount of his salary and is secured by a first mortgage against his principal residence.*
 - (3) a loan made to a person who is not a full-time employee, provided the making of the loan is part of the business of the issuer, is granted on the same conditions as to customers and involves no unusual risk of collectibility;*
 - (4) indebtedness arising by reason of purchases made on usual trade terms or of ordinary travel or expense advances, if the repayment arrangements are in accord with usual commercial practice.*

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Item 8:

Interest of insiders and other persons in material transactions

Give a brief description of the following persons in any material transaction carried out since the commencement of the last financial year or in any proposed transaction which has materially affected or would materially affect the reporting issuer or any of its subsidiaries:

- (1) an insider of the reporting issuer;
- (2) a proposed nominee for election as a director;
- (3) an associate or affiliate of such insider or proposed nominee.

However, it is not necessary to repeat this information if it has already been given in a proxy circular.

Instructions

1. Give a brief description of the material transaction. State the name and address of each interested person and his relationship with the reporting issuer. .

2. As to any transaction involving the purchase or sale of assets by the reporting issuer or any subsidiary, otherwise than in the ordinary course of business, state the cost of the assets to the purchaser and the cost of the assets to the seller if acquired by the seller within 2 years prior to the transaction.

3. This item does not apply to any interest arising from the ownership of securities of the reporting issuer where the security holder receives no extra or special benefit or advantage not shared on a prorata basis by all holders of the same class of securities.

4. Where one of the persons referred to in this item is an underwriter, an associate or affiliate, include information as to any material underwriting discounts or commissions upon the sale of securities by the reporting issuer.

5. No information need be given in answer to this item as to any transaction or any interest therein where:

(1) the rates or charges involved in the transaction are fixed by law or determined by competitive bids;

(2) the interest of the specified person in the transaction is solely that of a director of another company that is a party to the transaction;

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(3) the interest of the specified person involves services as a chartered bank or other depository of funds, transfer agent, registrar, trustee under a trust deed or other similar services;

(4) the interest in the transaction of the specified person must not be for more than 50 000 \$, taking into account any periodic instalment provided for in the contract, for example in the case of a lease;

(5) the transaction does not involve remuneration for services, provided the following conditions are met:

(a) the interest of the specified person arose from the beneficial ownership of less than 10 % of any class of voting securities of another company that is a party to the transaction;

(b) the transaction is in the ordinary course of business of the reporting issuer or its subsidiaries;

(c) the amount of the transaction or series of transactions is less than 10 % of the total sales or purchases, as the case may be, of the reporting issuer and its subsidiaries for the last financial year.

6. Information shall be furnished in answer to this item with respect to transactions not excluded above which involve remuneration to any of the specified persons for services in any capacity unless the interest of the person arises solely from the beneficial ownership of less than 10 % of any class of voting securities of a company furnishing the services.

Item 9: Appointment of auditor

1. If action is to be taken with respect to the appointment of an auditor, name the auditor of the reporting issuer.

If the auditor was first appointed within the last 5 years, state the date when the auditor was first appointed.

2. The information to be given when a reporting issuer's auditor is dismissed or changed is the information required by the provisions prescribed by regulation.

Item 10: Management contracts

Where management functions of the reporting issuer or any subsidiary are to any substantial degree performed by a person other than the officers and directors of the reporting issuer or subsidiary, give:

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1. details of the agreement under which the management functions are performed, including the name and address of any person who is a party to the agreement or who is responsible for performing the management functions;

2. the names and addresses of the insiders of any person with whom the reporting issuer or subsidiary has any such agreement and, if the following information is known to the officers and directors of the reporting issuer, give the names and addresses of any person that would be an insider of any person with whom the reporting issuer or subsidiary has any such agreement if the person was a reporting issuer;

3. with respect to any person named in answer to paragraph 1 state the amounts paid or payable by the, reporting issuer and its subsidiaries since the commencement of the last financial year and give particulars;

4. with respect to any person named in answer to paragraph 1 or 2 and their associates or affiliates, give particulars of,

(1) any indebtedness of the person, associate or affiliate to the reporting issuer or its subsidiaries that was outstanding, at any time since the commencement of the reporting issuer's last financial year;

(2) any transaction or agreement of the person, associate or affiliate with the reporting issuer or subsidiary, at any time since the commencement of the reporting issuer's last financial year.

Instructions

1. Solely the place of residence or postal address of each person may be given, but the Authority may then request the home address in full.

