

NOTICE AND REQUEST FOR COMMENT**Consequential Amendments Arising from the
Proposed Repeal and Replacement of
National Instrument 44-101 *Short Form Prospectus Distributions***

**Proposed Amendments to National Instrument 44-102 *Shelf Distributions*,
National Instrument 44-103 *Post-Receipt Pricing*,
National Policy 43-201 *Mutual Reliance Review System for Prospectuses
and Annual Information Forms* and
National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities***

January 7, 2005

Overview

We, the Canadian Securities Administrators (CSA), are publishing this notice in conjunction with the Notice and Request for Comment on the proposed repeal and replacement of National Instrument 44-101 *Short Form Prospectus Distributions*, Form 44-101F3 *Short Form Prospectus* and Companion Policy 44-101CP (collectively, the "Proposed Short Form Rule"). The Proposed Short Form Rule is intended to replace the current short form prospectus distribution rule and related forms and companion policy (collectively, the "Current Short Form Rule") that came into effect in all CSA jurisdictions on December 31, 2000. It will more fully integrate the disclosure regimes for the primary and secondary securities markets, and will address deficiencies or ambiguities in the Current Short Form Rule that we have identified over the past four years. Finally, we have proposed revisions to the qualification criteria that would broaden issuer access to the short form system.

A number of other national instruments build on the foundation of the Current Short Form Rule, or make reference to some of its requirements. As a consequence of the proposed repeal of the Current Short Form Rule and its replacement with the Proposed Short Form Rule, the CSA also propose to amend the following national instruments:

- National Instrument 44-102 *Shelf Distributions* ("NI 44-102") and the related Companion Policy 44-102CP;
- National Instrument 44-103 *Post-Receipt Pricing* ("NI 44-103") and the related Companion Policy 44-103CP;
- National Policy 43-201 *Mutual Reliance Review System for Prospectuses and Annual Information Forms* ("NP 43-201"); and
- National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101").

The proposed consequential amendments are summarized below. With this notice, we are publishing a version of each of NI 44-102, NI 44-103 and NP 43-201, marked to indicate the proposed consequential amendments. These documents can be obtained from websites of CSA members, including the following:

www.albertasecurities.com
www.bcsc.bc.ca
www.msc.gov.mb.ca
www.gov.ns.ca/nssc/
www.osc.gov.on.ca
www.lautorite.qc.ca
www.sfsc.gov.sk.ca

Summary of Proposed Consequential Amendments

NI 44-102

We propose to amend NI 44-102 to update cross-references and definitions to be consistent with the Proposed Short Form Rule and to make a few other minor changes. The more significant proposed amendments to NI 44-102 are as follows:

- Amending the eligibility criteria contained in Part 2 to clarify that an issuer must be eligible to use the short form prospectus system established under the Proposed Short Form Rule in order to file and use a shelf prospectus.
- Amending subsection 6.4(1) to require that a shelf prospectus supplement be filed only in the jurisdictions in which securities are being distributed under the supplement.
- Deleting section 7.3, which addresses the filing of auditors' comfort letters, consistent with the elimination from the Proposed Short Form Rule of any requirement for auditors' comfort letters.
- Deleting Part 10 *Transitional Shelf Procedures* as it is no longer necessary to address transitional issues concerning NI 44-102's predecessor, National Policy 44.

We also propose to make corresponding changes to the related Companion Policy, including:

- Amending section 2.4 to provide additional guidance to issuers who propose to use the shelf procedures to distribute novel derivatives or asset-backed securities.
- Adding a new section 2.7 to provide additional guidance with respect to when an expert's consent must be filed under NI 44-102.
- Adding subsection (4) to section 3.1 to provide guidance as to how an issuer can increase the amount of securities that can be distributed under a previously filed shelf prospectus.

NI 44-103

We propose to amend NI 44-103 to update cross-references and definitions to be consistent with the Proposed Short Form Rule, to make other minor changes and to remove outdated transitional provisions. We also propose to make corresponding changes to the related companion policy.

NP 43-201

We propose to amend NP 43-201 to remove the provisions relating to the review and acceptance of annual information forms, and to make other minor changes to the policy. Annual information forms filed under National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102") will be subject to the national continuous disclosure review program.

NI 51-101

We propose to amend the definition of “annual information form” in NI 51-101 so that it refers to the definition of “annual information form” in NI 51-102. We also propose to make corresponding changes to the guidance given in the related companion policy about annual information forms.

Local Instruments

In addition to the amendments to the national instruments discussed above, consequential amendments may also be required for local instruments in some jurisdictions. Securities regulatory authorities in those jurisdictions will publish amendments to local instruments separately.

Anticipated Costs and Benefits

We expect that the adoption of the Proposed Short Form Rule and the related consequential amendments will further enhance the efficiency of accessing capital for short form eligible reporting issuers. Harmonizing the short form system and related systems with the continuous disclosure rules will reduce costs of public securities offerings. There will be greater clarity regarding the application of the Proposed Short Form Rule and related instruments, including NI 44-102, and reduced circumstances requiring exemptive relief. To the extent that the amendments require additional disclosure, this disclosure will benefit investors to an extent that the benefit will outweigh the costs of these new requirements.

Alternatives Considered

No other alternatives were considered.

Unpublished Materials

No unpublished study, report or other written materials were relied on in proposing these amendments to existing national instruments.

Request for Comment

We request your comments on the proposed amendments to NI 44-102, NI 44-103, NP 43-201 and NI 51-101.

How to Provide Your Comments

Please provide your comments by April 8, 2005 by addressing your submission to the securities regulatory authorities listed below:

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Nova Scotia Securities Commission

You do not need to deliver your comments to all of the CSA member commissions. Please deliver your comments to the three addresses that follow, and they will be distributed to all other jurisdictions by CSA staff.

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Alberta Securities Commission
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Calgary, Alberta T2P 3C4
Fax: (403) 297-6156
e-mail: joanne.bund@seccom.ab.ca

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Fax: (514) 864-6381
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If you are not sending your comments by e-mail, please send a diskette containing your comments (in DOS or Windows format, preferably Word).

We cannot keep submissions confidential because securities legislation in certain provinces requires that a summary of the written comments received during the comment period be published.

Questions

Please refer your questions to any of:

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**Proposed Amendment Instrument
for
National Instrument 44-102
*Shelf Distributions***

1. This Instrument amends National Instrument 44-102 *Shelf Distributions*.
2. “National Instrument 44-101 Short Form Prospectus Distributions” and “National Instrument 44-101” are struck out wherever they occur and “NI 44-101” is substituted.
3. Section 1.1 is amended
 - (a) in subsection (1),
 - (i) by adding the following definition immediately after the definition of “MTN program”:

“ “NI 44-101” means National Instrument 44-101 *Short Form Prospectus Distributions*”;
 - (ii) in the definition of “novel”, by adding “,” immediately after “means”;
and
 - (iii) by repealing the definition of “special warrant”; and
 - (b) in subsection (2), by striking out “National Instrument” wherever it occurs and substituting “NI”.
4. Section 1.3 is amended by striking out “2.9” and substituting “2.8”.
5. Part 2 is repealed and the following is substituted:

**“PART 2 SHELF QUALIFICATION AND PERIOD OF RECEIPT
EFFECTIVENESS**

- 2.1 General** - An issuer shall not file a short form prospectus that is a base shelf prospectus, unless the issuer is qualified to do so under this Instrument or has been exempted from this section under section 11.1.
- 2.2 Shelf Qualification for Distributions Qualified under Section 2.2 (Basic Qualification) of NI 44-101**
 - (1) An issuer is qualified to file a preliminary short form prospectus that is a preliminary base shelf prospectus if, at the time of filing, the issuer is qualified under section 2.2 of NI 44-101 to file a prospectus in the form of a short form prospectus.
 - (2) An issuer that has filed a preliminary base shelf prospectus in reliance on the qualification criteria in subsection (1) is qualified to file a short form prospectus that is the corresponding base shelf prospectus.

- (3) A receipt issued for a base shelf prospectus of an issuer qualified under subsection (2) is effective until the earliest of
 - (a) the date 25 months from the date of its issue;
 - (b) the time immediately before the entering into of an agreement of purchase and sale for a security to be sold under the base shelf prospectus, if at that time
 - (i) the issuer does not have current annual financial statements and does not satisfy the requirements of the exemption in either of subsections 2.9(1) or (2) of NI 44-101;
 - (ii) the issuer does not have a current AIF and does not satisfy the requirements of the exemption in either of subsections 2.9(1) or (2) of NI 44-101;
 - (iii) the aggregate market value of the issuer's equity securities, listed and posted for trading on an exchange in Canada, has not been \$75,000,000 or more on a date within 60 days before the date of the agreement [*for Alternative B*] the issuer's equity securities are not listed or posted for trading on a short form eligible exchange or the issuer is an issuer (A) whose operations have ceased, or (B) whose principal asset is cash, cash equivalents, or its exchange listing]; or
 - (iv) the issuer has withdrawn its notice declaring the issuer's intention to be qualified to file a short form prospectus under NI 44-101; and
 - (c) the lapse date, if any, prescribed by securities legislation, if relief has not been granted to the issuer extending the lapse date for the distribution.

2.3 [Shelf Qualification for Distributions Qualified under Section 2.3 of NI 44-101 (Substantial Issuers) *[NTD: not necessary for Alternative B]*

- (1) An issuer is qualified to file a preliminary short form prospectus that is a preliminary base shelf prospectus if, at the time of filing, the issuer is qualified under section 2.3 of NI 44-101 to file a prospectus in the form of a short form prospectus.
- (2) An issuer that has filed a preliminary base shelf prospectus in reliance on subsection (1) is qualified to file a short form prospectus that is the corresponding base shelf prospectus.

- (3) A receipt issued for a base shelf prospectus of an issuer qualified under subsection (2) is effective until the earliest of
 - (a) the date 25 months from the date of its issue;
 - (b) the time immediately before the entering into of an agreement of purchase and sale for a security to be sold under the base shelf prospectus, if at that time
 - (i) the issuer does not have current annual financial statements and does not satisfy the requirements of the exemption in either of subsections 2.9(1) or (2) of NI 44-101;
 - (ii) the issuer does not have a current AIF and does not satisfy the requirements of the exemption in either of subsections 2.9(1) or (2) of NI 44-101;
 - (iii) the aggregate market value of the issuer's equity securities, listed and posted for trading on an exchange in Canada, has not been \$300,000,000 or more on a date within 60 days before the date of the agreement; or
 - (iv) the issuer has withdrawn its notice declaring the issuer's intention to be qualified to file a short form prospectus under NI 44-101; and
 - (c) the lapse date, if any, prescribed by securities legislation, if relief has not been granted to the issuer extending the lapse date for the distribution.]

2.4 Shelf Qualification for Distributions Qualified under Section 2.4 [2.3] of NI 44-101 (Approved Rating Non-Convertible Securities)

- (1) An issuer is qualified to file a preliminary short form prospectus that is a preliminary base shelf prospectus for approved rating non-convertible securities if, at the time of filing, the issuer
 - (a) is qualified under section 2.4 [2.3] of NI 44-101 to file a prospectus in the form of a short form prospectus; and
 - (b) has reasonable grounds for believing that, if it were to distribute securities under the base shelf prospectus, the securities distributed would receive an approved rating and would not receive a rating lower than an approved rating from any approved rating organization.
- (2) An issuer that has filed a preliminary base shelf prospectus in reliance on the qualification criteria in subsection (1) is qualified to file a short form prospectus that is the corresponding base shelf prospectus if, at the time of the filing of the base shelf prospectus, the issuer has

reasonable grounds for believing that, if it were to distribute non-convertible securities under the base shelf prospectus, the securities distributed would receive an approved rating and would not receive a rating lower than an approved rating from any approved rating organization.

- (3) A receipt issued for a base shelf prospectus of an issuer filed under subsection (2) is effective until the earliest of
 - (a) the date 25 months from the date of its issue;
 - (b) the time immediately before the entering into of an agreement of purchase and sale for a security to be sold under the base shelf prospectus, if at that time
 - (i) the issuer does not have current annual financial statements and does not satisfy the requirements of the exemption in either of subsections 2.9(1) or (2) of NI 44-101;
 - (ii) the issuer does not have a current AIF and does not satisfy the requirements of the exemption in either of subsections 2.9(1) or (2) of NI 44-101;
 - (iii) the issuer has withdrawn its notice declaring the issuer's intention to be qualified to file a short form prospectus under NI 44-101; or
 - (iv) the securities to which the agreement relates
 - (A) have not received a final approved rating,
 - (B) are the subject of an announcement by an approved rating organization of which the issuer is or ought to be aware that the approved rating given by the organization may be down-graded to a rating category that would not be an approved rating, or
 - (C) have received a provisional or final rating lower than an approved rating from any approved rating organization; and
 - (c) the lapse date, if any, prescribed by securities legislation, if relief has not been granted to the issuer extending the lapse date for the distribution.

2.5 Shelf Qualification for Distributions made under Section 2.5 [2.4] of NI 44-101 (Guaranteed Non-Convertible Debt Securities, Preferred Shares and Cash Settled Derivatives)

- (1) An issuer is qualified to file a short form prospectus that is a preliminary base shelf prospectus for non-convertible debt securities, non-convertible preferred shares or non-convertible cash settled derivatives if, at the time of filing, the issuer is qualified under section 2.5 [2.4] of NI 44-101 to file a prospectus in the form of a short form prospectus.
- (2) An issuer that has filed a preliminary base shelf prospectus in reliance on subsection (1) is qualified to file a short form prospectus that is the corresponding base shelf prospectus.
- (3) A receipt issued for a base shelf prospectus of an issuer qualified under subsection (2) is effective until the earliest of
 - (a) the date 25 months from the date of its issue;
 - (b) the time immediately before the entering into of an agreement of purchase and sale for a security to be sold under the base shelf prospectus, if at that time
 - (i) a credit supporter has not provided full and unconditional credit support for the securities to which the shelf prospectus supplement relates;
 - (ii) unless the requirements of subparagraph 2.5(1)2(c) [2.4(1)2(b)] of NI 44-101, but not the requirements of subparagraphs [subparagraph] 2.5(1)2(a) or (b) [2.4(1)2(a)] of NI 44-101, were satisfied at the time the issuer filed its base shelf prospectus, the credit supporter does not have current annual financial statements and does not satisfy the requirements of the exemption in either of subsections 2.9(1) or (2) of NI 44-101;
 - (iii) unless the requirements of subparagraph 2.5(1)2(c) [2.4(1)2(b)] of NI 44-101, but not the requirements of subparagraphs [subparagraph] 2.5(1)2(a) or (b) [2.4(1)2(a)] of NI 44-101, were satisfied at the time the issuer filed its base shelf prospectus, the credit supporter does not have a current AIF and does not satisfy the requirements of the exemption in either of subsections 2.9(1) or (2) of NI 44-101;
 - (iv) the credit supporter has withdrawn its notice declaring its intention to be qualified to file a short form prospectus under NI 44-101;

- (v) the issuer has withdrawn its notice declaring the issuer's intention to be qualified to file a short form prospectus under NI 44-101; or
- (vi) the aggregate market value of the equity securities of the credit supporter, listed and posted for trading on an exchange in Canada, has not been \$75,000,000 or more on a date within 60 days before the date of the agreement *[[for Alternative B] the credit supporter's equity securities are not listed or posted for trading on a short form eligible exchange or the credit supporter is an issuer (A) whose operations have ceased, or (B) whose principal asset is cash, cash equivalents, or its exchange listing]*, and either of the following is true:
 - (A) the credit supporter does not have issued and outstanding non-convertible securities that
 - (I) have received an approved rating,
 - (II) have not been the subject of an announcement by an approved rating organization of which the issuer is or ought to be aware that the approved rating given by the organization may be down-graded to a rating category that would not be an approved rating, and
 - (III) have not received a rating lower than an approved rating from any approved rating organization, or
 - (B) the securities to which the agreement relates
 - (I) have not received a final approved rating,
 - (II) have been the subject of an announcement by an approved rating organization of which the issuer is or ought to be aware that the approved rating given by the organization may be down-graded to a rating category that would not be an approved rating, and
 - (III) have received a provisional or final rating lower than an approved rating from any approved rating organization; and
- (c) the lapse date, if any, prescribed by securities legislation, if relief has not been granted to the issuer extending the lapse date for the distribution.

2.6 Shelf Qualification for Distributions made under Section 2.6 [2.5] of NI 44-101 (Guaranteed Convertible Debt Securities or Preferred Shares)

- (1) An issuer is qualified to file a short form prospectus that is a preliminary base shelf prospectus for convertible debt securities and convertible preferred shares if, at the time of filing, the issuer is qualified under section 2.6 [2.5] of NI 44-101 to file a prospectus in the form of a short form prospectus.
- (2) An issuer that has filed a preliminary base shelf prospectus in reliance on subsection (1) is qualified to file a short form prospectus that is the corresponding base shelf prospectus.
- (3) A receipt issued for a base shelf prospectus qualified under subsection (2) is effective until the earliest of
 - (a) the date 25 months from the date of its issue;
 - (b) the time immediately before the entering into of an agreement of purchase and sale for a security to be sold under the base shelf prospectus, if at that time
 - (i) the securities to which the agreement relates are not convertible into securities of a credit supporter that has provided full and unconditional credit support for the securities being distributed;
 - (ii) the credit supporter does not have current annual financial statements and does not satisfy the requirements of the exemption in either of subsections 2.9(1) or (2) of NI 44-101;
 - (iii) the credit supporter does not have a current AIF and does not satisfy the requirements of the exemption in either of subsections 2.9(1) or (2) of NI 44-101;
 - (iv) the aggregate market value of the credit supporter's equity securities, listed and posted for trading on an exchange in Canada, has not been \$75,000,000 or more on a date within 60 days before the date of the agreement *[[for Alternative B] the credit supporter's equity securities are not listed or posted for trading on a short form eligible exchange or the issuer is an issuer (A) whose operations have ceased, or (B) whose principal asset is cash, cash equivalents, or its exchange listing];*
 - (v) the credit supporter has withdrawn its notice declaring the credit supporter's intention to be qualified to file a short form prospectus under NI 44-101; or

- (vi) the issuer has withdrawn its notice declaring the issuer's intention to be qualified to file a short form prospectus under NI 44-101; and
- (c) the lapse date, if any, prescribed by securities legislation, if relief has not been granted to the issuer extending the lapse date for the distribution.

2.7 Shelf Qualification for Distributions made under Section 2.7 [2.6] of NI 44-101 (Asset-Backed Securities)

- (1) An issuer that is qualified under section 2.7 [2.6] of NI 44-101 to file a prospectus in the form of a short form prospectus may file a preliminary base shelf prospectus for asset-backed securities if, at the time of filing, the issuer has reasonable grounds for believing that
 - (a) all asset-backed securities that it may distribute under the base shelf prospectus will receive an approved rating from any approved rating organization; and
 - (b) no asset-backed securities that it may distribute under the base shelf prospectus will receive a rating lower than an approved rating from any approved rating organization.
- (2) An issuer that has filed a preliminary base shelf prospectus in reliance on the qualification criteria in section 2.7 [2.6] of NI 44-101 may file the corresponding base shelf prospectus if, at the time of the filing of the base shelf prospectus, the issuer has reasonable grounds for believing that
 - (a) all asset-backed securities that it may distribute under the base shelf prospectus will receive an approved rating; and
 - (b) no asset-backed securities that it may distribute under the base shelf prospectus will receive a rating lower than an approved rating from any approved rating organization.
- (3) A receipt issued for a base shelf prospectus qualified under subsection (2) is effective for a distribution of asset-backed securities until the earliest of
 - (a) the date 25 months from the date of its issue;
 - (b) the time immediately before the entering into of an agreement of purchase and sale for an asset-backed security to be sold under the base shelf prospectus, if at that time
 - (i) the issuer does not have current annual financial statements and does not satisfy the requirements of the exemption in either of subsections 2.9(1) or (2) of NI 44-101;

- (ii) the issuer does not have a current AIF and does not satisfy the requirements of the exemption in either of subsections 2.9(1) or (2) of NI 44-101; or
- (iii) the asset-backed securities to which the agreement relates
 - (A) have not received a final approved rating,
 - (B) have been the subject of an announcement by an approved rating organization of which the issuer is or ought reasonably to be aware that the approved rating given by the organization may be down-graded to a rating category that would not be an approved rating, or
 - (C) have received a provisional or final rating lower than an approved rating from any approved rating organization; and
- (c) the lapse date, if any, prescribed by securities legislation, if relief has not been granted to the issuer extending the lapse date for the distribution.

2.8 Lapse Date - Ontario - In Ontario, the lapse date prescribed by securities legislation for a receipt issued for a base shelf prospectus is extended to the date 25 months from the date of issuance of the receipt.

2.9 Lapse Date - Alberta - In Alberta, the lapse date prescribed by securities legislation for a receipt issued for a base shelf prospectus is the date 25 months from the date of the issuance of the receipt.

2.10 Prohibited Offerings - Despite any provision in this Instrument, the shelf procedures shall not be used for a distribution of rights under a rights offering.”

- 6. Subsections 4.1(1) and (2) are amended by moving “in the local jurisdiction” to immediately after “distribute”.
- 7. Section 5.1 is amended in the preamble by adding “for the distribution” immediately after “a short form prospectus”.
- 8. Sections 5.3 and 5.6 are amended by striking out “44-101F3” wherever it occurs and substituting “44-101F1”.
- 9. Section 5.4 is amended by striking out “person or company” and substituting “issuer or selling securityholder”.
- 10. Section 6.1 is amended by adding “and, in Québec, to contain no misrepresentation that is likely to affect the value or the market price of the securities to be distributed” immediately after “distributed under the prospectus”.

11. Section 6.2(1) is amended by adding “,” immediately after “base shelf prospectus” wherever it occurs.
12. Section 6.4(1) is repealed the following is substituted:
 - “(1) A shelf prospectus supplement shall be filed in the local jurisdictions in which securities are distributed using the shelf prospectus supplement.”
13. Section 6.5 is amended by striking out “securities legislation that regulate conflicts of interest in connection with a distribution of securities of a registrant, a connected issuer of a registrant or a related issuer of a registrant” and substituting “National Instrument 33-105 *Underwriting Conflicts* and, in Québec, the applicable securities legislation”.
14. Section 6.7 is amended by adding “and, in Québec, contain no misrepresentation that is likely to affect the value or the market price of the securities to be distributed,” immediately after “distributed”.
15. Section 7.1 is amended by striking out “do not”.
16. Subsection 7.2(1) is amended by striking out “that use of the” and substituting “the use of that”.
17. Section 7.3 is repealed.
18. Subsection 8.2(1) is amended by striking out “5.5” and substituting “5.6”.
19. Subsection 9.1(1) is amended
 - (a) by striking out “11.1” and substituting “6.1”; and
 - (b) by striking out “2.9” and substituting “2.8”.
20. Part 10 is repealed.
21. Subsection 11.1(2) is amended by striking out “and Alberta”.
22. This Instrument comes into force on ●, 2005.

**Proposed Amendments to
Companion Policy 44-102CP
to National Instrument 44-102 *Shelf Distributions***

Companion Policy 44-102CP to National Instrument 44-102 *Shelf Distributions* is amended as follows:

1. "National Instrument" is struck out wherever it occurs and substituted with "NI" other than in subsection 1.1(1) and in subsection 1.1(2) in the phrase "National Instrument 44-101 *Short Form Prospectus Distributions*".
2. Subsection 1.1(2) is amended by striking out "5" and substituting "6".
3. Section 2.2 is amended
 - (a) in subsection (1) by adding ", the time" immediately after "(ii)";
 - (b) in subsection (2) by striking out "At the time of the coming into force of this Policy New Brunswick has a lapse date provision in its securities legislation and has not provided blanket relief for shelf distributions."; and
 - (c) by repealing subsection (3).
4. Subsection 2.3(1) is amended by striking out "POP" and substituting "short form prospectus distributions".
5. Section 2.4 is amended
 - (a) in the title, by adding "Novel" immediately after "of";
 - (b) in subsection (2), by adding the following immediately after "The securities regulatory authorities":

"also want to ensure that prospectus investors of such products are entitled to the appropriate rights at the time of their investment as contemplated by applicable securities laws. Reference is made to section 4.8 of Companion Policy NI 44-101CP for a discussion of these issues. The securities regulatory authorities";
 - (c) in subsection (3)
 - (i) by striking out "issues" and substituting "distributions"; and
 - (ii) by adding the following immediately after "prospectus.":

"This includes any circumstances where a base shelf prospectus, including, if applicable, an unallocated shelf prospectus, may be used together with a prospectus supplement to qualify novel products.";
 - (d) in subsection (4), by adding the following to the end:

“However, in circumstances where an issuer or its advisor is uncertain if a product is novel, the securities regulatory authorities encourage the issuer to either treat products as novel or to seek input from staff prior to filing a base shelf prospectus or prospectus supplement, as the case may be.”; and

- (e) in subsection (5), by adding the following to the end:

“The securities regulatory authorities also believe that the rights provided to investors in such products should be no less comprehensive than the rights provided in offerings previously reviewed by a securities regulatory authority in a jurisdiction.”

