

Notice of Amendments to National Instrument 55-101 – *Insider Reporting Exemptions* and Companion Policy 55-101CP

Introduction

We, the Canadian Securities Administrators (CSA), are implementing amendments to National Instrument 55-101 *Insider Reporting Exemptions* (NI 55-101) and its companion policy (55-101CP).

NI 55-101 and 55-101CP provide exemptions from the obligation to file insider reports under Canadian securities legislation where the policy reasons for insider reporting do not apply. The CSA adopted NI 55-101 in 2001 to make certain routine exemptions from the insider reporting requirement available automatically. We amended NI 55-101 in 2005 to add some additional routine exemptions. We proposed additional amendments in October 2006.

The amendments have been made, or are expected to be made, by each member of the CSA other than Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut.

Provided all necessary ministerial approvals (where required) are obtained, the amendments to NI 55-101 will come into force on **September 10, 2007**. The amendments to CP 55-101 will come into effect at the same time as the amendments to NI 55-101.

In Ontario, NI 55-101 and other required materials were delivered to the Minister of Government Services on June 7, 2007. The Minister may approve or reject the amendments to NI 55-101 or return them for further consideration. If the Minister approves the amendments to NI 55-101 or does not take any further action by August 6, 2007, the amendments to NI 55-101 will come into force on September 10, 2007.

In Québec, the proposed instrument is a regulation made under section 331.1 of The Securities Act (Québec) and must be approved, with or without amendment, by the Minister of Finance. The proposed instrument will come into force on the date of its publication in the Gazette officielle du Québec or on any later date specified in the regulation. It must also be published in the Bulletin.

Substance and Purpose

The amendments to NI 55-101 and CP 55-101 that we are adopting fall into the following two broad categories:

1. Amendments to clarify some provisions of NI 55-101.
2. Amendments to streamline requirements in NI 55-101.

Background

We published the proposed amendments for comment on October 27, 2006. The comment period expired on January 25, 2007.

Summary of Written Comments Received by the CSA

During the comment period, we received submissions from eight commenters. We have considered the comments received and thank all the commenters. The names of all the commenters and a summary of their comments, together with the CSA responses, are

contained in Appendix B to this notice. The original comment letters are available on the Ontario Securities Commission website at www.osc.gov.on.ca.

After considering the comments, we have made changes to the proposed amendments to NI 55-101 that we published for comment. However, as these changes are not material, we are not republishing NI 55-101 for a further comment period.

Summary of Changes to the Proposed Amendments to the Instrument and Policy

The following summarizes noteworthy changes made to the amendments as originally published.

NI 55-101

1. Definition of “normal course issuer bid” – we have revised this definition so that a normal course issuer bid will include a bid conducted in accordance with the rules or policies of the Toronto Stock Exchange (TSX), the TSX Venture Exchange, or an exchange that is a recognized exchange, as defined in National Instrument 21-101 *Marketplace Operation*.
2. Definition of “senior officer” – we have added a definition of senior officer, which will apply in jurisdictions that do not have a definition of senior officer. For more information on this change, please refer to CSA Staff Notice 55-314 *Use of the terms “senior officer”, “officer”, and “insider” in National Instrument 55-101 Reporting Exemptions*, published February 23, 2007.
3. Section 5.2(3) – we have amended the proposed limitation in section 5.2(3) to require that the reporting issuer file a notice on SEDAR, rather than a news release.

55-101 CP

1. Part 4 – we have revised the guidance relating to recommended record-keeping practices.
2. Section 5.1(4) – we have revised this to be consistent with the change to section 5.2(3) of NI 55-101.

Questions

Please refer your questions to any of:

Alison Dempsey
Senior Legal Counsel, Corporate Finance
British Columbia Securities Commission
(604) 899-6638 or (800) 373-6393 (if calling from B.C. or Alberta)
adempsey@bcsc.bc.ca

Agnes Lau
Associate Director, Corporate Finance
Alberta Securities Commission
(403) 297-8049
agnes.lau@seccom.ab.ca

Cathy Watkins
Legal Counsel, Corporate Finance
Alberta Securities Commission
(403) 297-4973
cathy.watkins@seccom.ab.ca

Patti Pacholek
Legal Counsel
Saskatchewan Financial Services Commission – Securities Division
(306) 787-5871
ppacholek@sfsc.gov.sk.ca

Chris Besko
Legal Counsel – Deputy Director
The Manitoba Securities Commission
(204) 945-2561
cbesko@gov.mb.ca

Paul Hayward
Senior Legal Counsel, Corporate Finance
Ontario Securities Commission
(416) 593-3657
phayward@osc.gov.on.ca

Sylvie Lalonde
Conseillère en réglementation
Autorité des marchés financiers
(514) 395-0558 ext. 4398
sylvie.lalonde@lautorite.qc.ca

Barbara (Basia) H. Dzierzanowska
Securities Analyst
Nova Scotia Securities Commission
(902) 424-5441
dzierzb@gov.ns.ca

Susan Powell
Legal Counsel
New Brunswick Securities Commission
(506) 643-7697
susan.powell@nbsc-cvmnb.ca

Amendments

The text of the amendments to NI 55-101 is contained in Appendix A to this notice. Some CSA jurisdictions are publishing blackline documents showing the changes to the currently in force NI 55-101 and 55-101CP. Where applicable, these blackline documents are in Appendices C and D to this notice or found elsewhere on a CSA member website.

June 8, 2007