2. It is not necessary to give information of relative insignificance.

3. In giving particulars of indebtedness, state the largest aggregate amount of indebtedness granted by the reporting issuer or one of its subsidiaries to each of these persons during the last financial year, the nature of the indebtedness and of the transaction in which it was incurred, the amount of the indebtedness presently outstanding and the rate of interest on the indebtedness.

4. It is not necessary to include as indebtedness amounts due from the particular person for purchases subject to usual trade terms, for ordinary travel and expense advances, if the repayment arrangements are in accord with usual commercial practice.

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Item 11:

Particulars of matters to be acted upon

1. If action is to be taken on any matter other than the approval of financial statements, the substance of the matter, or related groups of matters, should be briefly described, to the extent where it has not been done already. Give sufficient details to permit security holders to form a reasoned judgement concerning the matter.

Such matters include alterations of share capital, charter or by-law amendments, acquisitions or dispositions of assets, amalgamations, mergers or reorganizations.

2. Where reorganization or a recapitalization is involved, give, with regards to the issuer whose securities are issued or offered in exchange, the information and the financial statements prescribed by regulation for a prospectus. The information circular must present in particular the financial statements in accordance with the requirements prescribed by regulation with respect to a prospectus.

3. If the matter is one that is not required to be submitted to a vote of security holders, the reasons for submitting it to security holders should be given and a statement should be made as to what action is intended to be taken by management in the event of a negative vote by the security holders.

O.C. 660-83, Sch. VIII; O.C. 1263-85, s. 104 and 107 to 109; O.C. 1263-85, s. 106; O.C. 697-87, s. 48 to 50; O.C. 977-88, s. 33; O.C. 226-93, s. 31; O.C. 30-96, s. 46; M.O. 2003-01, s. 87; M.O. 2008-06, s. 32.

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SCHEDULE IX (REPEALED)

O.C. 660-83, Sch. IX; O.C. 1263-85, s. 110 and 111; O.C. 1622-90, s. 45; M.O. 2003-01, s. 88.

SCHEDULE IX.1 (REPEALED)

O.C. 1622-90, s. 45; M.O. 2003-01, s. 88.

SCHEDULE X (REPEALED)

O.C. 660-83, Sch. X; O.C. 1263-85, s. 112; O.C. 1263-85, s. 112 (Item 10); O.C. 697-87, s. 53; O.C. 226-93, s. 32; M.O. 2003-01, s. 88.

SCHEDULE XI (REPEALED)

O.C. 660-83, Sch. XI; O.C. 1263-85, s. 113; O.C. 697-87, s. 55 to 62; M.O. 2008-03, s. 5.

SCHEDULE XII (REPEALED)

O.C. 660-83, Sch. XII; O.C. 1263-85 s. 114 and 115; O.C. 697-87, s. 63 to 71; M.O. 2003-01, s. 89; M.O. 2008-03, s. 5.

SCHEDULE XIII (REPEALED)

O.C. 660-83, Sch. XIII; Errata, 1985 G.O. 2, 1121; O.C. 1263-85, s. 116; O.C. 697-87, s. 72 and 73; M.O. 2003-01, s. 90; M.O. 2008-03, s. 5.

SCHEDULE XIV (REPEALED)

O.C. 660-83, Sch. XIV; O.C. 1263-85, s. 117 and 118; O.C. 697-87, s. 74 to 82; O.C. 226-93, s. 33; M.O. 2008-03, s. 5.

**SCHEDULE XV
ANNUAL STATEMENT OF THE DEALER'S FINANCIAL POSITION**

**Item 1:
Statement of financial position -**

Present the following items of the statement of a dealer's financial position dealing with the most recent financial year and presented in comparison with that of the preceding year.

Assets

*Cash
Accounts receivable
Accounts - dealers
Other accounts
Securities held at market value
Other assets (indicate basis of appraisal)*

Liabilities

*Borrowings on pledge
Accounts payable
Accounts - dealers
Securities sold short at market value
Capital stock (including borrowings described in section 212 of the Regulation and undistributed earnings)*

**Item 2:
Auditor's report**

Attach the auditor's report

O.C. 660-83, Sch. XV; O.C. 697-87, s. 83; O.C. 30-96, s. 47.

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SCHEDULE XVI (REPEALED)

O.C. 1263-85, s. 119; O.C. 697-87, s. 84; O.C. 30-96, s. 48; M.O. 2003-01, s. 91; M.O. 2005-22, s. 11.