6. Subsection 2.5(3) is amended by striking out “These terms” and substituting “This information”.
7. The following section is added immediately after section 2.6 as section 2.6.1:

2.6.1 Expert’s Consent – Section 7.2 of NI 44-102 provides that if a document (the “Document”) containing an expert’s opinion, report or valuation is incorporated by reference into a base shelf prospectus and filed after the filing of the base shelf prospectus, the issuer must file the written consent of the expert in accordance with deadlines that vary with the circumstances. For example, issuers are reminded that separate auditor’s consents are required at the filing of the base shelf prospectus and in each subsequent shelf prospectus supplement for each set of audited financial statements incorporated by reference. The following is intended to illustrate the required timing for the filing of the expert’s consents:

	date the base shelf prospectus is filed	date the Document is filed	date the prospectus supplement is filed
MTN base shelf prospectus	(1)	(1)	
non-MTN base shelf prospectus		(2)	(2)

- (1) a consent is required to be filed no later than the date of filing of the base shelf prospectus and the Document.
- (2) a consent is required to be filed no later than the date of the filing of the Document and the prospectus supplement.

8. Section 3.1 is amended

- (a) in subsection (2)

- (i) by striking out “subsection 5.8(1)” wherever it occurs and substituting “section 5.8”; and
- (ii) by striking out “6.5” and substituting “3.4”; and
- (b) by adding the following as subsection (4):

“If an issuer wishes to add securities to its base shelf prospectus it may do so prior to issuing all of the securities qualified by the base shelf prospectus by filing an amendment to the base shelf prospectus. This will not extend the life of the base shelf prospectus.”

**Proposed Amendment Instrument
for
National Instrument 44-103
*Post-Receipt Pricing***

1. This Instrument amends National Instrument 44-103 *Post-Receipt Pricing*.
2. Subsection 3.2(1) is amended
 - (a) in paragraph 5
 - (i) in clause (a)(ii) by striking out “and” and substituting “or”; and
 - (ii) in paragraph (b) by striking out “otherwise,”;
 - (b) in subparagraph 7(c) by striking out “[insert in the case of short form prospectus distributions – “simplified prospectus, as supplemented by the permanent information record,”]”; and
 - (c) in paragraph 8 by striking out “[insert in the case of short form prospectus distributions – “simplified prospectus, as supplemented by the permanent information record,”]”.
3. Section 3.3 is amended in paragraph 8 by striking out “44-101F3” and substituting “44-101F1”.
4. Section 3.6 is amended in paragraph 2 by moving “to the document” to immediately after “reference”.
5. Section 4.1 is amended by adding “and, in Québec, to contain no misrepresentation that is likely to affect the value or the market price of the securities to be distributed” immediately after “under the prospectus”.
6. Subsection 4.5(2) is amended
 - (a) by repealing subparagraph 3(c) and substituting the following:

“(c) any person or company who is a promoter of the issuer:

“This [insert, if applicable, “short form”] prospectus, [insert in the case of a short form prospectus distribution – “together with the documents incorporated herein by reference,”] constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required under securities legislation of [insert name of each jurisdiction in which qualified]. [Insert if distribution made in Québec - “For the purpose of the Province of Québec, this [describe document], contains no misrepresentation likely to affect the value or the market price of the securities to be distributed.”]”

(b) by repealing item 4 and substituting the following:

“4. Instead of the prospectus certificate required under paragraph 8 of subsection 3.2(1), a certificate in the following form signed by each underwriter, if any, who for the securities to be distributed under the prospectus, is in a contractual relationship with the issuer or selling security holder:

“To the best of our knowledge, information and belief, this [insert, if applicable, “short form”] prospectus [insert in the case of a short form prospectus distribution - “, together with the documents incorporated herein by reference,”] constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required under the securities legislation of [insert name of each jurisdiction in which qualified]. [Insert if distribution made in Québec - “For the purpose of the Province of Québec, this [describe document] contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed.”]”

7. Part 5 is repealed.
8. Subsection 6.1(2) is amended by striking out “and Alberta”.
9. This Instrument comes into force on ●, 2005.

**Proposed Amendments to
Companion Policy 44-103CP
To National Instrument 44-103 *Post-Receipt Pricing***

Companion Policy 44-103CP to National Instrument 44-103 *Post-Receipt Pricing* is amended as follows:

1. Subsection 1.3(2) is amended by striking out "National Instrument" wherever it occurs and substituting "NI".

**Proposed Amendments to
National Policy 43-201
*Mutual Reliance Review System for Prospectuses and Annual Information Forms***

National Policy 43-201, *Mutual Reliance Review System for Prospectuses and Annual Information Forms* is amended as follows:

1. The title to NP 43-201 is repealed and the following substituted:

“Mutual Reliance Review System for Prospectuses”
2. Section 1.1 is amended by striking out “, annual information forms”.
3. Section 2.1 is amended
 - (a) in the definition of “applications policy”, by adding “,” immediately after “National Policy 12-201”;
 - (b) by repealing the definition of “initial AIF”;
 - (c) in the definitions of “local securities directions”, “local securities legislation”, and “local securities regulatory authority”, by adding “,” immediately after “National Instrument 14-101”;
 - (d) in the definition of “Q-28”, by striking out “Commission des valeurs mobilières du Québec” and substituting “Autorité des marchés financiers”;
 - (e) by repealing the definition of “renewal AIF”;
 - (f) in the definitions of “securities directions”, “securities legislation” and “securities regulatory authorities”, by adding “,” immediately after “National Instrument 14-101”; and
 - (g) in the definition of “SEDAR”, by adding “,” immediately after “National Instrument 13-101”.
4. Section 2.2 is amended by striking out “the Policy” and substituting “this Policy”.
5. Subsection 3.4(1) is amended
 - (a) in the preamble, by adding “:” immediately after “include”; and
 - (b) at the end of each of paragraphs (a) and (b), by striking out “,” and substituting “;”.
6. Section 4.3 is amended
 - (a) by striking out “or draft initial AIF”;
 - (b) by striking out “Quebec” and substituting “Québec”; and

- (c) by striking out “or initial AIF”.
- 7. Section 5.2 is amended
 - (a) by repealing the title and substituting the following:

“Review Period for Long Form Prospectuses and Renewal Shelf Prospectuses”
 - (b) in subsections 5.2(1) and 5.2(2), by striking out “initial AIF materials or the”; and
 - (c) in subsection 5.2(3), by adding “:” immediately after “use its best efforts to”.
- 8. Subsection 5.3(1) is amended by adding “:” immediately after “on the working day following the date of issuance of the comment letter of the principal regulator, use its best efforts to”.
- 9. Section 5.6 is repealed.
- 10. Section 7.2 is amended
 - (a) in the preamble, by adding “:” immediately after “if”;
 - (b) in paragraph 1, by adding “and” immediately after “,”; and
 - (c) at the end of each of subparagraphs 2(a), (b) and (c), by striking out “,” and substituting “;”.
- 11. Section 7.4 is amended
 - (a) by repealing the title and substituting the following

“Conditions to Issuance of Final MRRS Decision Document for Long Form Prospectus and Renewal Shelf Prospectus”
 - (b) in the preamble, by striking out “a long-form prospectus, a renewal shelf prospectus or an initial AIF if” and substituting “a long-form prospectus or a renewal shelf prospectus if:”;
 - (c) in paragraph 1, by striking out “, being the interval of at least ten days,”;
 - (d) in paragraph 3, by striking out “,” and substituting “; and”;
 - (e) at the end of each of subparagraphs 4(a) and (b), by striking out “,” and substituting “;,”; and
 - (f) in subparagraph 4(e), by striking out “except with respect to an initial AIF,”.
- 12. Section 7.6 is repealed.

13. Section 7.10 is amended
 - (a) by repealing the title and substituting the following
“Refusal by Principal Regulator to Issue a Receipt”
and
 - (b) in subsection (1), by striking out “or notice of acceptance, as the case may be,”.
14. Subsection 9.3(1) is amended
 - (a) in the preamble, by adding “.” immediately after “novel public policy concern”; and
 - (b) in paragraph (b), by striking out “their” and substituting “its”.
15. Subsection 10.1(2) is amended
 - (a) in the preamble, by adding “.” immediately after “the cover letter accompanying the prospectus amendment materials statements that”;
 - (b) by striking out “Commission des valeurs mobilières du Québec” wherever it occurs and substituting “Autorité des marchés financiers”; and
 - (c) in paragraph (b), by striking out “Quebec” after “distribution of its securities in” and substituting “Québec”.
16. Section 10.2 is amended
 - (a) in the preamble, by adding “.” immediately after “MRRS document if”; and
 - (b) in subsection 1, by adding “and” immediately after “;”.
17. Subsection 10.4(2) is amended
 - (a) in the preamble, by adding “.” immediately after “its comment letter”; and
 - (b) in paragraph (b), by adding “.” immediately after “within the later of”.
18. Subsection 10.4(3) is amended
 - (a) in the preamble, by adding “.” immediately after “its comment letter”;
 - (b) in paragraph (b), by striking out “within the later of” and substituting “by the later of:”; and
 - (c) in subparagraph (b)(i),
 - (i) by striking out “by”; and

- (ii) by striking out “the prospectus amendment,” and substituting “the prospectus amendment;”.
- 19. Section 10.6 is amended
 - (a) in the preamble, by adding “.” immediately after “if”; and
 - (b) in subsection (3), by adding “and” immediately after ““MRRS – Opt Out” in the SEDAR “Filing Status” screen;”.
- 20. Appendix A of NP 43-201 is repealed and the following is substituted:

**APPENDIX A – MATERIALS REQUIRED TO BE FILED
UNDER NATIONAL POLICY 43-201**

Dated ●, 2005.

The attached lists of documents, as varied in accordance with the following guidance, are those required to be filed or delivered under each category of filing to which the Policy applies.

The following guidance applies to all filings of materials under the MRRS:

- 1. Where a filing is to be made in the province of Québec, a French language version of the following documents must also be filed:
 - (a) the preliminary prospectus and the prospectus; and
 - (b) any amendment to a preliminary prospectus and any amendment to a prospectus.

The French language versions of all documents incorporated by reference, if not previously filed, must be filed at the time of filing of a preliminary short form prospectus.

- 2. The attached lists do not refer to the applicable filing and distribution fees required by the securities regulatory authorities. The filer should consult the fee schedules of the relevant securities legislation for the applicable fees.

For filers that are permitted to file materials in paper form under National Instrument 13-101, *System for Electronic Document Analysis and Retrieval (SEDAR)*, the payment of fees should be made by cheque payable as follows:

British Columbia - British Columbia Securities Commission
Alberta - Alberta Securities Commission
Saskatchewan - Minister of Finance
Manitoba - Minister of Finance
Ontario - Ontario Securities Commission

Québec - Autorité des marchés financiers
New Brunswick - Minister of Finance
Nova Scotia - Minister of Finance
Prince Edward Island - Provincial Secretary
Newfoundland and Labrador - Newfoundland and Labrador
Exchequer Account
Northwest Territories - Government of the Northwest Territories
Yukon Territory - Government of Yukon
Nunavut - Nunavut Securities Registry

In all other cases, payment of filing fees should be transmitted electronically through SEDAR.

3. Additional filing requirements apply to certain types of offerings such as offerings using the shelf offering procedures (National Instrument 44-102), the post-receipt pricing procedures (National Instrument 44-103) or the multijurisdictional disclosure system (National Instrument 71-101). Reference should be made to the applicable provisions of national or local rules or policies for any additional filing requirements or procedures.
4. **[Further filing requirements for British Columbia are contained in BC Policy 41-601.]**
5. Further filing requirements for Alberta, for filings not filed in compliance with OSC 41-501 or NI 44-101, are contained in ASC Policy 4.7.
6. Further filing requirements for Québec are contained in local securities legislation and local securities directions.
7. Where the attached requirements refer to personal information regarding directors, executive officers and promoters of the filer, the filer should provide, for each director and executive officer of the filer and for each promoter of the filer (or in the case where the promoter is not an individual, for each director and executive officer of the promoter) the following information for security check purposes:
 - (i) full name (including any previous name(s) if any);
 - (ii) position with or relationship to the issuer;
 - (iii) employer's name and address, if other than the issuer;
 - (iv) full residential address;
 - (v) date and place of birth; and
 - (vi) citizenship.

For any of the above noted individuals with a residential address outside of Canada, the filer should provide the following additional information:

- (i) previous address(es) (5 year history);
- (ii) dates residing in foreign country;
- (iii) height and weight;
- (iv) eye colour;
- (v) hair colour; and
- (vi) passport nationality and number.

Where the offering is made under the provisions of NI 44-101, a completed authorization form as per Appendix A of NI 44-101, «Authorization of Indirect Collection of Personal Information» must be filed. Where the offering is made under the provisions of OSC 41-501 a completed Form 41-501F2 «Authorization of Indirect Collection of Personal Information» must be filed. Where the offering is made in Québec under the provisions of Q-28, a completed form as per Appendix A of Q-28, *Authorization of Indirect Collection of Personal Information*, must be filed.

Where Saskatchewan, Manitoba or Nova Scotia is principal regulator, a RCMP GRC Securities Fraud Information Centre Request Form #2674 (89-07) must be filed. In connection with the filing of an initial public offering prospectus: (i) where Québec is principal regulator, a Form 4 under the Regulation concerning securities made under the Securities Act (Québec) must be filed; and (ii) where British Columbia is principal regulator, the filer must file the personal information form required by BC Policy 41-601.

PRELIMINARY OR PRO FORMA LONG FORM PROSPECTUS

An issuer that files a preliminary prospectus or a *pro forma* prospectus pursuant to OSC 41-501 or, in Québec pursuant to Q-28, shall file and/or deliver the documents required to be filed and/or delivered as set out in Section 13.2 of OSC 41-501 or, in Québec as set out in Section 13.2 of Q-28, along with:

1. Filing fees; and
2. A letter to the principal regulator prepared in accordance with section 7.2.2 of the Policy.

Issuers filing prospectuses and pro forma prospectuses outside Québec in accordance with OSC 41-501 will satisfy requirements in other jurisdictions governing the form and content of a long form prospectus and the accompanying filings and deliveries to the Commissions. Issuers should consult local rules or orders for details.

Issuers not filing in accordance with OSC 41-501 or, in Québec pursuant to Q-28, should look to local requirements to determine documents to be filed and/or delivered but in all cases should include the items set out in #1 and #2 above.

FINAL LONG FORM PROSPECTUS

An issuer that files a final prospectus pursuant to OSC 41-501 or, in Québec pursuant to Q-28, shall file and/or deliver the documents required to be filed and/or delivered as set out in Section 13.3 of OSC 41-501 or, in Québec as set out in Section 13.3 of Q-28, along with:

1. Filing fees and other applicable fees including participation fees; and
2. A letter to the principal regulator prepared in accordance with section 7.4.4 of the Policy.

Issuers filing prospectuses and pro forma prospectuses outside Québec in accordance with OSC 41-501 will satisfy requirements in other jurisdictions governing the form and content of a long form prospectus and the accompanying filings and deliveries to the Commissions. Issuers should consult local rules or orders for details.

Issuers not filing in accordance with OSC 41-501 or, in Québec pursuant to Q-28, should look to local requirements to determine documents to be filed and/or delivered but in all cases should include the items set out in #1 and #2 above.

PRELIMINARY SHORT FORM PROSPECTUS

An issuer that files a preliminary short form prospectus pursuant to NI 44-101 shall file and/or deliver the documents required to be filed and/or delivered as set out in Section 4.2 of that instrument along with:

1. Filing fees; and
2. A letter to the principal regulator prepared in accordance with section 7.2.2 of the Policy.

FINAL SHORT FORM PROSPECTUS

An issuer that files a final short form prospectus pursuant to NI 44-101 shall file and/or deliver the documents required to be filed and/or delivered as set out in Section 4.3 of that Instrument along with:

1. Filing fees and other applicable fees including participation fees; and
2. A letter to the principal regulator prepared in accordance with section 7.4.4 of the Policy.

AMENDMENTS TO PRELIMINARY PROSPECTUS AND PROSPECTUS (SHORT FORM AND LONG FORM)

An issuer that files an amendment pursuant to OSC 41-501 or, in Québec pursuant to Q-28, or pursuant to NI 44-101, shall file and/or deliver the documents required

to be filed and/or delivered as set out in section 13.7 of OSC 41-501, section 13.6 of Q-28 or section 5.3 of NI 44-101, respectively, along with:

1. Filing fees;
2. A letter prepared in accordance with section 10.1(2) of the Policy, if applicable; and
3. A letter to the principal regulator:
 - (a) for a preliminary prospectus amendment, prepared in accordance with section 10.2.2 of the Policy; or
 - (b) for a prospectus amendment, prepared in accordance with section 10.6.4 of the Policy.

Issuers not filing in accordance with OSC 41-501 or, in Québec pursuant to Q-28, or NI 44-101 should look to local requirements to determine documents to be filed and/or delivered but in all cases should include the items set out in #1, #2 and #3 above.

PRELIMINARY SIMPLIFIED PROSPECTUS AND ANNUAL INFORMATION FORM FILED UNDER NI 81-101

1. Preliminary simplified prospectus
2. Preliminary simplified prospectus - blacklined
(where a new fund is being qualified by a separate prospectus but is to be part of an existing group of funds sold by prospectus, a blacklined version of the simplified prospectus should indicate any changes from the existing simplified prospectus for the group of funds)
3. Preliminary annual information form
4. Preliminary annual information form - blacklined
(where a new fund is being qualified by a separate prospectus but is to be part of an existing group of funds sold by prospectus, a blacklined version of the annual information form should indicate any changes from the existing annual information form for the group of funds)
5. Copy or draft of all material contracts for the new mutual funds
6. For a new mutual fund in a new mutual fund group, personal information regarding individuals acting as trustees and promoters, and directors and senior officers of the fund, trustee, manager and promoter. If the mutual fund is a member of a mutual fund family for which this type of information was previously provided, the information would be required only for those persons for whom the information was not previously provided by other members of the mutual fund family

7. Financial statements, if applicable
8. Filing fees
9. A letter to the principal regulator prepared in accordance with section 7.2.2 of the Policy

**PRO FORMA SIMPLIFIED PROSPECTUS AND ANNUAL INFORMATION FORM
FILED UNDER NI 81-101**

1. Pro forma simplified prospectus
2. Pro forma simplified prospectus - blacklined to indicate all changes from previous simplified prospectus
3. Pro forma annual information form
4. Pro forma annual information form - blacklined to indicate all changes from previous annual information form
5. Copy or draft of all material contracts not previously filed
6. Personal information regarding individuals acting as trustees and promoters, and directors and senior officers of the fund, trustee, manager and promoter where this information has not previously been provided for these persons in connection with a previous filing of the mutual fund family
7. Compliance report required under Part 12 of National Instrument 81-102, *Mutual Funds*
8. Filing fees

**FINAL SIMPLIFIED PROSPECTUS AND ANNUAL INFORMATION FORM FILED
UNDER NI 81-101**

1. Final simplified prospectus
2. Final simplified prospectus - blacklined to show changes from preliminary or pro forma simplified prospectus, as the case may be
3. Final annual information form
4. Final annual information form - blacklined to show changes from preliminary or pro forma annual information form, as the case may be
5. Copy of all material contracts not previously filed
6. For new funds, audited financial statements if not previously filed
7. Auditors' consent letter re audited financial statements

8. Auditors' comfort letter re unaudited financial statements, if applicable
9. Consent of legal counsel or other experts
10. Certificate re proceeds of distribution in the jurisdiction (applicable to filings in B.C., Alberta, Ontario and Québec)
11. Filing fees
12. A letter to the principal regulator prepared in accordance with section 7.4.4 of the Policy

**AMENDMENT TO A SIMPLIFIED PROSPECTUS AND ANNUAL INFORMATION
FORM FILED UNDER NI 81-101**

1. Amendment to simplified prospectus
2. Amendment to simplified prospectus - blacklined (where amendment is an amended and restated simplified prospectus)
3. Amendment to annual information form
4. Amendment to annual information form - blacklined (where amendment is an amended and restated annual information form)
5. Copy of all material contracts not previously filed
6. Auditors' consent letter, if applicable
7. Auditors' comfort letter, if applicable
8. Consent of legal counsel and other experts, if applicable
9. Filing fees
10. A letter to the principal regulator prepared in accordance with section 10.6.4 of the Policy

**Proposed Amendment Instrument
for
National Instrument 51-101
*Standards of Disclosure for Oil and Gas Activities***

1. This Instrument amends National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*.
2. Section 1.1 is amended by:
 - (a) repealing paragraph (a) and substituting the following:

“(a) “annual information form” has the same meaning as “AIF” in National Instrument 51-102 *Continuous Disclosure Obligations*,” ; and
 - (b) repealing paragraph (r).
3. This Instrument comes into force on ●, 2005.

**Proposed Amendments
to
Companion Policy 51-101CP
to National Instrument 51-101
*Standards of Disclosure for Oil and Gas Activities***

Companion Policy 51-101CP to National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* is amended as follows:

1. Section 2.4 is amended by:
 - (a) repealing paragraph (a) and substituting the following:

“(a) Meaning of “Annual Information Form” - *Annual information form* has the same meaning as “AIF” in National Instrument 51-102 *Continuous Disclosure Obligations*. Therefore, as set out in that definition, an *annual information* can be a completed Form 51-102F2 *Annual Information Form* or, in the case of an SEC issuer (as defined in NI 51-102), a completed Form 51-102F2 or an annual report or transition report under the 1934 Act on Form 10-K, Form 10-KSB or Form 20-F.”
 - (b) in paragraph (b) by striking out the first sentence and substituting the following:

“Form 51-102F2 *Annual Information Form* requires the information required by section 2.1 of NI 51-101 to be included in the *annual information form*. That information may be included either by setting out the text of the information in the *annual information form* or by incorporating it, by reference from separately filed documents.”
2. Appendix 1 is amended by:
 - (a) repealing the definition of “Annual information form” and substituting the following:

“ Annual information form	A completed Form 51-102F2 <i>Annual Information Form</i> , or in the case of an SEC issuer (as defined in National Instrument 51-102 <i>Continuous Disclosure Obligations</i>) a completed Form 51-102F2 or an annual report or transition report under the 1934 Act on Form 10-K, Form 10-KSB or Form 20-F. [NI 51-102]”
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 - (b) repealing the definition of NI 44-101.

