

THE SECURITIES ACT

)

Order No. 6970

)

Section 20(1)

)

July 9, 2014

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

WHEREAS:

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

Terms defined in the Act, National Instrument 14-101 *Definitions*, National Instrument 25-101 *Designated Rating Organizations* (**NI 25-101**) or National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* have the same meaning in this order.

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

Background

1. A person or company in Manitoba was, prior to March 27, 2010, exempt from the registration requirement for trades in short-term debt under section 3.35 of NI 45-106 *Prospectus and Registration Exemptions* (NI 45-106) which provided that the dealer registration requirement for short-term debt was available only where, among other things, the negotiable promissory note or commercial paper “has an approved credit rating from an approved credit rating organization.”

2. NI 45-106 also incorporated by reference the definitions for “approved credit rating” and “approved credit rating organization” in NI 81-102.

3. On March 25, 2010, The Manitoba Securities Commission issued Order Number 6090 *Exemption from the Registration Requirement in National Instrument 31-103 Registration Requirements and Exemptions for Trades in Short-term Debt Instruments* (2010 Order) exempting certain Canadian financial institutions from the requirement to register when trading in short-term debt instruments, until September 28, 2011.

4. On September 23, 2011, The Manitoba Securities Commission issued Order Number 6404 *Exemption from the Registration Requirement in National Instrument 31-103 Registration Requirements and Exemptions for Trades in Short-term Debt Instruments* (2011 Order) which

extended the exemption provided by the 2010 Order from the expiry of the 2010 Order until 28 September 2014.

5. It is appropriate to further extend the exemption provided by the 2011 Order, modified to reflect the terminology of NI 25-101 including the defined term "DRO affiliate".

Order

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

IT IS ORDERED:

1. THAT, under section 20(1) of the Act

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

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

(a) is not convertible or exchangeable into or accompanied by a right to purchase another security other than a security described in this order; and

(b) has a designated rating issued by a designated rating organizations, or its DRO affiliate, that is at or above one of the following rating categories or that is at or above a category that replaces one of the following rating categories:

Rating Organization	Rating
DBRS Limited	R-1 (low)
Fitch, Inc.	F2
Moody's Canada Inc.	P-2
Standard & Poor's Rating Services (Canada)	A-2.

2. That under s. 20(1) of the Act, the 2011 Order be, and is hereby, revoked.
3. THAT this order expires on December 31, 2014.

BY ORDER OF THE COMMISSION

"Chris Besko"
Acting Director