SCHEDULE XVII (REPEALED)

O.C. 977-88, s. 34; M.O. 2003-01, s. 92; M.O. 2005-22, s. 11.

SCHEDULE XVIII (REPEALED)

O.C. 1548-96, s. 2; M.O. 2003-01, s. 93.

SCHEDULE XIX (REPEALED)

O.C. 1247-2001, s. 3; M.O. 2003-01, s. 93.

FORM 1 (REVOKED)

O.C. 660-83, Form 1; Errata, 1985 G.O. 2, 1121; O.C. 977-88, s. 35; O.C. 1247-2001, s. 4.

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4. AUDITOR

Name
Address

5. BANKS

Names of all the banks of caisses populaires, including the addresses of all branches where the applicant keeps a line of credit or an account.

Name	Address

6. OFFICERS AND DIRECTORS: (complete list)

Each officer and director must complete the form provided for in Schedule 33-109F4 of Regulation 33-109 respecting Registration Information.

Name	Address	Position

7. THE COMPANY

(1) Date of incorporation of the company	YEAR	MONTH	DAY												
(2) Incorporating Act															
(3) SUPPLEMENTARY LETTERS PATENT Provide the dates of issuance				Yr.	M.	D.	Yr.	M.	D.	Yr.	M.	D.	Yr.	M.	D.
(4) MEETINGS OF SHAREHOLDERS AND ANNUAL REPORT															
Date of the last general meeting of shareholders	Yr.	M.	D.	Date of the last special meeting of shareholders	Yr.	M.	D.	Date of last annual report	Yr.	M.	D.				
(5) SHAREHOLDERS Attach the names and addresses of the persons holding a major position and the number of securities each holds. <i>A major position is defined as holding by one person of more than 10% of the voting rights attached to the securities issued by the dealer or the person controlling it. In calculating the percentage of voting rights held by a person, the voting rights controlled by that person and his joint actors must be added to those that belong to that person and his joint actors, in particular due to the fact that they can exercise the voting rights attached to these securities</i>															
(6) DEBT SECURITIES Attach the names and addresses of all the holders of debt securities (bonds, debentures, notes and loans) issued by the company and indicate the nature and amount of the securities held by each. <i>In the case of a dealer having made a public offering, it is sufficient to give information concerning the securities held by the officers and directors.</i>															
(7) BENEFICIAL OWNERSHIP Do the persons mentioned in Items 5 and 6 above hold the securities mentioned on behalf of other persons?										YES	NO				
										<input type="checkbox"/>	<input type="checkbox"/>				
If YES, provide the names and addresses of the persons who own the securities <i>In the case where the owner is a legal person, provide the names and addresses of the persons that own a major position in that company.</i> <i>In the case where the owner is a trust, provide the names and addresses of the persons who own rights in the trust and give the percentage of securities held by each.</i>															
(8) CAPITAL STOCK Provide the following information on a separate sheet if space is lacking				PREFERRED SHARES (NUMBER)	COMMON SHARES (NUMBER)	VALUE \$									

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(a) authorized capital stock			
(b) issued and outstanding			
(c) per value of debt securities: Note –In each case, provide a complete description (source, maturities, interest rates, and whether it is a loan contemplated by section 193 of the Regulation).	1 -Bonds		
	2 – Notes		
	3-Any other borrowings		
	TOTAL		

8. PARTNERSHIPS

(1) Date constituted	YEAR	MONTH	DAY	Date registered	YEAR	MONTH	DAY
(2) SHARE OF PARTNERS.		Attach a list of shares of each partner in the capital stock and in the earnings of the partnership.					
(3) BENEFICIAL OWNERSHIP.		Are the persons mentioned in the preceding paragraph the owners of their shares of the capital of the partnership?				YES <input type="checkbox"/>	NO <input type="checkbox"/>
If NO, provide the names and addresses of the persons who own the securities.							

SECTION B

Answer YES or NO to Questions 9 to 16. In the case of an affirmative answer, provide the necessary details.