NATIONAL INSTRUMENT 44-102
SHELF DISTRIBUTIONS

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NATIONAL INSTRUMENT 44-102
SHELF DISTRIBUTIONS

PART 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

(1) In this Instrument

"acting jointly or in concert" has the meaning ascribed to that phrase in securities legislation;

"at-the-market distribution" means a non-fixed price distribution of equity securities under the shelf procedures into a pre-existing trading market in which securities of the same class are traded;

"base shelf prospectus" means a short form prospectus that is prepared in the form required under ~~National Instrument 44-101 Short Form Prospectus Distributions~~, **NI 44-101**, as varied in accordance with this Instrument;

"clearing corporation" has the meaning ascribed to that term in National Instrument 81-102 *Mutual Funds*;

"conventional convertible security" means a security of an issuer that is, according to its terms, convertible into, or exchangeable for, other securities of the issuer, or of an affiliate of the issuer;

"conventional warrant or right" means a security of an issuer, other than a clearing corporation, that gives the holder the right to purchase securities of the issuer or of an affiliate of the issuer;

"index participation unit" means a security traded on a stock exchange in Canada or the United States and issued by an issuer the only purpose of which is to

- (a) hold the securities that are included in a specified widely quoted market index in substantially the same proportion as those securities are reflected in the index; or
- (b) invest in a manner that causes the issuer to replicate the performance of that index;

"method 1" means the method described in Appendix A of providing forward looking prospectus certificates in a base shelf prospectus or in a shelf prospectus supplement that establishes an MTN program or continuous distribution;

"method 2" means the method described in Appendix B of providing non-forward looking prospectus certificates in a base shelf prospectus and a shelf prospectus supplement;

"MTN program" means a continuous distribution of debt securities in which the specific variable terms of the individual debt securities and the method of distribution of those securities are determined at the time of the distribution;

"NI 44-101" means National Instrument 44-101 Short Form Prospectus Distributions;

"novel" means,

- (a) for a specified derivative proposed to be distributed using the shelf procedures
 - (i) a derivative of a type that has not been distributed by way of prospectus in at least one jurisdiction before the proposed distribution, or
 - (ii) a derivative of a type that has been distributed by way of prospectus in at least one jurisdiction before the proposed distribution, but
 - (A) the attributes of the derivative differ materially from the attributes of derivatives of the same type previously distributed by way of prospectus,
 - (B) the structure and contractual arrangements underlying the derivative differ materially from the structure and contractual arrangements underlying derivatives of the same type previously distributed by way of prospectus, or
 - (C) the type of the underlying interest for the derivative differs materially from the type of underlying interest for derivatives of the same type previously distributed by way of prospectus, and
- (b) for an asset-backed security proposed to be distributed using the shelf procedures
 - (i) a security of a type that has not been distributed by way of prospectus in at least one jurisdiction before the proposed distribution, or

- (ii) a security of a type that has been distributed by way of prospectus in at least one jurisdiction before the proposed distribution, but
 - (A) the attributes of the security differ materially from the attributes of securities of the same type previously distributed by way of prospectus,
 - (B) the structure and contractual arrangements underlying the security differ materially from the structure and contractual arrangements underlying securities of the same type previously distributed by way of prospectus, or
 - (C) the type of financial assets servicing the security differ materially from the type of financial assets servicing securities of the same type previously distributed by way of prospectus;

"pricing supplement" means a shelf prospectus supplement that contains the price of securities distributed under an MTN program or other continuous distribution using the shelf procedures;

"shelf information" means the information permitted by this Instrument to be omitted from a base shelf prospectus;

"shelf procedures" means the requirements in this Instrument for the distribution of securities under a base shelf prospectus and a shelf prospectus supplement;

"shelf prospectus supplement" means a supplement to a base shelf prospectus, containing some or all of the information omitted from the base shelf prospectus as permitted by this Instrument;

~~"special warrant" means a security that, by its terms or the terms of an accompanying contractual obligation, entitles or requires the holder to acquire another security without payment of material additional consideration and obliges the issuer of the special warrant or the other security to undertake efforts to file a prospectus to qualify the distribution of the other security;~~

"specified derivative" means an instrument, agreement or security, the market price, value or payment obligations of which are derived from, referenced to, or based on an underlying interest, other than one that is also

- (a) a conventional convertible security,
- (b) a specified asset-backed security,

- (c) an index participation unit,
- (d) a government or corporate strip bond,
- (e) a capital, equity dividend or income share of a subdivided equity or fixed income security,
- (f) a conventional warrant or right, or
- (g) a special warrant; and

"stabilization provisions" means those provisions of securities legislation that prohibit an issuer, selling securityholder, underwriter or dealer, or an affiliate of any of the foregoing persons or companies, or any person or company acting jointly or in concert with any of them from trading in securities being distributed by way of prospectus during the period of distribution.

- (2) All terms defined in ~~National Instrument~~NI 44-101 and used, but not defined, in this Instrument have the respective meanings ascribed to them in ~~National Instrument~~NI 44-101.

1.2 Amendments - References in this Instrument, other than in Appendix A and Appendix B, to an amendment to a prospectus include both an amendment that does not fully restate the text of a prospectus and an amended and restated prospectus.

1.3 Market Value Calculation - For the purposes of this Instrument, the aggregate market value of an issuer's equity securities on a date shall be calculated in accordance with section ~~2.9~~2.8 of ~~National Instrument~~NI 44-101.

PART 2 SHELF QUALIFICATION AND PERIOD OF RECEIPT EFFECTIVENESS

2.1 General - An issuer shall not file a short form prospectus that is a base shelf prospectus, unless the issuer is qualified to do so under this Instrument or has been exempted from this section under section 11.1.

2.2 Shelf Qualification for Distributions Qualified under Section 2.2 (Basic Qualification) or 2.8 (Following a Reorganization) of National Instrument of NI 44-101

- (1) An issuer is qualified to file a preliminary short form prospectus that is a preliminary base shelf prospectus if, at the time of filing, the issuer is qualified under section 2.2 ~~or 2.8~~ of ~~National Instrument~~NI 44-101 to file a prospectus in the form of a short form prospectus.
- (2) An issuer that has filed a preliminary base shelf prospectus in reliance on the qualification criteria in subsection (1) is qualified to file a short form prospectus that is the corresponding base shelf prospectus.

- (3) A receipt issued for a base shelf prospectus of an issuer qualified under subsection (2) is effective until the earliest of
- (a) the date 25 months from the date of its issue;
 - (b) the time immediately before the entering into of an agreement of purchase and sale for a security to be sold under the base shelf prospectus, if at that time
 - (i) the issuer does not have current annual financial statements and does not satisfy the requirements of the exemption in either of subsections 2.9(1) or (2) of NI 44-101;
 - (ii) (i) the issuer does not have a current AIF, or **and does not satisfy the requirements of the exemption in either of subsections 2.9(1) or (2) of NI 44-101;**
 - (iii) (ii) the aggregate market value of the issuer's equity securities, listed and posted for trading on an exchange in Canada, has not been \$75,000,000 or more on a date within 60 days before the date of the agreement *[for Alternative B] the issuer's equity securities are not listed or posted for trading on a short form eligible exchange or the issuer is an issuer (A) whose operations have ceased, or (B) whose principal asset is cash, cash equivalents, or its exchange listing]; or*
 - (iv) the issuer has withdrawn its notice declaring the issuer's intention to be qualified to file a short form prospectus under NI 44-101; and
 - (c) the lapse date, if any, prescribed by securities legislation, if relief has not been granted to the issuer extending the lapse date for the distribution.

2.3 [Shelf Qualification for Distributions Qualified under Section 2.3 of National Instrument NI 44-101 (Substantial Issuers) *[NTD: not necessary for Alternative B]*

- (1) An issuer is qualified to file a preliminary short form prospectus that is a preliminary base shelf prospectus if, at the time of filing, the issuer is qualified under section 2.3 of ~~National Instrument NI~~ 44-101 to file a prospectus in the form of a short form prospectus.
- (2) An issuer that has filed a preliminary base shelf prospectus in reliance on subsection (1) is qualified to file a short form prospectus that is the corresponding base shelf prospectus.

- (3) A receipt issued for a base shelf prospectus of an issuer qualified under subsection (2) is effective until the earliest of
- (a) the date 25 months from the date of its issue;
 - (b) the time immediately before the entering into of an agreement of purchase and sale for a security to be sold under the base shelf prospectus, if at that time
 - (i) the issuer does not have current annual financial statements and does not satisfy the requirements of the exemption in either of subsections 2.9(1) or (2) of NI 44-101;
 - (ii) ~~(i) the issuer does not have a current AIF, or~~ and does not satisfy the requirements of the exemption in either of subsections 2.9(1) or (2) of NI 44-101;
 - (iii) ~~(ii) the aggregate market value of the issuer's equity securities, listed and posted for trading on an exchange in Canada, has not been \$300,000,000 or more on a date within 60 days before the date of the agreement; or~~
 - (iv) the issuer has withdrawn its notice declaring the issuer's intention to be qualified to file a short form prospectus under NI 44-101; and
 - (c) the lapse date, if any, prescribed by securities legislation, if relief has not been granted to the issuer extending the lapse date for the distribution.]

2.4 Shelf Qualification for Distributions Qualified under Section 2.4 [2.3] of National Instrument NI 44-101 (Approved Rating Non-Convertible Securities)

- (1) An issuer is qualified to file a preliminary short form prospectus that is a preliminary base shelf prospectus for approved rating non-convertible securities if, at the time of filing, the issuer
- (a) is qualified under section 2.4 [2.3] of NI 44-101 to file a prospectus in the form of a short form prospectus; and
 - (b) ~~(1) An issuer is qualified to file a preliminary short form prospectus that is a preliminary base shelf prospectus for approved rating non-convertible securities if, at the time of filing, the issuer has reasonable grounds for believing that, if it were to distribute securities under the base shelf prospectus, the securities distributed would receive an approved rating and would not receive a rating lower than an approved rating from any approved rating organization.~~

- (2) An issuer that has filed a preliminary base shelf prospectus in reliance on the qualification criteria in subsection (1) is qualified to file a short form prospectus that is the corresponding base shelf prospectus if, at the time of the filing of the base shelf prospectus, the issuer has reasonable grounds for believing that, if it were to distribute non-convertible securities under the base shelf prospectus, the securities distributed would receive an approved rating and would not receive a rating lower than an approved rating from any approved rating organization.
- (3) A receipt issued for a base shelf prospectus of an issuer filed under subsection (2) is effective until the earliest of
- (a) the date 25 months from the date of its issue;
 - (b) the time immediately before the entering into of an agreement of purchase and sale for a security to be sold under the base shelf prospectus, if at that time
 - (i) the issuer does not have a ~~current AIF~~, **current annual financial statements and does not satisfy the requirements of the exemption in either of subsections 2.9(1) or (2) of NI 44-101;**
 - (ii) the issuer does not have a current AIF and does not satisfy the requirements of the exemption in either of subsections 2.9(1) or (2) of NI 44-101;**
 - (iii) the issuer has withdrawn its notice declaring the issuer's intention to be qualified to file a short form prospectus under NI 44-101; or**
 - (iv) (ii)-the securities to which the agreement relates**
 - (A) have not received a final approved rating,
 - (B) are the subject of an announcement by an approved rating organization of which the issuer is or ought to be aware that the approved rating given by the organization may be down-graded to a rating category that would not be an approved rating, or
 - (C) have received a provisional or final rating lower than an approved rating from any approved rating organization; and
 - (c) the lapse date, if any, prescribed by securities legislation, if relief has not been granted to the issuer extending the lapse date for the distribution.

2.5 Shelf Qualification for Distributions made under Section 2.5 ~~[2.4]~~ of National Instrument NI 44-101 (Guaranteed Non-Convertible Debt Securities, Preferred Shares and Cash Settled Derivatives)

- (1) An issuer is qualified to file a short form prospectus that is a preliminary base shelf prospectus for non-convertible debt securities, non-convertible preferred shares or non-convertible cash settled derivatives if, at the time of filing, the issuer is qualified under section 2.5 ~~[2.4]~~ of National Instrument NI 44-101 to file a prospectus in the form of a short form prospectus.
- (2) An issuer that has filed a preliminary base shelf prospectus in reliance on subsection (1) is qualified to file a short form prospectus that is the corresponding base shelf prospectus.
- (3) A receipt issued for a base shelf prospectus of an issuer qualified under subsection (2) is effective until the earliest of
 - (a) the date 25 months from the date of its issue;
 - (b) the time immediately before the entering into of an agreement of purchase and sale for a security to be sold under the base shelf prospectus, if at that time
 - (i) ~~a person or company~~**credit supporter** has not provided a ~~guarantee or alternative~~**full and unconditional** credit support for the securities to which the shelf prospectus supplement relates ~~that satisfies the criteria in paragraph 1 of subsection 2.5(1) of National Instrument 44-101;~~
 - (ii) ~~the credit supporter referred to in subparagraph (i)~~**unless the requirements of subparagraph 2.5(1)2(c) [2.4(1)2(b)] of NI 44-101, but not the requirements of subparagraphs [subparagraph] 2.5(1)2(a) or (b) [2.4(1)2(a)] of NI 44-101, were satisfied at the time the issuer filed its base shelf prospectus, the credit supporter does not have current annual financial statements and does not satisfy the requirements of the exemption in either of subsections 2.9(1) or (2) of NI 44-101;**
 - (A) ~~is not a reporting issuer, or~~
 - (B) ~~does not have a current AIF, or~~
 - (iii) **unless the requirements of subparagraph 2.5(1)2(c) [2.4(1)2(b)] of NI 44-101, but not the requirements of subparagraphs [subparagraph] 2.5(1)2(a) or (b) [2.4(1)2(a)] of NI 44-101, were satisfied at the time the issuer filed its base shelf prospectus, the credit supporter does not have a**

current AIF and does not satisfy the requirements of the exemption in either of subsections 2.9(1) or (2) of NI 44-101;

(iv) the credit supporter has withdrawn its notice declaring its intention to be qualified to file a short form prospectus under NI 44-101;

(v) the issuer has withdrawn its notice declaring the issuer's intention to be qualified to file a short form prospectus under NI 44-101; or

(vi) (iii)—the aggregate market value of the equity securities of the credit supporter referred to in subparagraph (i), listed and posted for trading on an exchange in Canada, has not been \$75,000,000 or more on a date within 60 days before the date of the agreement [[for Alternative B] the credit supporter's equity securities are not listed or posted for trading on a short form eligible exchange or the credit supporter is an issuer (A) whose operations have ceased, or (B) whose principal asset is cash, cash equivalents, or its exchange listing], and either of the following ~~are~~is true:

(A) 1. The~~the~~ credit supporter does not have issued and outstanding non-convertible securities that

(I) ~~(A)~~—have received an approved rating,

(II) ~~(B)~~—have not been the subject of an announcement by an approved rating organization of which the issuer is or ought to be aware that the approved rating given by the organization may be down-graded to a rating category that would not be an approved rating, and

(III) ~~(C)~~—have not received a rating lower than an approved rating from any approved rating organization, or

(B) 2. The~~the~~ securities to which the agreement relates

(I) ~~(A)~~—have not received a final approved rating,

(II) ~~(B)~~—have been the subject of an announcement by an approved rating organization of which the issuer is or ought to be aware that the approved rating given by the organization may be down-

graded to a rating category that would not be an approved rating, and

(III) ~~(C)~~ have received a provisional or final rating lower than an approved rating from any approved rating organization; and

(c) the lapse date, if any, prescribed by securities legislation, if relief has not been granted to the issuer extending the lapse date for the distribution.

2.6 Shelf Qualification for Distributions made under Section 2.6 [2.5] of National Instrument NI 44-101 (Guaranteed Convertible Debt Securities or Preferred Shares)

- (1) An issuer is qualified to file a short form prospectus that is a preliminary base shelf prospectus for convertible debt securities and convertible preferred shares if, at the time of filing, the issuer is qualified under section 2.6 [2.5] of National Instrument NI 44-101 to file a prospectus in the form of a short form prospectus.
- (2) An issuer that has filed a preliminary base shelf prospectus in reliance on subsection (1) is qualified to file a short form prospectus that is the corresponding base shelf prospectus.
- (3) A receipt issued for a base shelf prospectus qualified under subsection (2) is effective until the earliest of
 - (a) the date 25 months from the date of its issue;
 - (b) the time immediately before the entering into of an agreement of purchase and sale for a security to be sold under the base shelf prospectus, if at that time
 - (i) ~~the issuer of the securities into which the securities to which the agreement relates are~~ not convertible into securities of a credit supporter that ~~has not provided a guarantee or alternative credit support that satisfies the criteria in subsection 2.6 (1) of National Instrument 44-101,~~ provided full and unconditional credit support for the securities being distributed;
 - (ii) ~~the credit supporter referred to in subparagraph (i)~~ does not have current annual financial statements and does not satisfy the requirements of the exemption in either of subsections 2.9(1) or (2) of NI 44-101;

~~(A) — is not a reporting issuer,~~

- (iii) ~~(B) the credit supporter~~ does not have a current AIF, ~~or and~~ **does not satisfy the requirements of the exemption in either of subsections 2.9(1) or (2) of NI 44-101;**
 - (iv) ~~(C) does not have~~ **the aggregate market value of the credit supporter's** equity securities, listed and posted for trading on an exchange in Canada, ~~the aggregate market value of which has not~~ been \$75,000,000 or more on a date within 60 days before the date of the agreement **[for Alternative B] the credit supporter's equity securities are not listed or posted for trading on a short form eligible exchange or the issuer is an issuer (A) whose operations have ceased, or (B) whose principal asset is cash, cash equivalents, or its exchange listing];**
 - (v) **the credit supporter has withdrawn its notice declaring the credit supporter's intention to be qualified to file a short form prospectus under NI 44-101; or**
 - (vi) **the issuer has withdrawn its notice declaring the issuer's intention to be qualified to file a short form prospectus under NI 44-101;** and
- (c) the lapse date, if any, prescribed by securities legislation, if relief has not been granted to the issuer extending the lapse date for the distribution.

2.7 Shelf Qualification for Distributions made under Section 2.7 ~~[2.6]~~ of National Instrument ~~NI~~ 44-101 (Asset-Backed Securities)

- (1) An issuer **that is** qualified under section 2.7 ~~[2.6]~~ of National Instrument ~~NI~~ 44-101 to file a prospectus in the form of a short form prospectus may file a preliminary base shelf prospectus for asset-backed securities if, at the time of filing, the issuer has reasonable grounds for believing that
 - (a) all asset-backed securities that it may distribute under the base shelf prospectus will receive an approved rating; and
 - (b) no asset-backed securities that it may distribute under the base shelf prospectus will receive a rating lower than an approved rating from any approved rating organization.
- (2) An issuer that has filed a preliminary base shelf prospectus in reliance on the qualification criteria in section 2.7 ~~[2.6]~~ of National Instrument ~~NI~~ 44-101 may file the corresponding base shelf prospectus if, at the time of the filing of the base shelf prospectus, the issuer has reasonable grounds for believing that

- (a) all asset-backed securities that it may distribute under the base shelf prospectus will receive an approved rating; and
 - (b) no asset-backed securities that it may distribute under the base shelf prospectus will receive a rating lower than an approved rating from any approved rating organization.
- (3) A receipt issued for a base shelf prospectus qualified under subsection (2) is effective for a distribution of asset-backed securities until the earliest of
- (a) the date 25 months from the date of its issue;
 - (b) the time immediately before the entering into of an agreement of purchase and sale for an asset-backed security to be sold under the base shelf prospectus, unless at that time
 - (i) the issuer does not have current annual financial statements and does not satisfy the requirements of the exemption in either of subsections 2.9(1) or (2) of NI 44-101;
 - (ii) the issuer does not have a current AIF and does not satisfy the requirements of the exemption in either of subsections 2.9(1) or (2) of NI 44-101; or
 - (iii) the asset-backed securities to which the agreement relates
 - (A) ~~(i)~~-have not received a final approved rating,
 - (B) ~~(ii)~~-have been the subject of an announcement by an approved rating organization of which the issuer is or ought reasonably to be aware that the approved rating given by the organization may be down-graded to a rating category that would not be an approved rating, or
 - (C) ~~(iii)~~-have received a provisional or final rating lower than an approved rating from any approved rating organization; and
 - (c) the lapse date, if any, prescribed by securities legislation, if relief has not been granted to the issuer extending the lapse date for the distribution.

- 2.8 Lapse Date - Ontario** - In Ontario, the lapse date prescribed by securities legislation for a receipt issued for a base shelf prospectus is extended to the date 25 months from the date of issuance of the receipt.
- 2.9 Lapse Date - Alberta** - In Alberta, the lapse date prescribed by securities legislation for a receipt issued for a base shelf prospectus is the date 25 months from the date of the issuance of the receipt.
- 2.10 Prohibited Offerings** - Despite any provision in this Instrument, the shelf procedures shall not be used for a distribution of rights under a rights offering.

PART 3 UNALLOCATED SHELF

- 3.1 Unallocated Shelf Permitted** - A base shelf prospectus may pertain to more than one type of security for which the issuer is qualified to file a prospectus in the form of a short form prospectus.
- 3.2 Distributions of Equity Securities Under Unallocated Shelf** - An issuer or selling security holder that forms a reasonable expectation that a distribution of a tranche of equity securities will proceed under a base shelf prospectus that is not specifically restricted to equity securities shall immediately issue a news release that announces the intention to proceed with the distribution.

PART 4 DISTRIBUTIONS OF NOVEL DERIVATIVES OR ASSET-BACKED SECURITIES UNDER SHELF

- 4.1 Distributions of Novel Derivatives or Asset-Backed Securities Under Shelf**
- (1) If a base shelf prospectus pertains to specified derivatives or asset-backed securities, the issuer or the selling security holder, as the case may be, shall file before or concurrently with the base shelf prospectus an undertaking that it will not distribute in the local jurisdiction under the base shelf prospectus specified derivatives or asset-backed securities, as the case may be, ~~in the local jurisdiction~~ that, at the time of distribution, are novel without pre-clearing with the regulator in accordance with subsection (2) the disclosure to be contained in a shelf prospectus supplement pertaining to the distribution of the novel specified derivatives or asset-backed securities.
 - (2) The undertaking referred to in subsection (1) shall state that the issuer or the selling security holder, as the case may be, shall not distribute in the local jurisdiction specified derivatives or asset-backed securities ~~in the local jurisdiction~~ that, at the time of distribution, are novel, unless
 - (a) the draft shelf prospectus supplement or, if more than one shelf prospectus supplement is to be used, the draft shelf prospectus supplements, pertaining to the distribution of the novel specified

derivatives or asset-backed securities have been delivered to the regulator in substantially final form; and

- (b) either
 - (i) the regulator has confirmed his or her acceptance of each draft shelf prospectus supplement in substantially final form or each shelf prospectus supplement in final form, or
 - (ii) 21 days have elapsed since the date of delivery to the regulator of each draft shelf prospectus supplement in substantially final form and the regulator has not provided written comments on the draft shelf prospectus supplement.

PART 5 BASE SHELF PROSPECTUSES

5.1 Opting out of the Shelf Procedures After a Preliminary Prospectus has been Received - An issuer that has filed a preliminary base shelf prospectus shall not file a short form prospectus for the distribution that is not a base shelf prospectus unless the issuer files

- (a) either
 - (i) an amended preliminary short form prospectus in accordance with ~~National Instrument~~ **NI** 44-101 that is not a preliminary base shelf prospectus, or
 - (ii) a new preliminary short form prospectus that is not a preliminary base shelf prospectus; and
- (b) a covering letter stating that the issuer or the selling security holder, as the case may be, has decided not to use the shelf procedures for the distribution.

5.2 Opting into the Shelf Procedures After a Preliminary Prospectus has been Received - An issuer that has filed a preliminary short form prospectus that is not a preliminary base shelf prospectus shall not file a base shelf prospectus for the distribution unless the issuer files

- (a) either
 - (i) an amended preliminary base shelf prospectus in accordance with this Instrument, or
 - (ii) a new preliminary short form prospectus that is a preliminary base shelf prospectus in accordance with this Instrument; and
- (b) a covering letter stating that the issuer or the selling securityholder, as the case may be, has decided to use the shelf procedures for the distribution.

- 5.3 Form of Base Shelf Prospectus** - Despite ~~National Instrument~~NI 44-101, a short form prospectus that is a base shelf prospectus may vary from Form 44-101F3 ~~44-101F1~~ to the extent required or permitted by this Instrument.
- 5.4 Dollar Value of Securities**- A base shelf prospectus shall pertain to no more than the dollar value of securities that the ~~person or company~~issuer or selling securityholder proposing to distribute securities under the base shelf prospectus reasonably expects, at the time the base shelf prospectus is filed, to distribute within 25 months after the date of the receipt for the base shelf prospectus.
- 5.5 Required Disclosure** - A base shelf prospectus shall contain the following:
1. A statement at the top of the cover page identifying the short form prospectus as a base shelf prospectus.
 2. The following statement in red ink in *italics* on the cover page:

"This short form prospectus has been filed under legislation in [insert name[s] of the jurisdiction[s] where qualified] that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities."
 3. A statement that all shelf information omitted from the base shelf prospectus will be contained in one or more shelf prospectus supplements that will be delivered to purchasers together with the base shelf prospectus.
 4. A statement that each shelf prospectus supplement will be incorporated by reference into the base shelf prospectus for the purposes of securities legislation as of the date of the shelf prospectus supplement and only for the purposes of the distribution of the securities to which the shelf prospectus supplement pertains.
 5. A statement of the aggregate dollar amount of securities that may be raised under the base shelf prospectus.
 6. Disclosure of the types of securities that may be distributed under the base shelf prospectus.
 7. If an undertaking is required to be filed under subsection 4.1(1), a statement that the issuer or the selling security holder, as the case may be, has filed an undertaking that it will not distribute specified derivatives or asset-backed securities, as the case may be, that, at the time of distribution, are novel without pre-clearing with the regulator the disclosure to be contained in the

shelf prospectus supplement pertaining to the distribution of the novel specified derivatives or asset-backed securities.

