

THE SECURITIES ACT

)

Order No. 6090

)

Section 20(1)

)

March 25, 2010

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.

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

Background

1. A person or company in Manitoba is 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).
2. Subsection 3.35(b) of NI 45-106 provides that the dealer registration requirement for short-term debt is available only where, among other things, the negotiable promissory note or commercial paper "has an approved credit rating from an approved credit rating organization."
3. NI 45-106 incorporates by reference the definitions for "approved credit rating" and "approved credit rating organization" in National Instrument 81-102 *Mutual Funds* (NI 81-102). The definition of "approved credit rating" in NI 81-102 requires, among other things, that (a) the rating assigned to such debt must be "at or above" certain prescribed short-term ratings categories, and (b) such debt must not have been assigned a rating by any "approved credit rating organization" that is not an "approved credit rating."
4. Section 3.35 of NI 45-106 will cease to be in force on March 27, 2010 pursuant to section 8.5 of NI 45-106 and the exemption will no longer be available to persons or companies currently relying upon it.

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

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

(b) has an approved credit rating issued by one of the following rating organizations, or any of their successors, at or above one of the following rating categories or a rating category that replaces a category listed below if:

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

2. THAT this order will come into effect on March 27, 2010 and will cease to have effect on September 28, 2011.

BY ORDER OF THE COMMISSION

Deputy Director