9. CHANGE OF NAME

Has the applicant previously used a name other than the one by which he is identified in this application for registration or has he previously carried on business under another name?	YES <input type="checkbox"/>	NO <input type="checkbox"/>

10. PREVIOUS REGISTRATION

Under a securities law or regulation enacted in Québec or elsewhere.		
	YES	NO
(1) has the applicant previously obtained registration or a permit?	<input type="checkbox"/>	<input type="checkbox"/>
(2) if YES, does he still hold the registration or the permit?	<input type="checkbox"/>	<input type="checkbox"/>
(3) if NO, has he previously made such application?	<input type="checkbox"/>	<input type="checkbox"/>

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11. REFUSAL OF REGISTRATION, SUSPENSION OR WITHDRAWAL OF RIGHTS CONFERRED BY REGISTRATION

<i>Under a securities law or regulation enacted in Québec, or elsewhere.</i>		
	YES	NO
(1) <i>has the applicant been refused registration?</i>	<input type="checkbox"/>	<input type="checkbox"/>
(2) <i>have the rights conferred by registration been suspended?</i>	<input type="checkbox"/>	<input type="checkbox"/>
(3) <i>have the rights conferred by registration been withdrawn?</i>	<input type="checkbox"/>	<input type="checkbox"/>

12. STOCK EXCHANGE, DEALERS', ASSOCIATION.

<i>Has the candidate previously been</i>		
	YES	NO
(1) <i>admitted?</i>	<input type="checkbox"/>	<input type="checkbox"/>
(2) <i>refused?</i>	<input type="checkbox"/>	<input type="checkbox"/>
(3) <i>suspended?</i>	<input type="checkbox"/>	<input type="checkbox"/>
<i>as a member of a stock exchange, a dealers' or securities advisers' association or a professional association in Québec or elsewhere?</i>		

13. FRAUDS, CRIMES

<i>Has the applicant:</i>		
(1) (a) <i>been found guilty of an offence under a securities law or regulation enacted in Québec or elsewhere?</i>	YES	NO
	<input type="checkbox"/>	<input type="checkbox"/>
(b) <i>been found guilty of fraud or theft related to a securities transaction?</i>	YES	NO
	<input type="checkbox"/>	<input type="checkbox"/>
(c) <i>been involved in an injunction following a fraudulent transaction?</i>	YES	NO
	<input type="checkbox"/>	<input type="checkbox"/>
(2) <i>been found guilty in the last 10 years of a criminal offence under a law enacted in Québec or elsewhere?</i>	YES	NO
	<input type="checkbox"/>	<input type="checkbox"/>

14. COURT PROCEEDINGS

<i>Have there been any proceedings under any law in any jurisdiction which could have led to any charge, trial, conviction or injunction against the applicant?</i>	YES	NO
	<input type="checkbox"/>	<input type="checkbox"/>

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15. BANKRUPTCY

Has the applicant been declared bankrupt or made an assignment of property to his creditors during the last 10 years?	YES <input type="checkbox"/>	NO <input type="checkbox"/>

16. JUDGMENT FOR DAMAGES

Has the applicant been ordered by a civil court to pay damages during the last 10 years by reason of fraud or any other cause?	YES <input type="checkbox"/>	NO <input type="checkbox"/>

17. INSURANCE OR SURETY

(1) CONTRACT FOR UNIVERSAL SURETY							
Name of the insurance company <input type="text"/>							
Attach details respecting the amount of the coverage for each category of risks, the deductible, the date of coming into force and the term of the contract.							
(2) POSTAL INSURANCE							
Name of the insurance company <input type="text"/>							
Amount of coverage	<input type="text"/>	Deductible	<input type="text"/>	Expiry Date	YR.	MON.	DAY
(3) OTHER							
Provide all details							
(4) DEMANDS FOR SETTLEMENT							
Have demands for settlement been made to your insurance company during the last financial year?						YES <input type="checkbox"/>	NO <input type="checkbox"/>
If YES, give details on a separate sheet.							

Signature of officer, director or partner

name (print) and position

for _____
name of applicant

All the documents attached to this form must be initialled by the person who signs the form.

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DECLARATION UNDER OATH

I, the undersigned, _____ having taken cognizance of the information in Form 2 and in the documents attached thereto, declare under oath that it contains no misrepresentation.

Sworn before me

In witness whereeto, I have signed

at _____

at _____

on the _____ day of _____ 19 _____

on the _____ day of _____ 19 _____

signature

signature

name in block letters and position

name in block letters

Notary, justice of the peace or
commissioner for oaths
Judicial district of _____

This declaration may be replaced by a solemn affirmation.