8. The prospectus certificates prescribed by
 - (a) method 1, if
 - (i) the base shelf prospectus is being used to establish an MTN program or other continuous distribution, or
 - (ii) method 2 has not been elected; or
 - (b) method 2, if method 2 has been elected.

5.6 Disclosure that may be Omitted - If the specified circumstances exist, a base shelf prospectus may omit the following information:

1. The variable terms of the securities that may be distributed under the base shelf prospectus, if not known on the date the base shelf prospectus is filed.
2. The dollar amount, size and other specific terms of each tranche of securities that may be distributed under the base shelf prospectus, if not known on the date the base shelf prospectus is filed.
3. The variable terms of the plans of distribution for the securities that may be distributed under the base shelf prospectus, if not known on the date the base shelf prospectus is filed.
4. The name and prospectus certificate of an underwriter if, at the time of the filing of the base shelf prospectus, no underwriter is, and it is not known to the issuer that a particular underwriter will be, in a contractual relationship with the issuer or selling security holder requiring the underwriter to distribute under the base shelf prospectus.
5. If one or more underwriters have agreed to purchase the securities to be distributed under the base shelf prospectus at a specified price, the statement required under Form 44-101F3~~1~~ that the securities are to be taken up by the underwriters, if at all, on or before a specified date.
6. If the securities to be distributed under the base shelf prospectus are underwritten on a best efforts basis for which a minimum amount of funds are required by an issuer, the disclosure required under Form 44-101F3~~1~~ concerning the maximum length of time for which the distribution may continue and concerning the disposition of subscription funds.
7. Any other information that pertains only to a specific distribution of securities under the base shelf prospectus, if not known on the date the base shelf prospectus is filed.

8. Any other information required under ~~National Instrument~~ **NI** 44-101 or other securities legislation that is not known and cannot be ascertained at the time of filing of the base shelf prospectus.

5.7 Issue of Receipt - Despite the omission of shelf information, the regulator may issue a receipt for a base shelf prospectus.

5.8 Amendments - If a material change occurs at a time when no securities are being distributed under a base shelf prospectus, the provisions of securities legislation that require the filing of an amendment to a prospectus if a material change occurs are satisfied by

- (a) the filing of a material change report; and
- (b) the incorporation by reference in the base shelf prospectus of the material change report.

PART 6 SHELF PROSPECTUS SUPPLEMENTS

6.1 Requirement to Use Shelf Prospectus Supplements - An issuer or selling security holder that distributes securities under a base shelf prospectus shall supplement the disclosure in the base shelf prospectus with a shelf prospectus supplement, or more than one shelf prospectus supplement, in order for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities distributed under the prospectus: **and, in Québec, to contain no misrepresentation that is likely to affect the value or the market price of the securities to be distributed.**

6.2 Incorporation by Reference

- (1) An issuer shall incorporate by reference in the corresponding base shelf prospectus, by means of a statement in the base shelf prospectus, each shelf prospectus supplement referred to in section 6.1 as of the date of the shelf prospectus supplement and only for purposes of the distribution to which the shelf prospectus supplement pertains.
- (2) If an issuer does not incorporate by reference in a base shelf prospectus a shelf prospectus supplement required to be incorporated by reference under subsection (1), the shelf prospectus supplement is conclusively deemed for purposes of securities legislation to be incorporated by reference in the issuer's base shelf prospectus as of the date of the shelf prospectus supplement and only for purposes of the distribution to which the shelf prospectus supplement pertains.

6.3 Shelf Prospectus Supplement Disclosure

- (1) A shelf prospectus supplement shall contain the following:
 - 1. The name of the issuer on the cover page.

2. The dates of the corresponding base shelf prospectus and of each previously filed shelf prospectus supplement corresponding to the same base shelf prospectus and pertaining to the same distribution, on the cover page.
 3. The prospectus certificates prescribed by
 - (a) method 1, if the shelf prospectus supplement establishes an MTN program or other continuous distribution; or
 - (b) method 2, if the prospectus certificates prescribed by method 1 have not been included in the corresponding base shelf prospectus and if method 1 is not mandatory under paragraph (a).
 4. A list of each document that is incorporated by reference into the corresponding base shelf prospectus as of the date of the shelf prospectus supplement and provides disclosure pertaining to the securities being distributed under the shelf prospectus supplement.
- (2) If only one shelf prospectus supplement is used to supplement the disclosure in the corresponding base shelf prospectus pertaining to a distribution of securities, that shelf prospectus supplement shall contain the following, and if more than one shelf prospectus supplement is used to supplement the disclosure in the corresponding base shelf prospectus pertaining to a distribution of securities, the shelf prospectus supplements used shall, together, contain the following:
1. All of the shelf information pertaining to the distribution of securities that was not disclosed in the corresponding base shelf prospectus.
 2. All material facts relating to the securities to be distributed and all other information required under securities legislation to be disclosed in a short form prospectus that is not disclosed, either directly or through incorporation by reference, in the corresponding base shelf prospectus.

6.4 Filing Requirement For Shelf Prospectus Supplements

- (1) ~~A shelf prospectus supplement shall be filed in the local jurisdiction if a base shelf prospectus which the shelf prospectus supplement pertains was filed in the local jurisdiction.~~ **A shelf prospectus supplement shall be filed in the local jurisdictions in which securities are distributed using the shelf prospectus supplement.**
- (2) A shelf prospectus supplement that is required to be filed under subsection (1) shall be filed,

- (a) if the shelf prospectus supplement pertains to a distribution of securities, other than an MTN program or other continuous distribution, on or before the earlier of
 - (i) the date the shelf prospectus supplement was first sent or delivered to a purchaser or a prospective purchaser, and
 - (ii) the date two business days after the offering price of the securities to which it pertains is determined; or
- (b) in all other circumstances, on or before the date two business days after the date the shelf prospectus supplement was first sent or delivered to a purchaser or a prospective purchaser.

6.5 Underwriters' Conflicts of Interest - For a distribution of securities under a base shelf prospectus, the provisions of ~~securities legislation that regulate conflicts of interest in connection with a distribution of securities of a registrant, a connected issuer of a registrant or a related issuer of a registrant~~ **National Instrument 33-105 Underwriting Conflicts and, in Québec, the applicable securities legislation,**

- (a) concerning the participation of independent underwriters shall be satisfied
 - (i) on a tranche-by-tranche basis for a distribution other than an MTN program or other continuous distribution, or
 - (ii) on the basis of the total dollar amount of securities that, at any given time, have been or are being distributed under the program or distribution for a distribution of securities under an MTN program or other continuous distribution; and
- (b) concerning disclosure, to the extent not previously satisfied in the base shelf prospectus, shall be satisfied by including the prescribed disclosure in a shelf prospectus supplement pertaining to the distribution.

6.6 Market Stabilization - The stabilization provisions shall be satisfied on a tranche-by-tranche basis for a non-continuous distribution of securities under a base shelf prospectus.

6.7 Delivery Requirement - The shelf prospectus supplement or supplements that, together with the corresponding base shelf prospectus, contain full, true and plain disclosure of all material facts relating to the securities being distributed **and, in Québec, contain no misrepresentation that is likely to affect the value or the market price of the securities to be distributed,** shall be sent by prepaid mail or delivered to a purchaser of the securities with the base shelf prospectus.

PART 7 SHELF SUPPORTING DOCUMENTS

7.1 General - The provisions of ~~National Instrument~~NI 44-101 requiring the filing of supporting documents with a preliminary short form prospectus, a short form prospectus or a prospectus amendment ~~do not~~ apply to a filing of a preliminary base shelf prospectus, a base shelf prospectus or an amendment to a preliminary base shelf prospectus or to a base shelf prospectus, except to the extent varied in this Part.

7.2 Consents

(1) If any solicitor, auditor, accountant, engineer or appraiser, or any other person or company whose profession gives authority to a statement made by that person or company, is

(a) named in a document that is

(i) incorporated by reference into a base shelf prospectus, and

(ii) filed after the date of filing of the base shelf prospectus; and

(b) named in the document as having prepared or certified

(i) any part of the base shelf prospectus, amendment or shelf prospectus supplement, or

(ii) a report or valuation referred to in the base shelf prospectus or shelf prospectus supplement, either directly or in a document incorporated by reference,

the issuer shall file the written consent of the person or company to being named and to ~~that use of the~~ the use of that report or valuation in accordance with subsection (2).

(2) A consent of an expert required under subsection (1) shall be filed in accordance with the following:

1. If the document in which the expert is named is incorporated by reference into the base shelf prospectus by means of a statement to that effect in the base shelf prospectus, the consent shall be filed

(a) no later than the time the document is filed, if the base shelf prospectus establishes an MTN program or other continuous distribution; and

(b) in all other circumstances, no later than the time of the next filing of a shelf prospectus supplement corresponding to the base shelf prospectus.

2. If the document in which the expert is named is incorporated by reference into a shelf prospectus supplement by means of a statement to that effect in the shelf prospectus supplement and filed before or concurrently with the shelf prospectus supplement, the consent shall be filed no later than the time the shelf prospectus supplement is filed.
3. If the document in which the expert is named is incorporated by reference into a shelf prospectus supplement by means of a statement to that effect in the shelf prospectus supplement and filed after the shelf prospectus supplement is filed, the consent shall be filed no later than the time the document is filed.

7.3 ~~Auditor's Comfort Letters [Repealed]~~ ~~An auditor's comfort letter for unaudited financial statements incorporated by reference into a base shelf prospectus but filed after the date of filing of the base shelf prospectus shall be filed~~

- ~~(a) concurrently with the unaudited financial statements, if the base shelf prospectus establishes an MTN program or other continuous distribution; and~~
- ~~(b) in all other circumstances, no later than the time of the next filing of a shelf prospectus supplement corresponding to the base shelf prospectus.~~

7.4 Underwriting Agreements

- (1) If, at the time an issuer files a base shelf prospectus, no underwriter is in a contractual relationship with the issuer or selling security holder requiring the underwriter to distribute securities under the base shelf prospectus, the issuer is not required to file a copy of an underwriting agreement with the base shelf prospectus.
- (2) If an underwriter enters into a contractual relationship with an issuer or selling security holder requiring the underwriter to distribute securities under a base shelf prospectus after the base shelf prospectus is filed, the issuer shall file a copy of the underwriting agreement pertaining to the distribution concurrently with the next shelf prospectus supplement filed pertaining to that distribution.

PART 8 MEDIUM TERM NOTE PROGRAMS AND OTHER CONTINUOUS DISTRIBUTIONS UNDER SHELF

8.1 General - An issuer that is qualified under Part 2 to file a base shelf prospectus for securities may distribute those securities by way of an MTN program or other continuous distribution, if it files

- (a) a base shelf prospectus or a shelf prospectus supplement that establishes the program or distribution; and

- (b) a pricing supplement.

8.2 Additional Disclosure Requirements

- (1) Despite section ~~5.5~~5.6, a base shelf prospectus or shelf prospectus supplement that establishes an MTN program or other continuous distribution shall contain the following:
 - 1. A description of the method of distribution, including the name of any underwriter involved in the distribution and the amount of any underwriting fee, discount or commission.
 - 2. A description of the intended parameters of the terms of the MTN program or other continuous distribution.
 - 3. At the option of the issuer or selling security holder proposing to distribute securities under the MTN program or other continuous distribution, a statement that the issuer or selling security holder, as the case may be, reserves the right to issue securities under the MTN program or other continuous distribution on terms outside the intended parameters disclosed under paragraph 2.
- (2) A pricing supplement for an MTN program or other continuous distribution under the shelf procedures shall contain the following:
 - 1. The terms of the securities distributed that are not disclosed in the base shelf prospectus or shelf prospectus supplement establishing the MTN program or other continuous distribution.
 - 2. A list of each document that is incorporated by reference into the corresponding base shelf prospectus as of the date of the pricing supplement and that provides disclosure pertaining to the securities being distributed under the MTN program or other continuous distribution.

8.3 Filing Requirement - If an issuer sends or delivers to a purchaser or a prospective purchaser in the local jurisdiction a pricing supplement in a particular month, the issuer shall, despite section 6.4, file within seven days after the end of the month

- (a) a copy of each pricing supplement sent or delivered to a purchaser or prospective purchaser during the month, if the pricing supplement had not previously been sent or delivered to any purchaser or prospective purchaser; or
- (b) a summary of the information contained in each pricing supplement sent or delivered to a purchaser or prospective purchaser during the month, including
 - (i) a list of the pricing supplements referred to in paragraph (a),

- (ii) the terms of the securities distributed under each pricing supplement sent or delivered to a purchaser or a prospective purchaser during the month, and
- (iii) the aggregate amount of securities distributed under each pricing supplement sent or delivered to a purchaser or a prospective purchaser during the month.

8.4 Requirement to Update Earnings Coverage Ratios - An issuer distributing securities by way of an MTN program or other continuous distribution using the shelf procedures shall

- (a) calculate updated earnings coverage ratios for the ratios contained in its base shelf prospectus each time the issuer prepares interim or audited annual financial statements, using the 12 month period that ended on the last day of the most recently completed financial period; and
- (b) file the updated earnings coverage ratios, concurrently with the filing of its financial statements, either
 - (i) as an exhibit to the financial statements, or
 - (ii) as a shelf prospectus supplement corresponding to the base shelf prospectus.

PART 9 AT-THE-MARKET DISTRIBUTIONS OF EQUITY SECURITIES UNDER SHELF

9.1 At-the-Market Distributions of Equity Securities Under Shelf

- (1) Despite section ~~11.16.1~~ of ~~National Instrument NI~~ 44-101, equity securities may be distributed by way of an at-the-market distribution using the shelf procedures if the market value of equity securities distributed does not exceed 10 percent of the aggregate market value of the issuer's outstanding equity securities of the same class as the class of securities distributed, calculated in accordance with section ~~2.92.8~~ of ~~National Instrument NI~~ 44-101, as at the last trading day of the month before the month in which the first trade under the at-the-market distribution is made.
- (2) No underwriter or dealer distributing equity securities by way of an at-the-market distribution, or any affiliate of such an underwriter or dealer, or any person or company acting jointly or in concert with such an underwriter or dealer, shall, in connection with the distribution, over-allot the securities or effect a transaction that is intended to stabilize or maintain the market price of the securities.
- (3) An issuer shall include in a base shelf prospectus or shelf prospectus supplement pertaining to an at-the-market distribution a statement that no

underwriter or dealer involved in the distribution, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such an underwriter or dealer has over-allotted, or will over-allot, securities in connection with the distribution or effect any other transactions that are intended to stabilize or maintain the market price of the securities.

PART 10 ~~TRANSITIONAL SHELF PROCEDURES~~[REPEALED]

~~10.1~~ ~~Transitional Shelf Procedures~~

- ~~(1) — A receipt issued for a shelf prospectus filed under National Policy Statement No. 44 is a receipt for the purposes of a base shelf prospectus under this Instrument.~~
- ~~(2) — A preliminary shelf prospectus filed under National Policy Statement No. 44 is a preliminary base shelf prospectus under this Instrument.~~
- ~~(3) — A receipt issued for a shelf prospectus filed under National Policy Statement No. 44 before National Instrument 44-101 came into force shall expire~~
 - ~~(a) — if the issuer relied on section 4.1 or 4.4 of National Policy Statement No. 47 or section 164 or 168 of the Regulation Concerning Securities (Québec) to be qualified to file the shelf prospectus, at the time specified in section 2.2 of this Instrument;~~
 - ~~(b) — if the issuer relied on section 4.2 of National Policy Statement No. 47 or an exemption granted under the Securities Act (Québec) to be qualified to file the shelf prospectus, at the time specified in section 2.3 of this Instrument;~~
 - ~~(c) — if the issuer relied on paragraph 4.3(1)(a) of National Policy Statement No. 47 or section 165 of the Regulation Concerning Securities (Québec) to be qualified to file the shelf prospectus, at the time specified in section 2.4 of this Instrument;~~
 - ~~(d) — if the issuer relied on paragraph 4.3(1)(b) of National Policy Statement No. 47 or section 166 of the Regulation Concerning Securities (Québec) to be qualified to file the shelf prospectus, at the time specified in section 2.5 of this Instrument; and~~
 - ~~(e) — if the issuer relied on subsection 4.3(2) of National Policy Statement No. 47 or an exemption granted under the Securities Act (Québec) to be qualified to file the shelf prospectus, at the time specified in section 2.6 of this Instrument.~~

PART 11 EXEMPTIONS

11.1 Exemption

- (1) The regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (2) Despite subsection (1), in Ontario ~~and Alberta~~, only the regulator may grant such an exemption.
- (3) An application made to the securities regulatory authority or regulator for an exemption from this Instrument shall include a letter or memorandum describing the matters relating to the exemption, and indicating why consideration should be given to the granting of the exemption.

11.2 Evidence of Exemption

- (1) Subject to subsection (2) and without limiting the manner in which an exemption under this Part may be evidenced, the granting under this Part of an exemption, other than an exemption, in whole or in part from Part 2, may be evidenced by the issuance of a receipt for a base shelf prospectus or an amendment to a base shelf prospectus.
- (2) An exemption under this Part may be evidenced in the manner set out in subsection (1) only if
 - (a) the person or company that sought the exemption
 - (i) sent to the regulator the letter or memorandum referred to in subsection 11.1(3) on or before the date of filing of the preliminary base shelf prospectus, or
 - (ii) sent to the regulator the letter or memorandum referred to in subsection 11.1(3) after the date of filing of the preliminary base shelf prospectus and received a written acknowledgement from the regulator that the exemption may be evidenced in the manner set out in subsection (1); and
 - (b) the regulator has not before, or concurrently with, the issuance of the receipt, sent to the person or company that sought the exemption notice that the exemption sought can not be evidenced in the manner set out in subsection (1).

PART 12 EFFECTIVE DATE

- 12.1 Effective Date** - This Instrument shall come into force on December 31, 2000.

NATIONAL INSTRUMENT 44-102
SHELF DISTRIBUTIONS
APPENDIX A
METHOD 1 FOR SHELF PROSPECTUS CERTIFICATES

METHOD 1: FORWARD LOOKING CERTIFICATES TO BE INCLUDED IN BASE SHELF PROSPECTUSES OR SUPPLEMENTS ESTABLISHING AN MTN PROGRAM OR OTHER CONTINUOUS DISTRIBUTION

PART 1 BASE SHELF PROSPECTUSES

1.1 Certificate of Issuer and Promoter - If a base shelf prospectus establishes an MTN program or other continuous distribution, or if method 2 has not been elected by an issuer, the preliminary base shelf prospectus and the base shelf prospectus shall contain a certificate in the following form signed by

- (a) the chief executive officer and the chief financial officer of the issuer or, if no such officers have been appointed, a person acting on behalf of the issuer in a capacity similar to that of a chief executive officer and a person acting on behalf of the issuer in a capacity similar to that of a chief financial officer;
- (b) on behalf of the board of directors of the issuer, any two directors of the issuer, other than the persons referred to in paragraph (a), duly authorized to sign; and
- (c) any person or company who is a promoter of the issuer:

"This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of [insert name of each jurisdiction in which qualified] [insert if distribution made in Quebec---"and will not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed"]".

1.2 Underwriters' Certificates - A preliminary base shelf prospectus and a base shelf prospectus shall contain an underwriter's certificate in the following form signed by each underwriter who, at the time of filing, is, or it is known will be, in a contractual relationship with the issuer for the securities to be distributed under the base shelf prospectus, if

- (a) the base shelf prospectus establishes an MTN program or other continuous distribution; or

- (b) method 2 has not been elected by the underwriter:

"To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated in this prospectus by reference will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of [insert name of each jurisdiction in which qualified] [insert if distribution made in Quebec---"and will not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed"]".

1.3 Credit Supporter's Certificate - A preliminary base shelf prospectus and a base shelf prospectus shall contain a certificate in the form described in section 1.1 signed by a credit supporter of the securities to be distributed under the base shelf prospectus, if

- (a) ~~National Instrument~~ **NI** 44-101 requires a prospectus certificate of the credit supporter; and
- (b) either
- (i) the base shelf prospectus establishes an MTN program or other continuous distribution, or
- (ii) method 2 has not been elected by the credit supporter.

1.4 Amendments

- (1) An amendment to a base shelf prospectus or an amended and restated base shelf prospectus shall, subject to subsection (2), contain
- (a) the certificates required under section 1.1 to be included in a base shelf prospectus, if the base shelf prospectus contains an issuer's certificate in the form described in section 1.1;
- (b) the certificates required under section 1.2 to be included in a base shelf prospectus, if the base shelf prospectus contains an underwriter's certificate in the form described in section 1.2; and
- (c) the certificate required under section 1.3 to be included in a base shelf prospectus, if the base shelf prospectus contains a credit supporter's certificate in the form described in section 1.3.

- (2) In each certificate required under subsection (1), the reference to "this short form prospectus" shall be omitted and replaced by
- (a) in the case of an amendment to a base shelf prospectus, "the short form prospectus dated [insert date] as amended by this amendment"; and
 - (b) in the case of an amended and restated base shelf prospectus, "this amended and restated short form prospectus".

PART 2 SHELF PROSPECTUS SUPPLEMENTS ESTABLISHING AN MTN PROGRAM

2.1 Certificate of Issuer and Promoter - If an issuer's certificate in the form described in section 1.1 was not included in the corresponding base shelf prospectus, a shelf prospectus supplement that establishes an MTN program or other continuous distribution shall contain a certificate in the following form signed by

- (a) the chief executive officer and the chief financial officer of the issuer or, if no such officers have been appointed, a person acting on behalf of the issuer in a capacity similar to that of a chief executive officer and a person acting on behalf of the issuer in a capacity similar to that of a chief financial officer;
- (b) on behalf of the board of directors of the issuer, any two directors of the issuer, other than the persons referred to in paragraph (a), duly authorized to sign; and
- (c) any person or company who is a promoter of the issuer:

"The short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, will, as of the date of the last supplement to the prospectus relating to the securities offered by the prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and the supplement(s) as required by the securities legislation of [insert name of each jurisdiction in which qualified] [insert if distribution made in Quebec---]"and will not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed".

2.2 Underwriters' Certificates - A shelf prospectus supplement that establishes an MTN program or other continuous distribution shall contain a certificate in the following form signed by each underwriter who

- (a) is in a contractual relationship with the issuer for the securities being distributed under the shelf prospectus supplement; and

- (b) did not sign and include in the corresponding base shelf prospectus a certificate in the form described in section 1.2:

"To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, will, as of the date of the last supplement to the prospectus relating to the securities offered by the prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and the supplement as required by the securities legislation of [insert name of jurisdiction in which qualified] [insert if distribution made in Quebec--- "and will not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed"]".

2.3 Credit Supporter's Certificate - A shelf prospectus supplement that establishes an MTN program or other continuous distribution shall contain a certificate in the form described in section 2.1 signed by a credit supporter of the securities being distributed under the shelf prospectus supplement, if

- (a) ~~National Instrument~~ **NI** 44-101 requires a prospectus certificate of the credit supporter; and
- (b) a prospectus certificate of the credit supporter in the form described in section 1.3 was not included in the corresponding base shelf prospectus.

2.4 Amendments

- (1) An amendment to a shelf prospectus supplement or an amended and restated shelf prospectus supplement that establishes an MTN program or other continuous distribution shall, subject to subsection (2), contain
- (a) the certificates required under section 2.1 to be included in a shelf prospectus supplement, if the shelf prospectus supplement contains an issuer's certificate in the form described in section 2.1;
 - (b) the certificates required under section 2.2 to be included in a shelf prospectus supplement, if the shelf prospectus supplement contains an underwriter's certificate in the form described in section 2.2; and
 - (c) the certificate required under section 2.3 to be included in a shelf prospectus supplement, if the shelf prospectus supplement contains a credit supporter's certificate in the form described in section 2.3.
- (2) In each certificate required under subsection (1), the reference to "this shelf prospectus supplement" shall be omitted and replaced by

- (a) in the case of an amendment to a shelf prospectus supplement, "the shelf prospectus supplement dated [insert date] as amended by this amendment"; and
- (b) in the case of an amended and restated shelf prospectus supplement, "this amended and restated shelf prospectus supplement".

