

THE SECURITIES ACT

Section 20(1)

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Order No. 6404

September 23, 2011

**Exemption from the Registration Requirement in  
National Instrument 31-103 *Registration Requirements  
and Exemptions for Trades in Short-term Debt  
Instruments***

**WHEREAS:**

An application has been made by Staff to The Manitoba Securities Commission (the "**Commission**") for an order under section 20(1) of *The Securities Act*, R.S.M. 1988, c. S50 (the "**Act**") granting an exemption from the dealer registration requirement in section 6 of the Act for trades in certain securities.

Terms defined in the Act, National Instrument 14-101 *Definitions*, or National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (NI 31-103) have the same meaning in this order.

In this order, "Approved credit rating" has the same meaning ascribed to it in National Instrument 81-102 *Mutual Funds* (NI 81-102) with the exception of paragraph (b) of such definition.

**Background**

1. A person or company in Manitoba was, prior to March 27, 2010, exempt from the registration requirement for trades in short-term debt under section 3.35 of NI 45-106 *Prospectus and Registration Exemptions* (NI 45-106) which provided that the dealer registration requirement for short-term debt was available only where, among other things, the negotiable promissory note or commercial paper "has an approved credit rating from an approved credit rating organization."
2. NI 45-106 also incorporated by reference the definitions for "approved credit rating" and "approved credit rating organization" in NI 81-102.
3. On March 25, 2010, The Manitoba Securities Commission issued Order Number 6090 *Exemption from the Registration Requirement in National Instrument 31-103 Registration Requirements and Exemptions for Trades in Short-term Debt Instruments* (2010 Order) exempting certain Canadian financial institutions from the

requirement to register when trading in short-term debt instruments, until September 28, 2011.

### Order

The Commission is of the opinion that it would not be prejudicial to the public interest to grant the order requested.

### IT IS ORDERED:

1. THAT, under section 20(1) of the Act
  - i. a bank listed in Schedule I, II or III to the *Bank Act* (Canada);
  - ii. an association to which the *Cooperative Credit Associations Act* (Canada) applies or a central cooperative credit society for which an order has been made under subsection 473 (1) of that Act;
  - iii. a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative or credit union league or federation that is authorized by a statute of Canada or of a jurisdiction in Canada to carry on business in Canada or in any jurisdiction in Canada, as the case may be; and
  - iv. the Business Development Bank of Canada;

is exempt from the dealer registration requirement in respect of a trade in a negotiable promissory note or commercial paper maturing not more than one year from the date of issue, if the note or commercial paper traded

- (a) is not convertible or exchangeable into or accompanied by a right to purchase another security other than a security described in this order; and
- (b) has an approved credit rating issued by one of the following rating organizations, or any of their successors, at or above one of the following rating categories or a rating that replaces a category listed below:

Rating Organization	Rating
DBRS Limited	R-1 (low)
Fitch Ratings Ltd.	F2
Moody's Investors Service, Inc.	P-2
Standard & Poor's Corporation	A-2.

2. THAT this order comes into effect on September 29, 2011 and expires on September 28, 2014.

BY ORDER OF THE COMMISSION



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Deputy Director