Important

THE FOLLOWING DOCUMENTS MUST ACCOMPANY THE APPLICATION:

1. Audited financial statements, at a date not more than 90 days before the date of the application for registration;
2. The fees payable as prescribed in Chapter 11 of Title VI of the Regulations;
3. A certified copy of the resolution of the board of directors of the company authorizing one or more officers of directors to sign the application form and all the related documents.

O.C. 660-83, Form. 2; Errata, 1985 G.O. 2, 1121; O.C. 977-88, s. 36; O.C. 627-2000, s. 12; M.O. 2008-06, s. 30.

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FORM 3 (REPEALED)

O.C. 660-83, Form. 3; Errata, 1985 G.O. 2, 1121; O.C. 977-88, s. 37; O.C. 627-2000, s. 13; M.O. 2008-06, s. 31.

FORM 4 (REPEALED)

D. 977-88, a. 38; O.C. 1622-90, s. 46; M.O. 2008-06, s. 31.

TRANSITIONAL PROVISIONS

O.C. 1622-90, 1990 G.O. 2, 2895

47. *The incorporated or the unincorporated mutual fund prescribed in section 267.4 which paid fees in accordance with the regulation in force since July 21, 1988 may, within a 6 month period following the coming into force of the present regulation, ask the Authority a refund of the fees made up of the difference between the fees then required and those presently required.*

The limited partnership prescribed in section 267.4 which paid fees, in accordance with the regulation in force since July 21, 1988, at the time of the distribution of the securities of an incorporated or unincorporated mutual fund may, within a 6 month period following the coming into force of the present regulation, ask the Authority for a refund of those fees.

48. *The net free capital requirements prescribed by section 207 will come into force, with respect to the dealer with an unrestricted practice, except the introducing dealer, and to the discount broker already registered at the coming into force of the present regulation, only on July 1st, 1991, unless the rules of the self-regulatory organization to which they are members prescribe a coming into force of these requirements which is prior to that date.*

From the coming into force of the present regulation until July 1st, 1991, except for those that have to abide by the new rules because of their being members of a self-regulatory organization, the requirements are of 185 000 \$.

49. *The requirement prescribed by section 119 to present in the annual report the information prescribed by Schedule VII and the requirement, prescribed by section 159 to file the annual information form are applicable only for the financial years ending from equity of 25 000 000 \$ or less.*

O.C. 660-83, 1983 G.O. 2, 1269
Errata, 1985 G.O. 2, 1121

Amendments

O.C. 1758-84, 1984 G.O. 2, 3277
O.C. 1263-85, 1985 G.O. 2, 2297
O.C. 697-87, 1987 G.O. 2, 1655
L.Q. 1987, c. 95 (O.C. 717-88, 1988 G.O. 2, 2139)
O.C. 977-88, 1988 G.O. 2, 2396
O.C. 1622-90, 1990 G.O. 2, 2895
O.C. 680-92, 1992 G.O. 2, 2678
O.C. 980-92, 1992 G.O. 2, 3251
O.C. 1145-92, 1992 G.O. 2, 4170
O.C. 226-93, 1993 G.O. 2, 937
O.C. 1346-93, 1993 G.O. 2, 5363
O.C. 30-96, 1996 G.O. 2, 560
O.C. 1548-96, 1996 G.O. 2, 5473
O.C. 566-97, 1997 G.O. 2, 1946
O.C. 627-2000, 2000 G.O. 2, 2531
O.C. 871-2001, 2001 G.O. 2, 3887
O.C. 1247-2001, 2001 G.O. 2, 5760
O.C. 52-2003, 2003 G.O. 2, 856
O.C. 630-2003, 2003 G.O. 2, 1887
M.O. 2003-01, 2003 G.O. 2, 1890
M.O. 2005-04, 2005 G.O. 2, 1496
M.O. 2005-17, 2005 G.O. 2, 3523
O.C. 748-2005, 2005 G.O. 2, 3457
M.O. 2005-22, 2005 G.O. 2, 3643
O.C. 1132-2004, 2004 G.O. 2, 3473
O.C. 1183-2005, 2005 G.O. 2, 5159
M.O. 2005-04, 2005 G.O. 2, 1496
M.O. 2007-09, 2007 G.O. 2, 4077
M.O. 2008-03, 2008 G.O. 2, 561
M.O. 2008-06, 2008 G.O. 2, 726
L.Q. 2008, c. 7
M.O. 2008-08, 2008 G.O. 2, 2024