NATIONAL INSTRUMENT 44-102
SHELF DISTRIBUTIONS
APPENDIX B
METHOD 2 FOR SHELF PROSPECTUS CERTIFICATES

METHOD 2: NON-FORWARD LOOKING PROSPECTUS CERTIFICATES TO BE INCLUDED IN BOTH BASE SHELF PROSPECTUSES AND SUPPLEMENTS

PART 1 BASE SHELF PROSPECTUS

1.1 Certificate of Issuer and Promoter - If method 2 is elected by an issuer, a preliminary base shelf prospectus and a base shelf prospectus shall contain a certificate in the following form signed by

- (a) the chief executive officer and the chief financial officer of the issuer or, if no such officers have been appointed, a person acting on behalf of the issuer in a capacity similar to that of a chief executive officer and a person acting on behalf of the issuer in a capacity similar to that of a chief financial officer;
- (b) on behalf of the board of directors of the issuer, any two directors of the issuer, other than the persons referred to in paragraph (a), duly authorized to sign; and
- (c) any person or company who is a promoter of the issuer:

"This short form prospectus, together with the documents incorporated in this prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of [insert name of each jurisdiction in which qualified] [insert if distribution made in Quebec---"and does not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed"]".

1.2 Underwriters' Certificates - A preliminary base shelf prospectus and a base shelf prospectus shall contain an underwriter's certificate in the following form signed by each underwriter who

- (a) at the time of filing, is, or it is known will be, in a contractual relationship with the issuer for the securities to be distributed under the base shelf prospectus; and
- (b) elects method 2:

"To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of [insert name of each jurisdiction in which qualified] [insert if distribution made in Quebec - "and does not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed"]".

1.3 Credit Supporter's Certificate - A base shelf prospectus shall contain a certificate in the form described in section 1.1 signed by a credit supporter of the securities to be distributed under the base shelf prospectus, if

- (a) ~~National Instrument~~NI 44-101 requires a prospectus certificate of the credit supporter; and
- (b) method 2 is elected by the credit supporter.

1.4 Amendments

- (1) An amendment to a base shelf prospectus or an amended and restated base shelf prospectus shall, subject to subsection (2), contain
 - (a) the certificates required under section 1.1 to be included in a base shelf prospectus, if the issuer has elected method 2;
 - (b) the certificate described in section 1.2 signed by each underwriter who
 - (i) at the time of filing the amendment or the amended and restated base shelf prospectus, is, or it is known will be, in a contractual relationship with the issuer for the securities to be distributed under the base shelf prospectus, and
 - (ii) has elected method 2; and
 - (c) the certificate required under section 1.3 to be included in a base shelf prospectus, if the base shelf prospectus contains a credit supporter's certificate in the form described in section 1.3.
- (2) In each certificate required under subsection (1), the reference to "this short form prospectus" shall be omitted and replaced by
 - (a) in the case of an amendment to a base shelf prospectus, "the short form prospectus dated [insert date] as amended by this amendment"; and

- (b) in the case of an amended and restated base shelf prospectus, "this amended and restated short form prospectus".

PART 2 SHELF PROSPECTUS SUPPLEMENT

2.1 Certificate of Issuer and Promoter - If method 2 is elected by an issuer, each shelf prospectus supplement shall contain a certificate in the following form signed by

- (a) the chief executive officer and the chief financial officer of the issuer or, if no such officers have been appointed, a person acting on behalf of the issuer in a capacity similar to that of a chief executive officer and a person acting in a capacity similar to that of a chief financial officer;
- (b) on behalf of the board of directors of the issuer, any two directors of the issuer, other than the persons referred to in paragraph (a) duly authorized to sign; and
- (c) any person or company who is a promoter of the issuer:

"The short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of [insert name of each jurisdiction in which qualified] [insert if distribution made in Quebec---"and does not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed"]."

2.2 Underwriters' Certificates - Each shelf prospectus supplement shall contain a certificate in the following form signed by each underwriter who

- (a) is in a contractual relationship with the issuer for the securities being distributed under the supplement; and
- (b) has elected method 2:

"To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of [insert name of each jurisdiction in which qualified] [insert if distribution made in Quebec - "and does not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed"]."

2.3 Credit Supporter's Certificate - Each shelf prospectus supplement shall contain a certificate in the form described in section 2.1 signed by a credit supporter of the securities being distributed under the shelf prospectus supplement, if

- (a) ~~National Instrument~~NI 44-101 requires a prospectus certificate of the credit supporter; and
- (b) method 2 is elected by the credit supporter.

2.4 Amendments

- (1) An amendment to a shelf prospectus supplement or an amended and restated shelf prospectus supplement shall, subject to subsection (2), contain
 - (a) the certificates required under section 2.1 to be included in a shelf prospectus supplement, if the shelf prospectus supplement contains an issuer's certificate in the form described in section 2.1;
 - (b) the certificate described in section 2.2 signed by each underwriter who
 - (i) at the time of filing the amendment or the amended and restated shelf prospectus supplement, is in a contractual relationship with the issuer for the securities being distributed under the shelf prospectus supplement, and
 - (ii) has elected method 2; and
 - (c) the certificate required under section 2.3 to be included in a shelf prospectus supplement, if the shelf prospectus supplement contains a credit supporter's certificate in the form described in section 2.3.
- (2) In each certificate required under subsection (1), the reference to "this shelf prospectus supplement" shall be omitted and replaced by
 - (a) in the case of an amendment to a shelf prospectus supplement, "the shelf prospectus supplement dated [insert date] as amended by this amendment"; and
 - (b) in the case of an amended and restated shelf prospectus supplement, "this amended and restated shelf prospectus supplement".

**COMPANION POLICY 44-102CP
TO NATIONAL INSTRUMENT 44-102
*SHELF DISTRIBUTIONS***

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**COMPANION POLICY 44-102CP
TO NATIONAL INSTRUMENT 44-102
SHELF DISTRIBUTIONS**

PART 1 GENERAL

1.1 Relationship of the National Instrument to Securities Legislation

- (1) Issuers are reminded that the rules and procedures contained in National Instrument 44-102 for distributions made under the shelf procedures should be read in conjunction with other provisions of securities legislation in each jurisdiction in which a distribution is being made.
- (2) A distribution under a short form prospectus using the shelf procedures is subject to all the requirements of National Instrument 44-101 *Short Form Prospectus Distributions* and other provisions of securities legislation, as supplemented or varied by ~~National Instrument~~**NI** 44-102 and the implementing law of the jurisdiction. Reference is made to section ~~4.51.6~~**1.6** of the Companion Policy to ~~National Instrument~~**NI** 44-101 for a discussion of the relationship between ~~National Instrument~~**NI** 44-101 and ~~National Instrument~~**NI** 44-102.

1.2 Liability

- (1) The securities regulatory authorities are of the view that an issuer's prospectus certificate contained in an amendment to a base shelf prospectus filed under the shelf procedures supersedes and replaces the issuer's certificate contained in the base shelf prospectus. Accordingly, an officer who signed the later dated certificate and the directors at the time the amendment was filed would be subject to statutory civil liability to purchasers of securities under the amended base shelf prospectus.
- (2) The securities regulatory authorities are of the view that an issuer's prospectus certificate contained in a shelf prospectus supplement filed under the shelf procedures supersedes and replaces the issuer's certificate contained in the base shelf prospectus for purposes of the distribution of securities under the shelf prospectus supplement. Accordingly, an officer who signed the later dated certificate and the directors at the time the supplement was filed would be subject to statutory civil liability to purchasers of securities under the shelf prospectus supplement.

- 1.3 Draft Supplements** - A preliminary form of shelf prospectus supplement describing a tranche of securities may be used in marketing the securities before the public offering price is determined. Issuers are reminded that the ability to use a preliminary form of shelf prospectus supplement in this manner for a distribution of equity securities under an unallocated base shelf prospectus is subject to the requirement

contained in section 3.2 of ~~National Instrument~~NI 44-102 to issue a news release once the issuer or the selling security holder has formed a reasonable expectation that the distribution will proceed.

PART 2 SHELF PROCEDURES

2.1 Shelf Qualification

- (1) The principle guiding the qualification provisions of ~~National Instrument~~NI 44-102 is that any distribution under a short form prospectus, other than rights offerings, may be effected using the shelf procedures.
- (2) A distribution using the shelf procedures is necessarily a distribution under a short form prospectus. Therefore, issuers must be qualified to file a prospectus in the form of a short form prospectus under ~~National Instrument~~NI 44-101 and must satisfy the additional qualification criteria under Part 2 of ~~National Instrument~~NI 44-102.

2.2 Period of Receipt Effectiveness

- (1) ~~National Instrument~~NI 44-102 provides that a receipt for a base shelf prospectus is effective until the earliest of the following three events: (i) the date 25 months from the date of the issuance of a receipt for the base shelf prospectus, (ii) the time immediately before selling the securities, if certain prescribed conditions relating to the issuer's qualification to file a prospectus in the form of a short form prospectus are not satisfied, and (iii) the lapse date of the receipt, if any, prescribed by securities legislation, if no relief has been granted to the issuer through a blanket ruling or upon application by the issuer. This receipt expiry mechanism is designed to impose a limit of, essentially, two years on shelf distributions under the same base shelf prospectus and to prevent distributions of securities under a base shelf prospectus if the issuer would no longer be qualified under ~~National Instrument~~NI 44-101.
- (2) The securities legislation in some jurisdictions provides that a prospectus receipt does not continue to be effective for more than one year absent relief granted by the securities regulatory authority in that jurisdiction. Some of these jurisdictions have provided blanket relief for receipts issued for base shelf prospectuses. ~~At the time of the coming into force of this Policy New Brunswick has a lapse date provision in its securities legislation and has not provided blanket relief for shelf distributions.~~
- (3) ~~In New Brunswick issuers must apply for and obtain relief from securities legislation in order for a receipt for a base shelf prospectus to be effective for more than one year. An application for relief may consist of a covering letter~~

~~accompanying the filing of the preliminary base shelf prospectus or the base shelf prospectus containing the following statement:~~

~~"The [issuer] hereby applies for an extension of the lapse date of this base shelf prospectus to 24 months."~~

~~Where application for relief is made, the issuance of a receipt for the base shelf prospectus is evidence of the granting of the relief.~~

2.3 Unallocated Shelf

- (1) Section 3.1 of ~~National Instrument~~**NI** 44-102 provides that a base shelf prospectus may pertain to different types of securities. This allows a base shelf prospectus to be used to distribute any combination of debt securities, preferred shares, derivatives, asset-backed securities and equity securities, for which the issuer is eligible to participate in the ~~POP~~**short form prospectus distributions** system.
- (2) In the case of an unallocated base shelf prospectus, section 3.2 of ~~National Instrument~~**NI** 44-102 requires an issuer or a selling security holder to issue a news release immediately upon having formed a reasonable expectation that a distribution of equity securities under the unallocated shelf prospectus will proceed. An issuer or selling security holder will generally only have formed such a reasonable expectation upon having discussions with an underwriter concerning the distribution of some specificity and certainty.

2.4 Distributions of Novel Derivatives and Asset-Backed Securities using the Shelf Procedures

- (1) The securities regulatory authorities recognize the utility of the shelf procedures for distributions of derivatives and asset-backed securities in order to permit tranches of these products to be priced and distributed expeditiously to take advantage of market opportunities, without the need for regulatory approval.
- (2) However, the securities regulatory authorities are also aware of the complexities that may be associated with distributions of specified derivatives and asset-backed securities. Particularly in the area of distributions of novel specified derivatives and asset-backed securities, the securities regulatory authorities wish to encourage adequate prospectus disclosure, either in the base shelf prospectus or the shelf prospectus supplement, of the attributes of and the risks associated with these products. The securities regulatory authorities **also want to ensure that prospectus investors of such products are entitled to the appropriate rights at the time of their investment as contemplated by applicable securities laws. Reference is made to section 4.8 of Companion Policy NI 44-101CP for a discussion of these issues. The securities regulatory authorities** have attempted to balance these objectives in formulating ~~National Instrument~~**NI** 44-102.

- (3) The requirements relating to the clearance of ~~issues~~**distributions** of derivatives or asset-backed securities make a distinction between "novel" and "non-novel" products. If a base shelf prospectus pertains to specified derivatives or asset-backed securities, the issuer or selling security holder, as the case may be, must file an undertaking under section 4.1 with its base shelf prospectus. **This includes any circumstance where a base shelf prospectus, including, if applicable, an unallocated shelf prospectus, may be used together with a prospectus supplement to qualify novel products.** The undertaking must state that the issuer or the selling security holder, as the case may be, will not distribute under the base shelf prospectus specified derivatives or asset-backed securities that at the time of distribution are novel without pre-clearing the disclosure in shelf prospectus supplements with the regulator.
- (4) The securities regulatory authorities are of the view that the definition of the term "novel" should be read relatively restrictively. The term is intended to apply to a distribution of derivatives or asset-backed securities that is structured in a manner that differs materially from the manner in which any public distribution that has previously taken place in a jurisdiction was structured. A security would not be novel merely because a new underlying interest was used. **However, in circumstances where an issuer or its advisor is uncertain if a product is novel, the securities regulatory authorities encourage the issuer to either treat products as novel or to seek input from staff prior to filing a base shelf prospectus or prospectus supplement, as the case may be.**
- (5) If the product is not novel, then the shelf prospectus supplements concerning the product need not be reviewed by the securities regulatory authorities. The securities regulatory authorities are of the view that the disclosure in shelf prospectus supplements in such circumstances should be no less comprehensive than the disclosure that has previously been reviewed by a securities regulatory authority in a jurisdiction. **The securities regulatory authorities also believe that the rights provided to investors in such products should be no less comprehensive than the rights provided in offerings previously reviewed by a securities regulatory authority in a jurisdiction.**

2.5 Information that may be Omitted from a Base Shelf Prospectus

- (1) Paragraph 1 of section 5.6 of ~~National Instrument~~**NI** 44-102 provides that a base shelf prospectus may omit the variable terms, if not known, of the securities that may be distributed under it. The types of variable information that may be omitted from the base shelf prospectus include
- (a) the designation of the tranche;
 - (b) maturities;

- (c) denominations;
 - (d) interest or dividend provisions;
 - (e) purchase, redemption and retraction provisions;
 - (f) conversion or exchange provisions;
 - (g) the terms for extension or early repayment;
 - (h) the currencies in which the securities are issued or payable;
 - (i) sinking fund provisions; and
 - (j) any special covenants or other terms applicable to the securities of the tranche.
- (2) Paragraph 3 of section 5.6 of ~~National Instrument~~ **NI** 44-102 provides that a base shelf prospectus may omit information, if not known, relating to the variable terms of the plans of distribution for the securities that may be distributed under the base shelf prospectus. These variable terms may include
- (a) if the shelf prospectus sets forth alternative methods of distribution, the method that will be applicable to each tranche of securities distributed under the shelf prospectus; and
 - (b) for each tranche of securities distributed under the shelf prospectus, the specific terms not included in the description of the applicable method of distribution in the shelf prospectus, including, if applicable
 - (i) the names of any underwriters, and
 - (ii) the distribution spread and underwriting fees, discounts and commissions.
- (3) Paragraph 7 of section 5.6 of ~~National Instrument~~ **NI** 44-102 provides that a base shelf prospectus may omit other information, if not known, that pertains only to a specific distribution of securities under the base shelf prospectus. ~~These terms~~ **This information** may include
- (a) the public offering price;
 - (b) delivery dates;
 - (c) legal opinions regarding the eligibility for investment of the securities and tax matters;
 - (d) statements regarding listing of the securities;

- (e) actual amount of proceeds on the distribution; and
- (f) information about the use of proceeds.

2.6 Shelf Prospectus Supplements

- (1) The ability to file a shelf prospectus supplement does not prevent the filing of a shelf prospectus amendment to supply some or all of the information that is permitted to be included in a prospectus supplement.
- (2) Under subsection 6.3(2) of ~~National Instrument~~NI 44-102, the shelf prospectus supplements used in a distribution must contain all omitted shelf information as well as all information necessary for the base shelf prospectus to comply with the disclosure requirements for a short form prospectus. For example, if the securities being distributed using the shelf procedures are rated, that rating must be disclosed in a shelf prospectus supplement because ~~National Instrument~~NI 44-101 requires all ratings, including provisional ratings, received from one or more approved rating organizations for the securities to be distributed and continuing in effect, to be disclosed in a short form prospectus.
- (3) Section 6.7 of ~~National Instrument~~NI 44-102 provides that all shelf prospectus supplements pertaining to the securities being distributed under a base shelf prospectus shall be sent by prepaid mail or delivered to purchasers of the securities concurrently with the base shelf prospectus. A shelf prospectus supplement may take the form of a "sticker", a "wrap—around" or a one or more page supplement to a base shelf prospectus.

2.6.1 Expert's Consent – Section 7.2 of NI 44-102 provides that if a document (the "Document") containing an expert's opinion, report or valuation is incorporated by reference into a base shelf prospectus and filed after the filing of the base shelf prospectus, the issuer must file the written consent of the expert in accordance with deadlines that vary with the circumstances. For example, issuers are reminded that separate auditor's consents are required at the filing of the base shelf prospectus and in each subsequent shelf prospectus supplement for each set of audited financial statements incorporated by reference. The following is intended to illustrate the required timing for the filing of the expert's consents:

	<u>date the base shelf prospectus is filed</u>	<u>date the Document is filed</u>	<u>date the prospectus supplement is filed</u>
<u>MTN base shelf prospectus</u>	<u>(1)</u>	<u>(1)</u>	
<u>non-MTN base shelf prospectus</u>		<u>(2)</u>	<u>(2)</u>

- (1) a consent is required to be filed no later than the date of filing of the base shelf prospectus and the Document.
(2) a consent is required to be filed no later than the date of the filing of the Document and the prospectus supplement.

- 2.7 Firm Commitment Distributions** - Paragraph 5 of section 5.6 of ~~National Instrument~~NI 44-102 provides that a base shelf prospectus for securities to be distributed by one or more underwriters that have agreed to purchase the securities at a specified price may omit the statement that the securities are to be taken up by the underwriters, if at all, on or before a specified date. This paragraph provides an exemption from the requirement of securities legislation that this disclosure be contained in a prospectus. Issuers are reminded that paragraph 1 of subsection 6.3(2) of ~~National Instrument~~NI 44-102 requires all information that was omitted from the base shelf prospectus to be included in a shelf prospectus supplement. Therefore, it is necessary to include in a shelf prospectus supplement the disclosure required under securities legislation relating to specific distributions that are being effected on a firm commitment basis.
- 2.8 Best Efforts Distributions** - Paragraph 6 of section 5.6 of ~~National Instrument~~NI 44-102 similarly provides that a base shelf prospectus for a distribution of securities underwritten on a best efforts basis for which a minimum amount of funds are required by an issuer may omit disclosure required under securities legislation concerning the maximum length of time for which the distribution can continue and concerning the disposition of subscription funds. Issuers are reminded that paragraph 1 of subsection 6.3(2) of ~~National Instrument~~NI 44-102 requires all information that was omitted from the base shelf prospectus to be included in a shelf prospectus supplement. Therefore, it is necessary to include in a shelf prospectus supplement the disclosure required under securities legislation relating to specific distributions that are being effected on a best efforts basis.
- 2.9 Delivery Obligations** - The securities regulatory authorities are of the view that statutory rights of rescission or withdrawal commence from the time of the purchaser's receipt of all relevant shelf prospectus supplements. It is only at this time that the entire prospectus has been delivered.

PART 3 SHELF PROSPECTUS AMENDMENTS

3.1 Shelf Prospectus Amendments

- (1) Securities legislation in a number of jurisdictions requires that an amendment to a prospectus be filed if a material change occurs after the receipt for the prospectus is obtained but before the completion of the distribution under that prospectus. These requirements apply to base shelf prospectuses.
- (2) ~~Subsection~~Section 5.8(4) of ~~National Instrument~~NI 44-102 permits, in limited circumstances, the requirement in Canadian securities legislation to file an

amendment to be satisfied by the incorporation by reference of material change reports filed after the base shelf prospectus has been receipted. This is an exception to the general principle set out in section ~~6.53.4~~ of Companion Policy 44-101CP. That section provides that the requirement in securities legislation to file an amendment is not satisfied by the incorporation by reference of material change reports filed after the short form prospectus has been receipted. The exception in ~~subsection~~section 5.8(1) of the ~~National Instrument~~NI 44-102 is limited to periods in which no securities are being distributed under the base shelf prospectus.

- (3) If securities are being distributed under a base shelf prospectus, the general principle referred in subsection (2) applies. The requirement of securities legislation to file an amendment to a prospectus if a material change occurs may be satisfied by filing an amendment which is also a material change report. In these circumstances, the material change report would:
 - (a) state that the base shelf prospectus is amended and supplemented by the contents of the material change report; and
 - (b) contain the certificates required to be contained in an amendment.
- (4) If an issuer wishes to add securities to its base shelf prospectus it may do so prior to issuing all of the securities qualified by the base shelf prospectus by filing an amendment to the base shelf prospectus. This will not extend the life of the base shelf prospectus.**

PART 4 PROSPECTUS CERTIFICATES

4.1 Prospectus Certificates

- (1) Appendix A and Appendix B of ~~National Instrument~~NI 44-102 provide for two alternate methods of executing prospectus certificates. Unless a particular method is prescribed, the choice of method may be changed between the date of filing of the preliminary base shelf prospectus and the date of filing of the base shelf prospectus. Furthermore, the method elected by an issuer, credit supporter and underwriter need not be the same. The method elected by an issuer applies to a promoter.
- (2) Method 1 requires that a forward looking prospectus certificate be included in a base shelf prospectus. Doing so allows the use of shelf prospectus supplements that do not contain prospectus certificates. Method 2 requires prospectus certificates that speak only to the present to be included in both the base shelf prospectus and each shelf prospectus supplement.
- (3) Method 1 is mandatory for a base shelf prospectus that establishes an MTN program. If an MTN program is established in a shelf prospectus supplement,

method 1 is mandatory and prescribes that forward looking certificates be included, unless they were already included in the base shelf prospectus.

NATIONAL INSTRUMENT 44-103
POST-RECEIPT PRICING

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**NATIONAL INSTRUMENT 44-103
POST-RECEIPT PRICING**

PART 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

(1) In this Instrument

"base PREP prospectus" means a prospectus that at the time of issuance of a receipt for the prospectus omits some or all of the PREP information as permitted by this Instrument;

"PREP information" means the information permitted by this Instrument to be omitted from a base PREP prospectus;

"PREP procedures" means the requirements in this Instrument for the distribution under a base PREP prospectus and a supplemented PREP prospectus of securities, the price of which is determined after a receipt has been obtained for the base PREP prospectus; and

"supplemented PREP prospectus" means a prospectus filed under the PREP procedures containing PREP information.

(2) All terms defined in National Instrument 44-101 *Short Form Prospectus Distributions* and used, but not defined, in this Instrument have the respective meanings ascribed to them in National Instrument 44-101.

1.2 Amendments - References in this Instrument to an amendment to a prospectus include both an amendment that does not fully restate the text of a prospectus and an amended and restated prospectus.

PART 2 USE OF THE PREP PROCEDURES

2.1 Prohibited Offerings - Despite the other provisions of this Instrument, the PREP procedures shall not be used for a distribution of rights under a rights offering.

2.2 Opting out of the PREP Procedures After a Preliminary Prospectus has been Received and before a Prospectus has been Received - An issuer that has obtained a receipt for a preliminary base PREP prospectus for a distribution of securities shall not file a prospectus for the distribution that is not a base PREP prospectus, unless the issuer files a covering letter, before or concurrently with the filing of the prospectus, stating that the issuer or the selling security holder, as the case may be, has decided not to use the PREP procedures for the distribution.

- 2.3 Opting into the PREP Procedures After a Preliminary Prospectus has been Received and before the Prospectus has been Received** - An issuer that has obtained a receipt for a preliminary prospectus that is not a preliminary base PREP prospectus for a distribution of securities shall not file a base PREP prospectus for the distribution, unless the issuer files a covering letter, before or concurrently with the base PREP prospectus, stating that the issuer or the selling security holder, as the case may be, has decided to use the PREP procedures for the distribution.
- 2.4 Opting out of the PREP Procedures After a Prospectus has been Received** - If a receipt has been issued for a base PREP prospectus for a distribution of securities and the issuer or the selling security holder decides, before a supplemented PREP prospectus is filed, no longer to use the PREP procedures for the distribution, the issuer shall file
- (a) either
 - (i) an amended prospectus that is not a base PREP prospectus or a supplemented PREP prospectus, or
 - (ii) a new preliminary prospectus that is not a preliminary base PREP prospectus; and
 - (b) a covering letter stating that the issuer or the selling security holder, as the case may be, has decided not to use the PREP procedures for the distribution.

PART 3 BASE PREP PROSPECTUSES

3.1 Form of Base PREP Prospectus - The required form of prospectus under securities legislation may be varied for a PREP prospectus to the extent provided for in this Instrument.

