

## **Recognition Of Stock Exchanges And Jurisdictions For The Purpose Of The Securities Act**

Effective: November 9, 1988

(Part I, effective November 9, 1988, Part II, January 11, 1989)

Various provisions in The Securities Act (the "Act") permit The Manitoba Securities Commission (the "Commission") to recognize stock exchanges and jurisdictions for certain purposes under the Act. The purpose of this local policy is to consolidate future actions of the Commission granting such recognition.

The Commission has recently recognized a number of stock exchanges and jurisdictions for the purpose of certain exemptions set forth in subsections 84(1) and (3) of the take-over bid provisions of Part IX of the Act. Recognition by the Commission of particular stock exchanges and jurisdictions is a prerequisite to the availability of these exemptions.

Attached are copies of the orders by which the Commission granted the recognition referred to above.

The Commission has previously recognized the Toronto Stock Exchange, the Alberta Stock Exchange and the Winnipeg Stock Exchange (the "WSE") pursuant to subsection 58(3) of the Act for the purpose of exempting certain primary distributions to the public from the prospectus requirements of section 37 of the Act.

The Commission has also recognized the WSE and the Canadian Financial Futures Market division of the Winnipeg Commodity Exchange pursuant to subsection 139(1) of the Act for the purpose of permitting them to carry on business as stock exchanges in Manitoba.

### **Part I — Recognition by the Commission of Stock Exchanges for the Purpose of the Take-over Bid Provisions of the Securities Act**

(Order No. 14/89.)

#### **Whereas:**

(A) On October 19, 1988, the amendments to the take-over bid provisions of Part IX of The Securities Act (the "Act") came into force:

(B) Clause 84(1)(a) of the Act states:

"84(1) Subject to the regulations, a take-over bid is exempt from sections 86 to 91 if

(a) the bid is made through the facilities of a stock exchange recognized by the commission for the purposes of this clause;

Clause 84(3)(e) of the Act states:

84(3) Subject to the regulations, an issuer bid is exempt from sections 86, 87, 88, 89 and 91 if

(e) the bid is made through the facilities of a stock exchange recognized by the commission for the purpose of this clause;"

(C) On November 2, 1988, The Manitoba Securities Commission (the "Commission") recognized the Toronto Stock Exchange (the "TSE"), the Vancouver Stock Exchange (the "VSE") and the Montreal Exchange (the "ME") for the purpose of clauses 84(1)(a) and 84(3)(e);

(D) The purpose of this order is to formalize the recognition granted by the Commission to the TSE, the VSE and the ME for the purpose of clauses 84(1)(a) and 84(3)(e) of the Act on November 2, 1988.

**It Is Ordered:**

1. **THAT** the Commission recognizes the TSE, the VSE and the ME for the purpose of clauses 84(1)(a) and 84(3)(e) of the Act.
2. **THAT** this order shall be effective November 9, 1988.

**By Order Of The Commission**

January 11, 1989

**Part II — Recognition by the Commission of Jurisdiction for the Purpose of the Take-over Bid Provisions of the Securities Act**

(Order No. 15/89.)

**Whereas:**

(A) On October 19, 1988, the amendments to the take-over bid provisions of Part IX of The Securities Act (the "Act") came into force;

(B) Clause 84(1)(e) of the Act states:

"84(1) Subject to the regulations, a take-over bid is exempt from sections 86 to 91 if

... (e) the number of holders, whose last address as shown on the books of the offeree issuer is in Manitoba, of securities of the class subject to the bid is fewer than 50 and the securities held by such holders constitute, in the aggregate, less than 2% of the outstanding securities of that class, the bid is made in compliance with the laws of a jurisdiction that is recognized for the purposes of this clause by the commission, and all material relating to the bid that is sent by the offeror to holders of securities of the class that is subject to the bid is concurrently sent to all holders of such securities whose last address as shown on the books of the offeree issuer is in Manitoba and filed; or"

Clause 84(3)(h) of the Act states:

"84(3) Subject to the regulations, an issuer bid is exempt from sections 86, 87, 88, 89 and 91 if

... (h) the number of holders, whose last address as shown on the books of the issuer is in Manitoba, of securities of the class subject to the bid is fewer than 50 and the securities held by such holders constitute, in the aggregate, less than 2% of the outstanding securities of that class, the bid is made in compliance with the laws of a jurisdiction that is recognized for the purposes of this clause by the commission, and all material relating to the bid that is sent by the offeror to holders of securities of the class that is subject to the bid is concurrently sent to all holders of such securities whose last address as shown on the books of the issuer is in Manitoba and filed; or"

(C) The rules and procedures in place in the United Kingdom and the United States of America are, in the opinion of the Commission, not inconsistent with the objectives of Part IX of the Act and include a requirement to send to shareholders resident in Manitoba a disclosure document approximately the quality of the document that would otherwise be required under Part IX of the Act;

(D) The legislation and regulations regarding take-over and issuer bids in Ontario, Quebec and British Columbia are substantially uniform with that in force in Manitoba:

(E) The Manitoba Securities Commission (the "Commission") is of the opinion that it is not contrary to the public interest to recognize the United Kingdom, the United States of America, Ontario, Saskatchewan, Nova Scotia, Quebec and British Columbia for the purpose of clauses 84(1)(e) and 84(3)(h) of the Act.

**It Is Ordered:**

1. **THAT** the Commission recognizes the United Kingdom for the purpose of clauses 84(1)(e) and 84(3)(h) of the Act subject to the condition that the bid complies with the requirements of The City Code on Take-overs and Mergers and is not exempt therefrom.

2. **THAT** the Commission recognizes the United States of America for the purpose of clauses 84(1)(e) and 84(3)(h) subject to the condition that the bid complies with the requirements of the United States Securities and Exchange Commission and is not exempt therefrom.

3. **THAT** the Commission recognizes British Columbia, Alberta, Saskatchewan, Ontario, Quebec and Nova Scotia for the purpose of clauses 84(1)(e) and 84(3)(h) of the Act.

**By Order Of The Commission**

January 11, 1989