3.2 Required Disclosure

- (1) A base PREP prospectus of an issuer shall contain the following:
 - 1. A statement at the top of the cover page identifying the prospectus as a base PREP prospectus.
 - 2. The following statement in red ink and in *italics* on the cover page:

"This [insert throughout, if applicable, "short form"] prospectus has been filed under procedures in [insert names of each jurisdiction where qualified] that permit certain information about these securities to be determined after the prospectus has become final and that permit the omission of that information from this

prospectus. The procedures require the delivery to purchasers of a supplemented PREP prospectus containing the omitted information within a specified period of time after agreeing to purchase any of these securities."

3. A statement that all disclosure contained in a supplemented PREP prospectus that is not contained in the base PREP prospectus will be incorporated by reference into the base PREP prospectus as of the date of the supplemented PREP prospectus.
4. If securities other than shares are being distributed, a statement of the aggregate dollar amount of securities to which the base PREP prospectus pertains.
5. If shares are being distributed,
 - (a) the aggregate dollar amount of the shares to which the base PREP prospectus pertains, if
 - (i) the proceeds of the offering are to be applied to a specific purpose identified in the prospectus and a minimum amount must be raised through the offering in order to accomplish the purpose, and
 - (ii) there is no pre-existing trading market in which securities of the same class as the securities to be distributed under the prospectus are traded; ~~and~~or
 - (b) ~~otherwise,~~ either the aggregate number, or the aggregate dollar amount, of the shares to which the base PREP prospectus pertains.
6. Any earnings coverage ratios required under securities legislation, which may be expressed as ranges based on a reasonable estimate of the PREP information.
7. A certificate in the following form signed by
 - (a) the chief executive officer and the chief financial officer, or, if no such officers have been appointed, a person acting on behalf of the issuer in a capacity similar to a chief executive officer and a person acting on behalf of the issuer in a capacity similar to that of a chief financial officer;

- (b) on behalf of the board of directors of the issuer, any two directors of the issuer, duly authorized to sign, other than the persons referred to in paragraph (a), and
- (c) any person or company who is a promoter of the issuer:

"This [insert, if applicable, "short form"] prospectus, together with the documents and information incorporated herein by reference, will, as of the date of the supplemented prospectus providing the information permitted to be omitted from this prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required under securities legislation of [insert name of each jurisdiction in which qualified]. [Insert if distribution made in Québec - "For the purpose of the Province of Québec, this [describe document], ~~[insert in the case of short form prospectus distributions — "simplified prospectus, as supplemented by the permanent information record,"]~~ will as of the date of the supplemented prospectus contain no misrepresentation likely to affect the value or the market price of the securities to be distributed."]"

8. A certificate in the following form signed by each underwriter, if any, who for the securities to be distributed under the prospectus, is in a contractual relationship with the issuer or selling security holder:

"To the best of our knowledge, information and belief, this [insert, if applicable, "short form"] prospectus, together with the documents incorporated herein by reference, will, as of the date of the supplemented prospectus providing the information permitted to be omitted from this prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required under securities legislation of [insert name of each jurisdiction in which qualified]. [Insert if distribution made in Québec - "For the purpose of the Province of Québec, to our knowledge, this [describe document], ~~[insert in the case of short form prospectus distributions — "simplified prospectus, as supplemented by the permanent information record,"]~~ will as of the date of the supplemented prospectus contain no misrepresentation likely to affect the value or the market price of the securities to be distributed."]"

9. If securities legislation requires a prospectus certificate of a credit supporter, a certificate in the form described in paragraph 7 signed by

the credit supporter and if the credit supporter is a corporation signed by

- (a) the chief executive officer and the chief financial officer or, if no such officers have been appointed, a person acting on behalf of the credit supporter in a capacity similar to a chief executive officer and a person acting on behalf of the credit supporter in a capacity similar to that of a chief financial officer; and
 - (b) on behalf of the board of directors; of the credit supporter, any two directors of the credit supporter duly authorized to sign, other than the persons referred to in paragraph (a).
- (2) Despite subsection (1), a preliminary base PREP prospectus is not required to contain the information required in paragraphs 4, 5 and 6 of subsection (1), if the information is not known at the time of filing the preliminary base PREP prospectus.

3.3 Disclosure that may be Omitted - A base PREP prospectus may omit the following:

1. The public offering price of the securities to be distributed.
2. The amount of cash underwriting fees, discounts and commissions for the distribution of the securities.
3. The net proceeds of the distribution.
4. If shares are being distributed and only the aggregate number of securities to be distributed is disclosed and the aggregate dollar amount of shares is not required to be disclosed under paragraph 5 of subsection 3.2(1), the gross proceeds of the distribution.
5. Any dividend or interest rate of the securities to be distributed.
6. Any dividend or interest payment dates, record dates and any dates from which dividends or interest accrue for the securities to be distributed.
7. Any redemption, purchase for cancellation, conversion and exchange prices of the securities.
8. The identity of the members of the underwriting syndicate, other than the lead underwriter and any co-lead underwriter and the disclosure required under Item 14 of Form 44-101F3 ~~44-101F1~~ Short Form Prospectus.
9. The delivery dates of securities to be purchased under the distribution.

10. If one or more underwriters have agreed to purchase the securities to be distributed at a specified price, the statement required under securities legislation that the securities are to be taken up by the underwriters, if at all, on or before a specified date.
11. If the securities to be distributed are underwritten on a best efforts basis for which a minimum amount of funds are required by an issuer, disclosure required under securities legislation concerning the maximum length of time for which the distribution may continue and concerning the disposition of subscription funds.
12. Other terms of the securities to be distributed that are mathematically derivable from any of the information referred to in paragraphs 1 through 11.

3.4 Issuance of Receipt - Despite the omission of PREP information, the regulator may issue a receipt for a base PREP prospectus.

3.5 Expiry of Receipt

- (1) Subject to subsection (2), a receipt issued for a base PREP prospectus expires 90 days after issuance unless a supplemented PREP prospectus is filed within the 90 day period.
- (2) If a supplemented PREP prospectus is not filed within 20 days of the filing of a base PREP prospectus, the receipt issued for the base PREP prospectus expires at the time immediately before the entering into of the first agreement of purchase and sale for a security to which the base PREP prospectus pertains, unless a receipt has been issued within the preceding 20 days for an amended base PREP prospectus that updates to the date of the filing of the amended base PREP prospectus all of the disclosure contained in the base PREP prospectus.

3.6 Amendment to a Base PREP Prospectus - An amendment to a base PREP prospectus, other than an amendment filed under section 2.4 to opt out of the PREP procedures, shall contain the certificates required under subsection 3.2(1) to be included in a base PREP prospectus with the following changes:

1. If the amendment is not a restatement of the base PREP prospectus, insert the phrase "as amended by this amendment" after the reference in each certificate to the base PREP prospectus.
2. If the amendment is an amended and restated base PREP prospectus, preface the reference to the document in each certificate ~~to the document~~ with the phrase "this amended and restated".

PART 4 SUPPLEMENTED PREP PROSPECTUSES

4.1 Requirement to Use a Supplemented PREP Prospectus - An issuer or selling security holder that distributes securities under a base PREP prospectus shall supplement the disclosure in the base PREP prospectus with a supplemented PREP prospectus in order for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities distributed under the prospectus- **and, in Québec, to contain no misrepresentation that is likely to affect the value or the market price of the securities to be distributed.**

4.2 Incorporation by Reference - The content of a supplemented PREP prospectus that is not also contained in the corresponding base PREP prospectus is incorporated by reference in the base PREP prospectus as of the date of the supplemented PREP prospectus.

4.3 Restriction on Changes - A supplemented PREP prospectus shall be identical to the corresponding base PREP prospectus, except for the changes permitted or required under this Part.

4.4 Changes in the Size of Distribution

- (1) The size of the distribution as disclosed in the base PREP prospectus under paragraph 4 or 5 of subsection 3.2(1) may be increased or decreased by up to 20 percent in a supplemented PREP prospectus.
- (2) If the size of the distribution as disclosed in the base PREP prospectus under paragraph 4 or 5 of subsection 3.2(1) is increased or decreased by up to 20 percent in a supplemented PREP prospectus and that increase or decrease is a material change, the provisions of securities legislation that require the filing of an amendment to a prospectus if a material change occurs are satisfied by the filing of the supplemented PREP prospectus.
- (3) Despite the provisions of securities legislation regarding the prescribed form of certificates for prospectus amendments, a supplemented PREP prospectus filed in order to satisfy provisions of securities legislation that require the filing of an amendment to a prospectus if a material change occurs shall contain the certificates required in subsection 4.5(2).

4.5 Required Disclosure

- (1) A supplemented PREP prospectus shall be dated the date that the public offering price of the securities is determined.
- (2) A supplemented PREP prospectus shall contain the following:
 1. All of the PREP information omitted from the base PREP prospectus.

2. Instead of the earnings coverage ratios expressed as ranges based on a reasonable estimate of the PREP information as permitted under paragraph 6 of subsection 3.2(1), the earnings coverage ratios required under securities legislation.
3. Instead of the prospectus certificate required under paragraph 7 of subsection 3.2(1), a certificate in the following form signed by
 - (a) the chief executive officer and the chief financial officer, or, if no such officers have been appointed, a person acting on behalf of the issuer in a capacity similar to a chief executive officer and a person acting on behalf of the issuer in a capacity similar to that of a chief financial officer;
 - (b) on behalf of the board of directors of the issuer, any two directors of the issuer, duly authorized to sign, other than the persons referred to in paragraph (a), and
 - (c) any person ~~of~~for company who is a promoter of the issuer:

~~"This [insert, if applicable, "short form"] prospectus, together with the documents information incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required under securities legislation of [insert name of each jurisdiction in which qualified]. [Insert if distribution made in Québec - "For the purpose of the Province of Québec, this [describe document], [insert in the case of short form prospectus distributions - "simplified prospectus, as supplemented by the permanent information record,"] contains no misrepresentation likely to affect the value or the market price of the securities to be distributed."]"~~

"This [insert, if applicable, "short form"] prospectus, [insert in the case of a short form prospectus distribution - "together with the documents incorporated herein by reference,"] constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required under securities legislation of [insert name of each jurisdiction in which qualified]. [Insert if distribution made in Québec - "For the purpose of the Province of Québec, this [describe document contains no misrepresentation likely to affect the value or the market price of the securities to be distributed."]"

4. Instead of the prospectus certificate required under paragraph 8 of subsection 3.2(1), a certificate in the following form signed by the each underwriter, if any, who for the securities to be distributed under the prospectus, is in a contractual relationship with the issuer or selling security holder:

~~"To the best of our knowledge, information and belief, this [insert throughout in the case of short form prospectus distributions—"short form"] [insert in the case of short form prospectus distributions—", together with the documents incorporated herein by reference,"] constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required under the securities legislation of [insert name of each jurisdiction in which qualified]. [Insert if distribution made in Québec—"For the purpose of the Province of Québec, this [insert in the case of short form prospectus distributions—"simplified prospectus, as supplemented by the permanent information record,"] contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed."]"~~

"To the best of our knowledge, information and belief, this [insert, if applicable, "short form"] prospectus [insert in the case of a short form prospectus distribution - ", together with the documents incorporated herein by reference,"] constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required under the securities legislation of [insert name of each jurisdiction in which qualified]. [Insert if distribution made in Québec - "For the purpose of the Province of Québec, this [describe document] contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed."]"

5. Instead of the prospectus certificate required under paragraph 9 of subsection 3.2(1), a certificate signed by a credit supporter in the form described in paragraph 3 if securities legislation requires a prospectus certificate of a credit supporter.
6. A list and brief description of each document that has been incorporated by reference in the base PREP prospectus since the issuance of a receipt for the base PREP prospectus.

- 4.6 Legend to be Omitted** - A supplemented PREP prospectus shall omit the legend required under paragraph 2 of subsection 3.2(1).
- 4.7 Amendment to a Supplemented PREP Prospectus** - An amendment to a supplemented PREP prospectus shall contain the certificates required under subsection 4.5(2) to be included in a supplemented PREP prospectus with the following changes:
1. If the amendment is not a restatement of the supplemented PREP prospectus, the phrase "as amended by this amendment" inserted after the reference in each certificate to the supplemented PREP prospectus.
 2. If the amendment is an amended and restated supplemented PREP prospectus, the reference in each certificate to the document prefaced by the phrase "this amended and restated".
- 4.8 Timing of Filing of Supplemented PREP Prospectus** - If securities are distributed using the PREP procedures in the local jurisdiction, a supplemented PREP prospectus prepared in accordance with this Instrument shall be filed in the local jurisdiction by the second business day following the date of the determination of the information omitted from the base PREP prospectus.
- 4.9 Delivery Requirement** - If securities are being distributed using the PREP procedures, the requirement under securities legislation to deliver a prospectus to a purchaser of securities shall be satisfied by the delivery of a supplemented PREP prospectus.
- 4.10 Underwriting Agreements** - Despite the provisions of securities legislation, an underwriting agreement or other material contract that relates to a distribution of securities that cannot be completed until the distribution is priced and that is required under securities legislation to be filed or delivered to the regulator with a prospectus
- (a) shall be filed or delivered, as the case may be, with the base PREP prospectus in draft form and may omit PREP information; and
 - (b) shall be refiled or redelivered, as the case may be, in final form, together with the supplemented PREP prospectus or base PREP prospectus amendment containing the PREP information and a copy of the agreement, blacklined against the draft form filed under paragraph (a).

PART 5 ~~TRANSITIONAL PREP PROCEDURES~~[REPEALED]

~~5.1~~ ~~Transitional PREP Procedures~~

- ~~(1) An issuer that has filed and obtained a receipt for a PREP prospectus under National Policy Statement No. 44, or pursuant to securities legislation in the~~

~~Province of Québec, before this Instrument came into force is considered to have filed and obtained a receipt for a base PREP prospectus under this Instrument.~~

- ~~(2) An issuer that has filed a preliminary PREP prospectus under National Policy Statement No. 44, or pursuant to securities legislation in the Province of Québec, is considered to have filed a preliminary base PREP prospectus under this Instrument.~~

PART 6 EXEMPTIONS

6.1 Exemption

- (1) The regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (2) Despite subsection (1), in Ontario ~~and Alberta~~, only the regulator may grant such an exemption.
- (3) An application made to the securities regulatory authority or regulator for an exemption from this Instrument shall include a letter or memorandum describing the matters relating to the exemption, and indicating why consideration should be given to the granting of the exemption.

6.2 Evidence of Exemption

- (1) Subject to subsection (2) and without limiting the manner in which an exemption under this Part may be evidenced, the granting of an exemption under this Part may be evidenced by the issuance of a receipt for a base PREP prospectus or an amendment to a base PREP prospectus.
- (2) An exemption under this Part may be evidenced in the manner set out in subsection (1) only if
 - (a) the person or company that sought the exemption
 - (i) sent to the regulator the letter or memorandum referred to in subsection 6.1(3) on or before the date of the filing of the preliminary base PREP prospectus, or
 - (ii) sent to the regulator the letter or memorandum referred to in subsection 6.1(3) after the date of the filing of the preliminary base PREP prospectus and received a written acknowledgement from the regulator that the exemption may be evidenced in the manner set out in subsection (1); and

- (b) the regulator has not, before or concurrently with, the issuance of the receipt, sent notice to the person or company that sought the exemption that the exemption sought may not be evidenced in the manner set out in subsection (1).

PART 7 EFFECTIVE DATE

7.1 Effective Date - This Instrument shall come into force on December 31, 2000.

**COMPANION POLICY 44-103CP
TO NATIONAL INSTRUMENT 44-103
POST-RECEIPT PRICING**

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**COMPANION POLICY 44-103CP
TO NATIONAL INSTRUMENT 44-103
POST-RECEIPT PRICING**

PART 1 PART 1 INTRODUCTION

1.1 Implementation of the Instrument - Certain jurisdictions have implemented National Instrument 44-103 *Post-Receipt Pricing* (the "Instrument") by one or more instruments forming part of securities legislation or securities directions in the jurisdiction. As a result, the provisions of the Instrument apply in those jurisdictions to the extent provided by, and except as modified by, the implementing law of the jurisdiction.

1.2 Availability of PREP Procedures - Access to the PREP procedures is not restricted to issuers qualified to file a prospectus in the form of a short form prospectus. Any issuer that wishes to use the PREP procedures, or enable a selling security holder to use the PREP procedures, to distribute securities may file a prospectus that is a base PREP prospectus.

1.3 Relationship of the Instrument to Securities Legislation

- (1) Issuers are reminded that the rules and procedures contained in the Instrument for distributions made using the PREP procedures should be read in conjunction with other provisions of securities legislation in each jurisdiction in which a distribution is being made.
- (2) A distribution under a short form prospectus using the PREP procedures is subject to all the requirements of National Instrument 44-101 *Short Form Prospectus Distributions* and other provisions of securities legislation, as supplemented or varied by the Instrument and the implementing law of the jurisdiction. Reference is made to Part 1 of the Companion Policy to ~~National Instrument NI~~ 44-101 for a discussion of the relationship between ~~National Instrument NI~~ 44-101 and various other pieces of securities legislation.
- (3) Similarly, a distribution using the PREP procedures not made under a short form prospectus is subject to securities legislation, as supplemented or varied by the Instrument and the implementing law of the jurisdiction.

PART 2 PROSPECTUS AMENDMENTS

2.1 Prospectus Amendments

- (1) Section 4.4 of the Instrument provides that the size of an offering may be increased or decreased by up to 20 percent between the filing of the

prospectus and the filing of the supplemented PREP prospectus. The section further provides that, in cases where such a change in the size of the offering constitutes a material change, the requirement in securities legislation to file an amendment if a material change occurs may be satisfied by filing the supplemented PREP prospectus. The certificates required in the supplemented PREP prospectus are those prescribed by subsection 4.5(2) of the Instrument. For changes in the size of the offering by more than 20 percent that constitute a material change, this flexibility in filing of the amendment is not available.

- (2) The securities regulatory authorities are of the view that an issuer's ability to use the PREP procedures does not prevent the filing of a prospectus amendment to make some or all of the changes to the prospectus that are permitted to be made by a supplemented PREP prospectus.

PART 3 PREP PROCEDURES

3.1 Firm Commitment Distributions - Paragraph 10 of section 3.3 of the Instrument provides that a base PREP prospectus for securities to be distributed by one or more underwriters that have agreed to purchase the securities at a specified price is not required to indicate that the securities are to be taken up by the underwriters, if at all, on or before a specified date. This subsection provides an exemption from the requirement of securities legislation that this disclosure must be contained in a prospectus. Issuers are reminded that paragraph 1 of subsection 4.5(2) requires all information omitted from a base PREP prospectus to be included in a supplemented PREP prospectus. Therefore, it is necessary to comply with the relevant requirement of securities legislation in a supplemented PREP prospectus relating to specific distributions that are being effected on a firm commitment basis.

3.2 Best Efforts Distributions - Similarly, paragraph 11 of section 3.3 of the Instrument provides that a base PREP prospectus for a distribution of securities underwritten on a best efforts basis for which a minimum amount of funds are required by an issuer is not required to include disclosure required under securities legislation concerning the maximum length of time for which the distribution may continue and concerning the disposition of subscription funds. Issuers are reminded, as in the previous subsection, that paragraph 1 of subsection 4.5(2) requires all information omitted from a base PREP prospectus to be included in a supplemented PREP prospectus. Therefore, it is necessary to comply with the relevant requirement of securities legislation in a supplemented PREP prospectus relating to specific distributions that are being effected on a best efforts basis. Issuers are also reminded that where PREP procedures are used in connection with securities offered on a best efforts basis for which a minimum amount of funds are required, the issuer may not reduce the size of the distribution pursuant to section 4.4 of the Instrument in a supplemented PREP prospectus to a size that would yield less than the minimum amount of funds.

- 3.3 Rights of Rescission or Withdrawal** - The securities regulatory authorities are of the view that statutory rights of rescission or withdrawal commence from the time of the purchaser's receipt of a supplemented PREP prospectus. It is only at this time that the entire prospectus has been delivered.
- 3.4 Supplemented Prospectus not an Amendment** - The securities regulatory authorities do not consider a supplemented PREP prospectus to constitute an amendment to a prospectus within the meaning of securities legislation.
- 3.5 Certificates** - With respect to the certificate requirements in the Instrument, reference should be made to the provisions of securities legislation of a jurisdiction that provide for a right of action against every person who signs a prospectus or an amendment to a prospectus. The securities regulatory authorities recognize that, in certain circumstances, a credit supporter may consider that its knowledge of the affairs of the issuer is not such that it considers it appropriate to sign a certificate in the form specified by the Instrument. In these circumstances, if the credit supporter is not a promoter of the issuer or a selling security holder, the regulatory authorities may allow the credit supporter to sign a different form of certificate. Credit supporters who wish to make application should do so in accordance with Part 6 of the Instrument.

NATIONAL POLICY 43- 201
MUTUAL RELIANCE REVIEW SYSTEM FOR PROSPECTUSES AND AIFS

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APPENDIX A Materials Required to be Filed under National Policy 43-201

APPENDIX B Examples of Applications Dealt With under National Policy 43-201

NATIONAL POLICY 43- 201
MUTUAL RELIANCE REVIEW SYSTEM FOR PROSPECTUSES
~~AND ANNUAL INFORMATION FORMS~~

PART 1 OVERVIEW AND APPLICATION

- 1.1** **Scope** - This Policy describes the practical application of mutual reliance concepts set out in the MRRS MOU relating to the filing and review of prospectuses, including mutual fund and shelf prospectuses, amendments to prospectuses, ~~annual information forms~~ and related materials.
- 1.2** **Objective** - Under the MRRS, a designated securities regulatory authority or regulator, as applicable, acts as the principal regulator for all materials relating to a filer. This will enable participating principal regulators to develop greater familiarity with their respective filers, which will enhance the efficiency and quality of their review of materials filed under the MRRS.
- 1.3** **Application of Local Requirements** - Although the filer will generally deal only with its principal regulator in connection with materials filed under the MRRS, the local securities legislation and local securities directions in each jurisdiction in which the materials are filed are applicable to the materials.

PART 2 DEFINITIONS AND INTERPRETATION

2.1 **Definitions** - In this Policy,

“amendment” means an amendment to a preliminary prospectus or prospectus;

“application” means a request for discretionary relief from or approval under securities legislation or securities directions, but does not include a waiver application or pre-filing;

“applications policy” means National Policy 12-~~201~~**201**, *Mutual Reliance Review System for Exemptive Relief Applications*;

“CSA committee” means the Mutual Reliance Review System Committee of the Canadian Securities Administrators;

~~“initial AIF” means an annual information form filed by a filer in order to qualify for the short form prospectus system;~~ “local securities directions” means, for the local jurisdiction, the instruments listed in Appendix A of National Instrument 14-~~101~~**101**, *Definitions* opposite the name of the local jurisdiction;

“local securities legislation” means, for the local jurisdiction, the statute and other instruments listed

in Appendix B of National Instrument 14-101~~101~~, *Definitions* opposite the name of the local jurisdiction;

“local securities regulatory authority” means, for the local jurisdiction, the securities commission or similar regulatory authority listed in Appendix C of National Instrument 14-101 *Definitions* opposite the name of the local jurisdiction;

“long form prospectus” includes a simplified prospectus and annual information form for a mutual fund;

“materials” means the documents and fees referred to in Appendix “A” to this Policy, as amended from time to time, for each category of filing;

“MRRS MOU” means the Memorandum of Understanding relating to the Mutual Reliance Review System signed as of October 14, 1999;

“NI 44-101” means National Instrument 44-101, *Short Form Prospectus Distributions*;

“NI 81-101” means National Instrument 81-101, *Mutual Fund Prospectus Disclosure*;

“OSC 41-501” means Ontario Securities Commission Rule 41-501, *General Prospectus Requirements*;

“pre-filing” means a consultation with one or more of the securities regulatory authorities regarding the interpretation or application of securities legislation or securities directions to a particular transaction or proposed transaction that is the subject of, or is referred to in, materials, if the consultation is initiated before the filing of those materials;

“preliminary prospectus amendment” means an amendment to a preliminary prospectus;

“preliminary prospectus amendment MRRS decision document” means a MRRS decision document issued for a preliminary prospectus amendment;

“prospectus amendment” means an amendment to a prospectus;

“prospectus amendment MRRS decision document” means a MRRS decision document issued for a prospectus amendment;

“Q-28” means Policy Statement No. Q-28, *General Prospectus Requirements* of the ~~Commission des valeurs mobilières du Québec~~; **Autorité des marchés financiers**;

~~“renewal AIF” means an annual information form that is not an initial AIF, filed by a filer in order to continue to qualify for the short form prospectus system;~~

“renewal shelf prospectus” means a short form prospectus that is prepared and filed in accordance with the shelf prospectus system to replace a short form prospectus previously filed by the issuer

under the shelf prospectus system for which a final receipt or final MRRS decision document was issued;

“requested regulator” means a participating principal regulator, other than the principal regulator determined in accordance with section 3.2, which a filer requests under subsection 3.4 to act as its principal regulator;

“seasoned prospectus” means a pro forma or preliminary prospectus of an issuer, if it is filed within two years of the date that a final MRRS decision document, or receipt, was issued to the issuer for a prospectus;

“securities directions” means the instruments listed in Appendix A of National Instrument 14-~~101~~101, *Definitions*;

“securities legislation” means the statutes and other instruments listed in Appendix B of National Instrument 14-~~101~~101, *Definitions*;

“securities regulatory authorities” means the securities commissions and similar regulatory authorities listed in Appendix C of National Instrument 14-~~101~~101, *Definitions*;

“SEDAR” has the meaning ascribed to that term in National Instrument 13-101 System for Electronic Document Analysis and Retrieval;

“shelf prospectus system” means the system for the distribution of securities using a shelf prospectus as contemplated in National Instrument 44-102, *Shelf Distributions*;

“short form prospectus system” means the system for the distribution of securities as contemplated in NI 44-101; and

“waiver application” means a request for discretionary relief from securities legislation or securities directions, if the relief, if granted, would be evidenced by the issuance of a MRRS decision document under this Policy.

2.2 **Interpretation** - Unless otherwise defined herein, terms used in ~~the~~this Policy that are defined or interpreted in the MRRS MOU should be read in accordance with the MRRS MOU.

PART 3 **PRINCIPAL REGULATOR**

3.1 **Participating Principal Regulators** - As of the date of this Policy, the securities regulatory authorities of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec and Nova Scotia have agreed to act as principal regulator for materials filed under this Policy.

3.2 Determination of Principal Regulator

- (1)** It is the responsibility of the filer to determine its principal regulator. Unless changed or redesignated under section 3.3, 3.4 or 3.5, the principal regulator for a filer is determined in accordance with the following criteria:
- (a)** For filers, other than mutual funds, whose head office is in a jurisdiction in which a participating principal regulator is located, the principal regulator is the local securities regulatory authority or regulator in the jurisdiction in which the head office is located.
 - (b)** For filers, other than mutual funds, whose head office is not in a jurisdiction in which a participating principal regulator is located, the filer can select a participating principal regulator as its principal regulator, if the filer has a reasonable connection with the jurisdiction in which the selected principal regulator is located.
 - (c)** For filers that are mutual funds whose manager's head office is in a jurisdiction in which a participating principal regulator is located, the principal regulator is the local securities regulatory authority or regulator in the jurisdiction in which the manager's head office is located.
 - (d)** For filers that are mutual funds whose manager's head office is not in a jurisdiction in which a participating principal regulator is located, the filer can select a participating principal regulator as its principal regulator, if the filer has a reasonable connection with the jurisdiction in which the selected principal regulator is located.
- (2)** For a particular filing of materials, if the filer has incorrectly identified a non-principal regulator as the principal regulator, that non-principal regulator will decline to act as principal regulator and will notify the filer.
- (3)** The principal regulator determined in accordance with section 3.2 is the principal regulator for all materials filed under this Policy unless the principal regulator has been changed under section 3.3, 3.4 or 3.5.

3.3 Automatic Change of Principal Regulator - If the location of the head office of the filer or in the case of a mutual fund, the manager, is changed after the determination of the principal regulator in accordance with section 3.2, the principal regulator will change automatically to the local securities regulatory authority or regulator in the jurisdiction to which the head office has been moved if the new head office is in a jurisdiction in which a participating principal regulator is located. In all other circumstances the principal regulator can only be changed in accordance with section 3.4 or 3.5.

3.4 Discretionary Change of Principal Regulator Applied for by Filer

- (1) A filer may apply for a change of principal regulator if it believes that its principal regulator is not the appropriate principal regulator. However, a change of a filer's principal regulator based on factors other than the head office criteria set out in section 3.2 will generally not be permitted unless exceptional circumstances justify the change. The factors that may be considered in assessing an application for a change of a filer's principal regulator include:
- (a) location of management;
 - (b) location of assets and operations; and
 - (c) location of filer's trading market or quotation system in Canada, or, if the filer's securities are not traded or quoted on a trading market or quotation system in Canada, location of filer's securityholders.
- (2) If a filer applies for a change of its principal regulator, the application should be submitted in paper form to the principal regulator and the requested regulator at least thirty days in advance of any filing of materials under this Policy to permit adequate time for staff of the relevant securities regulatory authorities to consider and resolve the application. If the application is not resolved before the date of any filing of materials, the principal regulator will continue to act as principal regulator for that filing, and the change requested, if granted, will relate to materials filed after the issuance of the final MRRS decision document.
- (3) The application should address the basis for the designation of the filer's principal regulator in accordance with section 3.2, and should set forth the reasons for the requested regulator to act as principal regulator with regard to the factors specified in subsection (1) and any other relevant factors. The filer will be given an opportunity to respond to concerns or comments raised by the relevant securities regulatory authorities.
- (4) If an application is denied, the principal regulator will provide written reasons for the denial to the filer.

3.5 Discretionary Change of Principal Regulator Proposed by the Participating Principal Regulators

- (1) The participating principal regulators may determine that it would be preferable for a participating principal regulator other than the securities regulatory authority acting as principal regulator to act as a filer's principal regulator. This determination will generally only be made if changing the principal regulator of a filer would result in greater administrative and regulatory efficiencies with regard to the factors specified in subsection 3.4(1) and other relevant factors. The participating principal regulators will not redesignate a filer's principal regulator after materials have been filed and before a final MRRS decision document has been issued for the materials.

- (2) If the participating principal regulators propose to change a filer's principal regulator, the principal regulator will notify the filer in writing of the proposed change, and will identify the reasons for the proposed change. The redesignated principal regulator will become the filer's principal regulator thirty days after the date of the notice unless the filer objects in writing to the proposed change. The filer, the principal regulator and the proposed principal regulator will attempt to resolve any objections raised by the filer to the proposed change.

3.6 Notification to CSA Committee of Discretionary Change of Principal Regulator - The participating principal regulators involved in an application or proposal to change a filer's principal regulator will advise the CSA committee of all decisions rendered under sections 3.4 or 3.5 and the reasons for the decisions.

3.7 Effect of Change of Principal Regulator

- (1) A change of principal regulator under section 3.3, 3.4 or 3.5 applies for all materials filed under this Policy after the change.
- (2) If the circumstances relevant to the determination of the principal regulator change after the date of any filing of materials and before a final MRRS decision document is issued relating to those materials, the principal regulator will act as principal regulator for that filing, and the change of principal regulator will relate to materials filed after the issuance of the final MRRS decision document.

3.8 Identification of New Principal Regulator - At the time of the first filing following a change of principal regulator, the filer should identify the new principal regulator in the cover page information for the SEDAR filing and indicate that this is a change from the previous filing. The filer should also update its SEDAR filer profile to identify the new principal regulator and include the basis for the change of principal regulator.

PART 4 FILING MATERIALS UNDER THE MRRS

4.1 Election of MRRS and Identifying Principal Regulator - The filer should indicate in the cover page information for the SEDAR filing its principal regulator and that it is electing to file materials under the MRRS. The filer should also identify its principal regulator and the basis for the determination in its SEDAR filer profile. If a filer's principal regulator is determined in accordance with paragraph 3.2(1)(b) or 3.2(1)(d), the filer should provide a description of the factors connecting the filer to the jurisdiction of the principal regulator it has selected. If applicable, the filer should provide the date of the change in circumstances resulting in an automatic change of principal regulator under section 3.3 or of a decision under section 3.4 or 3.5 changing the principal regulator.

4.2 Filing - If a filer proposes to distribute its securities by prospectus only to purchasers in jurisdictions other than the jurisdiction in which its principal regulator is located, the materials, including the required fees, should also be filed with the principal regulator, and

will be reviewed by the principal regulator. This will enable participating principal regulators to maintain familiarity with their respective filers.

4.3 Black-lined Document - Except in the case of short form prospectuses, it is strongly recommended that a filer file through SEDAR a draft prospectus ~~or draft initial AIF~~ (the French language version, in ~~Quebec~~**Québec**), black lined to show changes, as far as possible in advance of filing final materials. This black lined version is in addition to the black lined version of the final prospectus ~~or initial AIF~~ to be filed with the final materials.

4.4 Seasoned Prospectuses

- (1)** If appropriate, a filer may identify a prospectus being filed as a seasoned prospectus. When a seasoned prospectus is filed it should be accompanied by a copy of the seasoned prospectus black lined against the preceding prospectus of the filer to show all changes made. The prospectus should be accompanied by a certificate of the filer. The certificate should certify that the black lined prospectus indicates all differences between the content of the seasoned prospectus and that of the previous prospectus of the filer.
- (2)** If a filing is made under this section, the principal regulator will advise the non-principal regulators when the comment letter is issued that the prospectus is being reviewed as a seasoned prospectus. The non-principal regulators will then assume that the principal regulator has conducted only a limited review of the prospectus unless the contrary is specifically stated.
- (3)** The procedures set out in this section do not apply to filings made under NI 81-101.

PART 5 REVIEW OF MATERIALS

5.1 Review by Principal Regulator - The principal regulator is responsible for reviewing all materials in accordance with the local securities legislation and local securities directions of the jurisdiction in which the principal regulator is located, and in accordance with its review procedures, analysis and precedents. The principal regulator will be responsible for issuing and resolving comments on materials and issuing the MRRS decision document once the relevant conditions have been satisfied. While the non-principal regulators may review the materials and will advise the principal regulator of any material concerns relating to the materials that, if left unresolved, would cause the non-principal regulators to opt out of the MRRS, the filer will generally deal solely with the principal regulator.

5.2 Review Period for Long Form Prospectuses, and Renewal Shelf Prospectuses ~~and Initial AIFs~~

- (1)** A principal regulator that has implemented a system of selective review will, within three working days of the date of the preliminary MRRS decision document or receipt of the ~~initial AIF materials~~ or the pro forma materials, notify the non-

principal regulators if the designated level of review to be given to the materials is a basic review.

- (2) If a principal regulator that has implemented a system of selective review selects materials for either full review or issue-oriented review, or a principal regulator does not have a system of selective review, the principal regulator will use its best efforts to review the materials and issue a comment letter within 10 working days of the date of the preliminary MRRS decision document or receipt of ~~the initial AIF materials or the pro forma materials.~~
- (3) Each non-principal regulator will, within five working days of the date of receipt of the comment letter of the principal regulator, use its best efforts to:
 - (a) advise the principal regulator of any material concerns with the materials that, if left unresolved, would cause the non-principal regulator to opt out of the MRRS; or
 - (b) indicate in the SEDAR “Filing Status” screen that it is clear to receive final materials, if there are no outstanding applications or waiver applications that have been filed with the non-principal regulators.
- (4) For materials that have been selected for basic review, the non-principal regulators will, within 6 working days of being notified that the materials have been selected for basic review, use their best efforts to comply with paragraphs (3)(a) or (3)(b), as appropriate.

5.3 **Review Period for Short Form Prospectuses**

- (1) The principal regulator will use its best efforts to review materials relating to a preliminary short form prospectus and issue a comment letter within three working days of the date of the preliminary MRRS decision document. Each non-principal regulator will, by 12:00 noon, Eastern time, on the working day following the date of issuance of the comment letter of the principal regulator, use its best efforts to:
 - (a) advise the principal regulator of any material concerns with the materials that, if left unresolved, would cause the non-principal regulator to opt out of the MRRS; or
 - (b) indicate in the SEDAR “Filing Status” screen that it is clear to receive final materials, if there are no outstanding applications that have been filed with the non-principal regulators.
- (2) Despite the foregoing, if, in the opinion of the principal regulator, a proposed distribution by way of short form prospectus is too complex to be reviewed adequately within the prescribed time periods, the principal regulator may determine that the time periods applicable to long form prospectuses should apply, and the

principal regulator will, within one working day of the filing of the preliminary short form prospectus, so notify the filer and the non-principal regulators. The filer is encouraged to submit a pre-filing to resolve any issues that may cause a delay in the prescribed time periods.

5.4 Novel Structure or Issue - If a prospectus is filed for an offering that involves a novel structure or novel issue and the issues were not resolved in a pre-filing with the relevant regulators, the principal regulator may establish a cooperative review process actively involving the non-principal regulators in formulating and resolving the comments. The principles of mutual reliance, in all other respects, will continue to apply. The complexity of the structure or the issue may affect the prescribed review periods.

5.5 Form of Response - The filer should provide to the principal regulator written responses to the comment letter issued by the principal regulator.

[Section 5.6 Review of Renewal AIFs is deleted.]

PART 6 OPTING OUT

6.1 Opting Out - A non-principal regulator can opt out of the MRRS for a filing at any time before the principal regulator issues a final MRRS decision document for the materials. The non-principal regulator will provide notice of its decision to opt out to the filer, the principal regulator and the other non-principal regulators by indicating “MRRS - Opt Out” in the SEDAR “Filing Status” screen. The non-principal regulator will at that time provide written reasons for its decision to opt out of the MRRS to the filer via SEDAR. The non-principal regulator that has opted out will also advise the principal regulator and the other non-principal regulators of its reasons for opting out. The filer will deal directly with the non-principal regulator that has opted out to resolve any outstanding issues. Reasons for opting out will be forwarded to the CSA committee.

6.2 Opting Back In - If the filer and the non-principal regulator are able to resolve their outstanding issues before the principal regulator issues the final MRRS decision document, the non-principal regulator may opt back in to the MRRS by notifying the principal regulator, all other non-principal regulators and the filer by indicating “MRRS - Opt Back In - Clear for Final” in the SEDAR “Filing Status” screen.

PART 7 MRRS DECISION DOCUMENT

7.1 Effect of MRRS Decision Document - The MRRS decision document evidences that a determination on materials has been made by the principal regulator and the non-principal regulators that have not opted out of the MRRS for the materials.

7.2 Conditions to Issuance of Preliminary MRRS Decision Document - The principal regulator will issue a preliminary MRRS decision document if:

1. the principal regulator has determined that acceptable materials have been filed; and
2. the filer has confirmed to the principal regulator in a letter accompanying the materials that, to the best of its knowledge and belief:
 - (a) materials, including all required translations, have been filed with all non-principal regulators that have not opted out of the MRRS for the materials; and
 - (b) in respect of each jurisdiction in which the materials are filed, the filer has filed or delivered all documents required to be filed or delivered under the local securities legislation and is not subject to a cease trade order issued by a local securities regulatory authority; and
 - (c) in each jurisdiction in which the securities will be offered to purchasers, at least one underwriter that has signed the certificate is registered, or has filed an application for registration or an application for exemptive relief from the requirement to be registered. If none of the underwriters that has signed the certificate are registered in a jurisdiction in which the distribution is being made but one of the underwriters has filed an application for registration or an application for exemptive relief from the requirement to be registered, that underwriter will file an undertaking with the principal regulator not to solicit in that jurisdiction until the registration or exemption has been obtained; and
 - (d) in the case of distributions to be effected by the filer, the filer is registered in each jurisdiction in which the securities will be offered to purchasers, or has filed an application for registration. If the filer has filed an application for registration in a jurisdiction, the filer will file an undertaking with the principal regulator not to solicit in that jurisdiction until the registration is obtained.

7.3 Form of Preliminary MRRS Decision Document - The preliminary MRRS decision document for a preliminary prospectus will contain the following legend:

This preliminary mutual reliance review system decision document evidences that preliminary receipts of the regulators in each of (name of each jurisdiction in which materials have been filed and where the regulator has not opted out of the MRRS for the materials) have been issued.

7.4 Conditions to Issuance of Final MRRS Decision Document for Long Form Prospectus, and Renewal Shelf Prospectus ~~and Initial AIF~~ - The principal regulator will issue a final MRRS decision document for ~~a long form prospectus, a renewal shelf prospectus or an initial AIF if~~ a long-form prospectus or a renewal shelf prospectus if:

1. the statutory waiting period, ~~being the interval of at least ten days,~~ between the issuance of a MRRS decision document for preliminary materials and final materials, if applicable, has expired;

2. all non-principal regulators, other than the regulators in New Brunswick, Prince Edward Island, the Yukon Territory, the Northwest Territories and Nunavut, have indicated in the SEDAR “Filing Status” screen that they are “Clear for Final” or have opted out of the MRRS for the filing by indicating “MRRS - Opt Out” in the SEDAR “Filing Status” screen;
3. the principal regulator has determined that acceptable materials have been filed; and
4. the filer has confirmed to the principal regulator in a letter accompanying the materials that, to the best of its knowledge and belief:
 - (a) materials, including all required translations, have been filed with all non-principal regulators that have not opted out of the MRRS for the materials;
 - (b) in respect of each jurisdiction in which the materials are filed, the filer has filed or delivered all documents required to be filed or delivered under the local securities legislation and is not subject to a cease trade order issued by a local securities regulatory authority;
 - (c) in each jurisdiction in which the securities will be offered to purchasers, at least one underwriter that has signed the certificate is registered or has been exempted from the requirement to be registered;
 - (d) in the case of distributions to be effected by the filer, the filer is registered in each jurisdiction in which the securities will be offered to purchasers; and
 - (e) ~~except with respect to an initial AIF,~~ all necessary relief from applicable securities legislation or securities directions has been applied for and granted by the principal regulator and non-principal regulators.

7.5 **Conditions to Issuance of Final MRRS Decision Document for Short Form Prospectus -** The principal regulator will issue a final MRRS decision document for a short form prospectus if the conditions specified in section 7.4, other than subsection 7.4(1), have been met and at least two working days have elapsed from the date of the preliminary MRRS decision document.

7.6 **Form of Final MRRS Decision Document -** The final MRRS decision document for a prospectus will contain the following legend:

This final mutual reliance review system decision document evidences that final receipts of the regulators in each of (name of each jurisdiction in which materials have been filed and where the regulator has not opted out of the MRRS for the materials) have been issued.

- (2) ~~The final MRRS decision document for an initial AIF will contain the following legend:~~

~~*This final mutual reliance review system decision document evidences that notices of acceptance of the regulators in each of (name of each jurisdiction in which materials have been filed and where the regulator has not opted out of the MRRS for the materials) have been issued.*~~

7.7 Local Decision Document - Despite the issuance of the MRRS decision document, certain non-principal regulators will issue concurrently their own decision documents for materials. In the case of materials filed for a proposed distribution of securities, it is not necessary for a filer to obtain a copy of the local decision document before commencing the distribution of its securities.

7.8 Holidays - The principal regulator will issue a MRRS decision document evidencing the receipt of non-principal regulators that are open on the date of the MRRS decision document. The principal regulator will issue a MRRS decision document evidencing the receipt of the remaining non-principal regulators on the next day that the non-principal regulators are open.

7.9 Material Issues Raised Late

- (1)** “Material issue” means a potential receipt refusal issue raised by the principal regulator as a result of its review of the materials or raised by the filer as a result of changes made by the filer after a non-principal regulator is clear for final.
- (2)** If a material issue is raised after a non-principal regulator has indicated that it is clear for final, the principal regulator may determine that it is not prepared to issue a final MRRS decision document unless such non-principal regulator provides reconfirmation that it is clear for final materials. The principal regulator will submit through SEDAR under “Memo to Regulators - Reconfirmation Requested” a letter identifying the new material issue. The filer should encourage the non-principal regulators to respond to the correspondence of the principal regulator. A non-principal regulator, other than the regulators in New Brunswick, Prince Edward Island, the Yukon Territory, the Northwest Territories and Nunavut, that does not provide reconfirmation within five days is considered to have opted out of MRRS.

7.10 Refusal by Principal Regulator to Issue a Receipt or Notice of Acceptance

- (1)** If the principal regulator refuses to issue a receipt or notice of acceptance, as the case may be, for materials and therefore refuses to issue a MRRS decision document, it will notify the filer and the non-principal regulators by sending a refusal letter through SEDAR, and the MRRS will no longer apply to the filing. In these circumstances, the filer will deal separately with the local securities regulatory authority in each jurisdiction in which the materials were filed, including the principal regulator, to determine if the local securities regulatory authority or regulator in those jurisdictions will issue a local decision document. Filers are

cautioned that, once the MRRS is no longer applicable to the materials, each non-principal regulator may conduct its own comprehensive review of the materials.

- (2) To the extent the issues that gave rise to the refusal to issue a MRRS decision document are resolved to the satisfaction of all parties, the filer may request that the MRRS apply once again to the materials.

7.11 Right to be Heard Following a Refusal - If a filer requests a hearing for a refusal by the principal regulator to issue a receipt, the principal regulator will promptly advise the non-principal regulators of the request. The principal regulator will generally hold the hearing, either solely or together with other interested non-principal regulators. The non-principal regulators may make whatever arrangements they consider appropriate, including conducting hearings.

PART 8 APPLICATIONS

8.1 Applications - In many instances, certain exemptive relief is required by a filer to enable a filing of materials or to facilitate a distribution of securities under materials filed. The following guidelines may assist a filer in ensuring that the review of materials is not unduly delayed if there is a concurrent application that is not subject to Part 9:

1. The principles of mutual reliance are available to govern the review and disposition of applications that are made in multiple jurisdictions. If the application is to be filed under the MRRS, it should be filed under the applications policy.
2. If the relief requested in the application is a condition to the issuance of a MRRS decision document and if the application is not filed in a timely manner, the issuance of the MRRS decision document may be delayed. In this regard, if an application is filed under the MRRS, filers are referred to the time periods for processing applications as contained in the applications policy.
3. If an application is filed, the filer should indicate in the SEDAR cover page information for the related filing of materials under the field "Application for Exemption Order in", those jurisdictions in which the application is being made. The filer should also indicate in a cover letter accompanying the application that there is a related filing of materials that has either been filed or will be filed.

PART 9 PRE-FILINGS AND WAIVER APPLICATIONS

9.1 General

- (1)** The principles of mutual reliance are available to govern the review of pre-filings and waiver applications that are made in more than one jurisdiction. There may be pre-filings and waiver applications where a formal order is required in some jurisdictions while the issuance of a receipt will evidence the required relief in other

jurisdictions. This difference among the jurisdictions may create ambiguity about whether a particular pre-filing or waiver application should be made under this policy or the applications policy. In order to free the process of ambiguity, Appendix B contains examples of applications that are dealt with under this Policy.

- (2) If the filer does not require exemptive relief in the jurisdiction of its principal regulator, the filer should select the participating principal regulator in the jurisdiction with which the filer has the next most significant connection to act as the principal regulator for the purposes of the pre-filing or waiver application.
- (3) In a letter accompanying materials filed, the filer should describe the subject matter of any pre-filings or waiver applications made to the non-principal regulators and the disposition thereof by the non-principal regulators.
- (4) If the resolution of a pre-filing or waiver application is a condition precedent to the issuance of either a preliminary or final MRRS decision document, filers are reminded to file the pre-filing or waiver application sufficiently in advance of the filing of the related materials to avoid any delay in the issuance of the MRRS decision document.
- (5) Different review procedures apply to those pre-filings and waiver applications filed under the MRRS that are routine and those that raise novel and substantive issues.
- (6) If a pre-filing or waiver application has been filed, the filer should indicate in the SEDAR cover page information for the related filing of materials under the field “Pre-filing or Waiver Application”, those jurisdictions in which the pre-filing or waiver application has been made. The filer should also indicate in a cover letter accompanying the pre-filing or waiver application that there is a related filing of materials that has either been filed or will be filed.

9.2 Procedure for Routine Pre-Filings and Waiver Applications - Except as provided in section 9.3, a pre-filing or waiver application made under the MRRS should be submitted to the principal regulator in the form required by the principal regulator, and the filer will deal directly with the principal regulator to resolve the pre-filing or waiver application.

9.3 Procedure for Novel and Substantive Pre-Filings and Waiver Applications

- (1) If the principal regulator determines that a pre-filing or waiver application filed, or to be filed, under the MRRS involves a novel and substantive issue or raises a novel public policy concern:
 - (a) the principal regulator will direct the filer to submit the pre-filing or waiver application in written form to the principal regulator and the non-principal regulators;
 - (b) each non-principal regulator will be given five working days from the date of ~~their~~its receipt of the pre-filing or waiver application to forward to the

principal regulator and the other non-principal regulators substantive issues that may, if left unresolved, cause the non-principal regulator to opt out of the disposition of the pre-filing or waiver application; and

(c) the principal regulator will notify all non-principal regulators of its proposed disposition of the pre-filing or waiver application and will give each non-principal regulator a reasonable period of time to advise the principal regulator of its disagreement with the proposed disposition of the pre-filing or waiver application before notifying the filer of the disposition. The principal regulator will advise the filer that the disposition of the pre-filing or waiver application represents the disposition by all non-principal regulators other than those that advised the principal regulator of their disagreement with the disposition within the specified period of time. If a non-principal regulator disagrees with the disposition, the filer should deal directly with that non-principal regulator to resolve the pre-filing or waiver application.

(2) In circumstances where it is apparent to the filer that a proposed pre-filing or waiver application contains a novel public policy issue, the filer is encouraged, for the purpose of accelerating the resolution of the pre-filing or waiver application, to send the pre-filing or waiver application in written form to the non-principal regulators contemporaneously with submitting it to the principal regulator.

9.4 Filing of Related Materials - For any materials filed under the MRRS to which a pre-filing or waiver application relates, the filer should include in the cover letter accompanying the materials a description of the subject matter of the pre-filing or waiver application, including the relevant provisions of the securities legislation and securities directions of the principal regulator and each non-principal regulator and the proposed disposition of the pre-filing or waiver application by the principal regulator and, if applicable, any non-principal regulator that disagreed with the disposition by the principal regulator and had an alternative disposition of the pre-filing or waiver application. In the case of a waiver application, the filer should identify the other non-principal regulators from which the requested relief is also needed.

9.5 Effect of Related MRRS Decision Document - In the case of a waiver application, the filer should include in the cover letter referred to in section 9.4 a request that the non-principal regulators grant the discretionary relief requested from the principal regulator. The final MRRS decision document will evidence that the principal regulator and the non-principal regulators that have not opted out have granted the discretionary relief requested in the waiver application. The securities regulatory authorities of certain jurisdictions will also issue their own local decision documents.

PART 10 AMENDMENTS

10.1 Filing of Amendments

- (1)** Amendment materials should be filed with the principal regulator and the non-principal regulators in accordance with Part 4 of this Policy.
- (2)** The Securities Act (Québec) provides that the ~~Commission des valeurs mobilières du Québec~~ **Autorité des marchés financiers** must decide to issue or to refuse to issue a receipt for a prospectus amendment, other than a prospectus relating to a continuous distribution, within two working days of filing of the prospectus amendment. If a filer wishes to apply the MRRS to a prospectus amendment, other than a prospectus amendment relating to a continuous distribution that is also filed in the province of Québec, it should include in the cover letter accompanying the prospectus amendment materials statements that:
 - (a)** it acknowledges that the ~~Commission des valeurs mobilières du Québec~~ **Autorité des marchés financiers** may be unable to issue a receipt within two working days of the date of receipt of the prospectus amendment and specifically waives any rights it may have to have a receipt issued by the ~~Commission des valeurs mobilières du Québec~~ **Autorité des marchés financiers** within that time frame; and
 - (b)** it undertakes to the ~~Commission des valeurs mobilières du Québec~~ **Autorité des marchés financiers** that it will cease the distribution of its securities in ~~Québec~~ **Québec** until the prospectus amendment MRRS decision document is issued.
- (3)** If the filer does not include the statements referred to in subsection (2) in the cover letter accompanying the prospectus amendment materials, the MRRS will not apply to that filing.
- (4)** Filers are reminded that local securities legislation in other jurisdictions contain restrictions on distributing securities until the prospectus amendment MRRS decision document is issued, as discussed in section 10.9.

10.2 Conditions to Issuance of MRRS Decision Document for Preliminary Prospectus Amendments - The principal regulator will issue a preliminary prospectus amendment MRRS decision document if:

1. the principal regulator has determined that acceptable materials have been filed; **and**
2. the filer has confirmed to the principal regulator in a letter accompanying the materials that, to the best of its knowledge and belief:

- (a) materials, including all required translations, have been filed with all relevant non-principal regulators that have not opted out of the MRRS for the materials;
- (b) in respect of each jurisdiction in which the materials are filed, the filer has filed or delivered all documents required to be filed or delivered under the local securities legislation and is not subject to a cease trade order issued by a local securities regulatory authority; and
- (c) if the amendment reflects the removal of an underwriter, the filer has confirmed to the principal regulator that in each jurisdiction in which the securities will be offered to purchasers, at least one underwriter that has signed the certificate is registered, or has filed an application for registration or an application for exemptive relief from the requirement to be registered. If none of the underwriters that has signed the certificate are registered in a jurisdiction in which the distribution is being made but one of the underwriters has filed an application for registration or an application for exemptive relief from the requirement to be registered, that underwriter will file an undertaking with the principal regulator not to solicit in that jurisdiction until the registration or exemption has been obtained.

10.3 Form of MRRS Decision Document for Preliminary Prospectus Amendments

- (1) The securities legislation and securities directions in force in certain jurisdictions require that a receipt be issued for a preliminary prospectus amendment. The securities legislation and securities directions in force in other jurisdictions do not require that a receipt be issued, and it has been the administrative practice to issue a notice of acceptance of filing for the preliminary prospectus amendment. For the purposes of this Policy, a preliminary prospectus amendment MRRS decision document will evidence that, if applicable, the required receipts or notices of acceptance of filing have been issued by the principal regulator and the non-principal regulators.
- (2) The preliminary prospectus amendment MRRS decision document will contain the following legend:

This mutual reliance review system decision document evidences that receipts or notices of acceptance of filing of the regulators in each of (name of each jurisdiction in which materials have been filed and where the regulator has not opted out of the MRRS for the materials) have been issued.

10.4 Review Period for Preliminary Prospectus Amendments

- (1) If a preliminary prospectus amendment is filed before the principal regulator issues its comment letter relating to the preliminary prospectus materials, the principal regulator may be unable to complete its review of the preliminary materials and issue its comment letter within the time periods indicated in sections 5.2 and 5.3, as

applicable. In this case, the principal regulator will use its best efforts to issue its comment letter on the later of the date that is five working days after the filing of the amendment and the original due date for the comment letter.

(2) If a preliminary prospectus amendment for a preliminary long form prospectus is filed after the principal regulator has issued its comment letter:

(a) the principal regulator will use its best efforts to review the materials and issue a comment letter within three working days of the date of the preliminary prospectus amendment MRRS decision document; and

(b) the non-principal regulators will use their best efforts to advise the principal regulator of any material concerns with the materials that, if left unresolved, would cause the non-principal regulator to opt out of the MRRS within the later of:

(i) two working days of the date of receipt of the comment letter of the principal regulator relating to the amendment; and

(ii) the expiry of the time period indicated in section 5.2 for review by the non-principal regulator of the preliminary materials.

(3) If a preliminary prospectus amendment for a preliminary short form prospectus is filed after the principal regulator has issued its comment letter:

(a) the principal regulator will use its best efforts to review the materials and issue a comment letter within two working days of the date of the preliminary prospectus amendment MRRS decision document; and

(b) the non-principal regulators will use their best efforts to advise the principal regulator of any material concerns with the materials that, if left unresolved, would cause the non-principal regulator to opt out of the MRRS ~~within the later of~~ by the later of:

(i) ~~by~~ 12:00 noon, Eastern time, on the working day following the date of issuance of the comment letter of the principal regulator relating to the prospectus amendment; and

(ii) the expiry of the time period indicated in section 5.3 for review by the non-principal regulator of the preliminary materials.

(4) The time periods in subsections (2) and (3) may not apply in certain circumstances if it would be more appropriate for the principal regulator and the non-principal regulators to review the amendment materials at a different stage of the review process. For example, the principal regulator and the non-principal regulators may wish to defer review of the amendment materials until after receiving and reviewing

the filer's responses to comments already issued in respect of the preliminary materials.

10.5 Review Period for Prospectus Amendments

- (1)** If a prospectus amendment to a long form prospectus, including a prospectus for a mutual fund, is filed, the principal regulator will use its best efforts to review the materials and to issue a comment letter within three working days of the date of the receipt of the prospectus amendment, and the non-principal regulators will use their best efforts to advise the principal regulator of any material concerns with the materials that, if left unresolved, would cause the non-principal regulator to opt out of the MRRS within two working days of the date of the issuance of the comment letter of the principal regulator.
- (2)** If a prospectus amendment to a short form prospectus is filed, the principal regulator will use its best efforts to review the materials and to issue a comment letter within two working days of the date of the receipt of the prospectus amendment, and the non-principal regulators will use their best efforts to advise the principal regulator of any material concerns with the materials that, if left unresolved, would cause the non-principal regulator to opt out of the MRRS by 12:00 noon, Eastern time, on the working day following the date of issuance of the comment letter of the principal regulator.

10.6 Conditions to Issuance of Prospectus Amendment MRRS Decision Document - The principal regulator will issue a prospectus amendment MRRS decision document if:

- 1. all comments raised have been resolved to the satisfaction of the principal regulator and, if applicable, any non-principal regulator that has not opted out of the MRRS for the materials;
- 2. the principal regulator has determined that acceptable materials have been filed;
- 3. all non-principal regulators, other than the regulators in New Brunswick, Prince Edward Island, the Yukon Territory, the Northwest Territories and Nunavut, have indicated in the SEDAR "Filing Status" screen that they are "Clear for First Amendment to Final" (or "Clear for Second Amendment to Final" or "Clear for Third Amendment to Final" as applicable) or have opted out of the MRRS for the filing by indicating "MRRS - Opt Out" in the SEDAR "Filing Status" screen; **and**
- 4. the filer has confirmed to the principal regulator in a letter accompanying the materials that, to the best of its knowledge and belief :
 - (a)** materials, including all required translations, have been filed with all non-principal regulators that have not opted out of the MRRS for the materials;
 - (b)** in respect of each jurisdiction in which the materials are filed, the filer has filed or delivered all documents required to be filed or delivered under the

local securities legislation and is not subject to a cease trade order issued by a local securities regulatory authority;

- (c) if the amendment reflects the removal of an underwriter, the filer has confirmed to the principal regulator that in each jurisdiction in which the securities will be offered to purchasers, at least one underwriter that has signed the certificate is registered or has been exempted from the requirement to be registered; and
- (d) all necessary relief from applicable securities legislation or securities directions has been applied for and granted by the principal regulator and non-principal regulators.

10.7 Form of Prospectus Amendment MRRS Decision Document

- (1) The securities legislation and securities directions in force in different jurisdictions impose different requirements on receipting or accepting amendments. The securities legislation and securities directions in force in certain jurisdictions require that a receipt be issued for any prospectus amendment, whereas the securities legislation and securities directions in force in other jurisdictions do not require that a receipt be issued, and it has been the administrative practice to issue a notice of acceptance of filing for the prospectus amendment. The securities legislation and securities directions in other jurisdictions require that a receipt be issued for a prospectus amendment only where the prospectus amendment is filed for the purpose of distributing securities in addition to the securities previously disclosed in the related prospectus. For the purposes of this Policy, a prospectus amendment MRRS decision document will constitute confirmation that, if applicable, the required receipts or notices of acceptance of filing have been issued by the principal regulator and the non-principal regulators.
- (2) The prospectus amendment MRRS decision document will contain the following legend:

This mutual reliance review system decision document evidences that receipts or notices of acceptance of filing of the regulators in each of (name of each jurisdiction in which materials have been filed and where the regulator has not opted out of the MRRS for the materials) have been issued.

10.8 Local Decision Document - Despite the issuance of the MRRS decision document, certain non-principal regulators will issue concurrently their own decision documents for amendments. In the case of prospectus amendments, it is not necessary for a filer to obtain a copy of the local decision document before recommencing the distribution of its securities.

10.9 Other Requirements

- (1) Filers are reminded that the securities legislation and securities directions in force in certain jurisdictions require that where an amendment has been filed for the purposes

of distributing securities in addition to the securities previously disclosed in the prospectus, the additional distribution will not be proceeded with for a specified period of time.

- (2) Filers are also reminded that the securities legislation and securities directions of certain jurisdictions provide that, except in certain circumstances with the written permission of a designated person, a distribution or additional distribution must not proceed until a receipt for a prospectus amendment is issued.

Dated ~~January 25, 2002.~~, 2004

APPENDIX A

MATERIALS REQUIRED TO BE FILED UNDER NATIONAL POLICY 43-201

The attached lists of documents, as varied in accordance with the following guidance, are those required to be filed or delivered under each category of filing to which the Policy applies.

The following guidance applies to all filings of materials under the MRRS:

1. Where a filing is to be made in the province of ~~Quebec~~ Québec, a French language version of the following documents must also be filed:
 - (a) the preliminary prospectus and the prospectus; and
 - (b) any amendment to a preliminary prospectus and any amendment to a prospectus.
- ~~A French language translation of an annual information form is not required at the time of filing of the annual information form. However, the~~ The French language versions of all ~~of the~~ documents incorporated by reference ~~including the annual information form~~, if not previously filed, must ~~also be~~ filed at the time of filing of a preliminary short form prospectus. ~~When a French language version has been prepared, it should also be filed in New Brunswick.~~
2. The attached lists do not refer to the applicable filing and distribution fees required by the securities regulatory authorities. The filer should consult the fee schedules of the relevant securities legislation for the applicable fees.

For filers that are permitted to file materials in paper form under National Instrument 13-~~101~~ 101, *System for Electronic Document Analysis and Retrieval (SEDAR)*, the payment of fees should be made by cheque payable as follows:

British Columbia - British Columbia Securities Commission
Alberta - Alberta Securities Commission
Saskatchewan - Minister of Finance
Manitoba - Minister of Finance
Ontario - Ontario Securities Commission
~~Quebec - Commission des valeurs mobilières du Québec~~
Québec - Autorité des marchés financiers
New Brunswick - Minister of Finance
Nova Scotia - Minister of Finance
Prince Edward Island - Provincial Secretary

Newfoundland and Labrador - Newfoundland and Labrador Exchequer Account
 Northwest Territories - Government of the Northwest Territories
 Yukon Territory - Government of Yukon
 Nunavut - Nunavut Securities Registry

In all other cases, payment of filing fees should be transmitted electronically through SEDAR.

3. Additional filing requirements apply to certain types of offerings such as offerings using the shelf offering procedures (National Instrument 44-102), the post-receipt pricing procedures (National Instrument 44-103) or the multijurisdictional disclosure system (National Instrument 71-101). Reference should be made to the applicable provisions of national or local rules or policies for any additional filing requirements or procedures.
4. **[Further filing requirements for British Columbia are contained in BC Policy 41-601.]**
5. Further filing requirements for Alberta, for filings not filed in compliance with OSC 41-501 or NI 44-101, are contained in ASC Policy 4.7.
6. ~~Further filing requirements for Ontario are contained in Ontario Securities Commission Policy No. 5.7.7.~~ Further filing requirements for Québec are contained in local securities legislation and local securities directions.
- ~~8.7.~~ Where the attached requirements refer to personal information regarding directors, executive officers and promoters of the filer, **the filer** should provide, for each director and executive officer of the filer and for each promoter of the filer (or in the case where the promoter is not an individual, for each director and executive officer of the promoter) the following information for security check purposes:
 - (i) full name; **(including any previous name(s) if any);**
 - (ii) position with or relationship to the issuer;
 - (iii) employer's name and address, if other than the issuer;
 - (iv) full residential address;
 - (v) date and place of birth; and
 - (vi) citizenship.

For any of the above noted individuals with a residential address outside of Canada, the filer should provide the following additional information:

- (i) previous address(es) (5 year history);**

- (ii) **dates residing in foreign country;**
- (iii) **height and weight;**
- (iv) **eye colour;**
- (v) **hair colour; and**
- (vi) **passport nationality and number.**

Where the offering is made under the provisions of NI 44-101, a completed authorization form as per Appendix A of NI 44-101, “Authorization of Indirect Collection of Personal Information” must be filed. Where the offering is made under the provisions of OSC 41-501 a completed Form 41-501F2 “Authorization of Indirect Collection of Personal Information” must be filed. Where the offering is made in ~~Quebec~~Québec under the provisions of Q-28, a completed form as per Appendix A of Q-28, *Authorization of Indirect Collection of Personal Information*, must be filed.

Where Saskatchewan, Manitoba or Nova Scotia is principal regulator, a RCMP GRC Securities Fraud Information Centre Request Form #2674 (89-07) must be filed. In connection with the filing of an initial public offering prospectus: (i) where ~~Quebec~~Québec is principal regulator, a Form 4 under the Regulation concerning securities made under the Securities Act (~~Quebec~~Québec) must be filed; and (ii) where British Columbia is principal regulator, the filer must file a ~~Form 4B or statutory declaration if~~ the personal information form required by BC Policy 41-601.

PRELIMINARY OR PRO FORMA LONG FORM PROSPECTUS

An issuer that files a preliminary prospectus or a *pro forma* prospectus pursuant to OSC 41-501 or, in ~~Quebec~~Québec pursuant to Q-28, shall file and/or deliver the documents required to be filed and/or delivered as set out in Section 13.2 of OSC 41-501 or, in ~~Quebec~~Québec as set out in Section 13.2 of Q-28, along with ~~the~~:

1. Filing fees; and
2. A letter to the principal regulator prepared in accordance with section 7.2.2 of the Policy.

Issuers filing prospectuses and pro forma prospectuses outside ~~Quebec~~Québec in accordance with OSC 41-501 will satisfy requirements in other jurisdictions governing the form and content of a long form prospectus and the accompanying filings and deliveries to the Commissions. Issuers should consult local rules or orders for details.

Issuers not filing in accordance with OSC 41-501 or, in ~~Quebec~~Québec pursuant to Q-28, should look to local requirements to determine documents to be filed and/or delivered but in all cases should include the items set out in #1 and #2 above.

FINAL LONG FORM PROSPECTUS

An issuer that files a final prospectus pursuant to OSC 41-501 or, in ~~Quebec~~Québec pursuant to Q-28, shall file and/or deliver the documents required to be filed and/or delivered as set out in Section ~~13.13.3~~13.3 of ~~OSC 41-501~~41-501 or, in ~~Quebec~~Québec as set out in Section 13.3 of Q-28, along with the:

1. Filing fees and other applicable fees including participation fees; and
2. A letter to the principal regulator prepared in accordance with section 7.4.4 of the Policy.

Issuers filing prospectuses and pro forma prospectuses outside ~~Quebec~~Québec in accordance with OSC 41-501 will satisfy requirements in other jurisdictions governing the form and content of a long form prospectus and the accompanying filings and deliveries to the Commissions. Issuers should consult local rules or orders for details.

Issuers not filing in accordance with OSC 41-501 or, in ~~Quebec~~Québec pursuant to Q-28, should look to local requirements to determine documents to be filed and/or delivered but in all cases should include the items set out in #1 and #2 above.

PRELIMINARY SHORT FORM PROSPECTUS

An issuer that files a preliminary short form prospectus pursuant to NI 44-101 shall file and/or deliver the documents required to be filed and/or delivered as set out in Section ~~10.2~~4.2 of that instrument along with the:

1. Filing fees; and
2. A letter to the principal regulator prepared in accordance with section 7.2.2 of the Policy.

FINAL SHORT FORM PROSPECTUS

An issuer that files a final short form prospectus pursuant to NI 44-101 shall file and/or deliver the documents required to be filed and/or delivered as set out in Section ~~10.34.3~~4.3 of that Instrument along with ~~the~~:

1. Filing fees and **other applicable fees including participation fees; and**
2. A letter to the principal regulator prepared in accordance with section 7.4.4 of the Policy.

AMENDMENTS TO PRELIMINARY PROSPECTUS AND PROSPECTUS (SHORT FORM AND LONG FORM)

An issuer that files an amendment pursuant to OSC 41-501 or, in ~~Quebec~~Québec pursuant to Q-28, or pursuant to NI 44-101, shall file and/or deliver the documents required to be filed and/or delivered as set out in section 13.7 of OSC 41-501, section 13.6 of Q-28 or section ~~11.25.3~~11.25.3 of NI 44-~~101~~101, respectively, along with the:

1. Filing fees ~~and~~;
2. A letter prepared in accordance with section 10.1(2) of the Policy, if applicable; ~~and~~
3. A letter to the principal regulator:
 - (a) for a preliminary prospectus amendment, prepared in accordance with section 10.2.2 of the Policy; or
 - (b) for a prospectus amendment, prepared in accordance with section 10.6.4 of the Policy.

Issuers not filing in accordance with OSC 41-501 or, in ~~Quebec~~Québec pursuant to Q-28, or NI 44-101 should look to local requirements to determine documents to be filed and/or delivered but in all cases should include the items set out in #1, #2 and #3 above.

[INITIAL ANNUAL INFORMATION FORM
is deleted.]

**PRELIMINARY SIMPLIFIED PROSPECTUS AND ANNUAL INFORMATION FORM
FILED UNDER NI 81-101**

1. Preliminary simplified prospectus
2. Preliminary simplified prospectus - blacklined
(where a new fund is being qualified by a separate prospectus but is to be part of an existing group of funds sold by prospectus, a blacklined version of the simplified prospectus should indicate any changes from the existing simplified prospectus for the group of funds)
3. Preliminary annual information form
4. Preliminary annual information form - blacklined
(where a new fund is being qualified by a separate prospectus but is to be part of an existing group of funds sold by prospectus, a blacklined version of the annual information form should indicate any changes from the existing annual information form for the group of funds)
5. Copy or draft of all material contracts for the new mutual funds
6. For a new mutual fund in a new mutual fund group, personal information regarding individuals acting as trustees and promoters, and directors and senior officers of the fund, trustee, manager and promoter. If the mutual fund is a member of a mutual fund family for which this type of information was previously provided, the information would be required only for those persons for whom the information was not previously provided by other members of the mutual fund family
7. Financial statements, if applicable
8. Filing fees
9. A letter to the principal regulator prepared in accordance with section 7.2.2 of the Policy

**PRO FORMA SIMPLIFIED PROSPECTUS AND ANNUAL INFORMATION FORM
FILED UNDER NI 81-101**

1. Pro forma simplified prospectus
2. Pro forma simplified prospectus - blacklined to indicate all changes from previous simplified prospectus
3. Pro forma annual information form
4. Pro forma annual information form - blacklined to indicate all changes from previous annual information form
5. Copy or draft of all material contracts not previously filed
6. Personal information regarding individuals acting as trustees and promoters, and directors and senior officers of the fund, trustee, manager and promoter where this information has not previously been provided for these persons in connection with a previous filing of the mutual fund family
7. Compliance report required under Part 12 of National Instrument 81-102, *Mutual Funds*
8. Filing fees

**FINAL SIMPLIFIED PROSPECTUS AND ANNUAL INFORMATION FORM FILED
UNDER NI 81-101**

1. Final simplified prospectus
2. Final simplified prospectus - blacklined to show changes from preliminary or pro forma simplified prospectus, as the case may be
3. Final annual information form
4. Final annual information form - blacklined to show changes from preliminary or pro forma annual information form, as the case may be
5. Copy of all material contracts not previously filed
6. For new funds, audited financial statements if not previously filed
7. Auditors' consent letter re audited financial statements
8. Auditors' comfort letter re unaudited financial statements, if applicable
9. Consent of legal counsel or other experts
10. Certificate re proceeds of distribution in the jurisdiction (applicable to filings in B.C., Alberta, Ontario, ~~Quebec~~ and Québec)
11. Filing fees
12. A letter to the principal regulator prepared in accordance with section 7.4.4 of the Policy

**AMENDMENT TO A SIMPLIFIED PROSPECTUS AND ANNUAL INFORMATION
FORM FILED UNDER NI 81-101**

1. Amendment to simplified prospectus
2. Amendment to simplified prospectus - blacklined (where amendment is an amended and restated simplified prospectus)
3. Amendment to annual information form
4. Amendment to annual information form - blacklined (where amendment is an amended and restated annual information form)
5. Copy of all material contracts not previously filed
6. Auditors' consent letter, if applicable
7. Auditors' comfort letter, if applicable
8. Consent of legal counsel and other experts, if applicable
9. Filing fees
10. A letter to the principal regulator prepared in accordance with section 10.6.4 of the Policy

APPENDIX B

EXAMPLES OF APPLICATIONS DEALT WITH UNDER NATIONAL POLICY 43-201

1. relief from financial statement and other requirements in a prospectus
2. relief from escrow requirements
3. applications relating to representations as to listing - however, because of the differences in local requirements, it may be easier to deal with these applications outside of the MRRS
4. requests for confidentiality of material contracts
5. NI 81-101 waiver applications
6. requests for confidential pre-filing of a prospectus for review purposes