

**THE SECURITIES ACT**

)

**Order No. 4277**

)

**Section 20**

)

**September 24, 2003**

**HONDA CANADA FINANCE INC.**

**WHEREAS:**

(A) Application has been made by Honda Canada Finance Inc. (the "Applicant") to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 20(1) of *The Securities Act*, R.S.M. 1988, c. S50 (as amended) (the "Act") in connection with the offering (the "Offering") of Senior Unsecured Series 2003-1 Debentures (the "Debentures") pursuant to a trust indenture between the Applicant and CIBC Mellon Company (the "Trust Indenture"), exempting the Applicant from compliance with the requirements of Parts VIII and IX of the Regulations to the Act (the "Regulations").

(B) It has been represented to the Commission by the Applicant that:

1. The Applicant was incorporated under the *Canada Business Corporations Act* (the "CBCA") in January, 1987. The Applicant is jointly owned by Honda Canada Inc. ("HCI") and American Honda Finance Corporation ("AHFC") and is an indirect wholly-owned subsidiary of Honda Motor Co., Ltd. ("Honda"). The head office of the Applicant is located at 300 Middlefield Road, Scarborough, Ontario, M1S 5B1.

2. The Applicant finances the acquisition of inventory by authorized dealers of Honda and Acura automobiles, sport utility vehicles and minivans, Honda motorcycles and power equipment. The Applicant also provides retail financing to customers of such dealers throughout Canada and offers retail leasing for customers of such dealers with respect to Honda and Acura motor vehicles.

3. The Applicant is not a reporting issuer in any province or territory in Canada. The Applicant is not subject to the financial disclosure obligations set out in the Act nor is it subject to similar financial disclosure obligations in any other Canadian province or territory.

4. Honda is subject to the informational requirements of the *United States Securities Exchange Act* of 1934 (the "1934 Act"), as amended from time to time, and in accordance therewith files reports and other information with the Securities Exchange Commission (the "SEC"). Honda's financial information is prepared on a consolidated basis and is available for viewing by the Applicant's security holders on the SEC website.

5. The Applicant has previously issued debt securities to purchasers resident in the Province of Manitoba and is considered to be a "finance company" pursuant to subsection 1(1) of the Regulations.

6. The Applicant intends to offer up to \$300,000,000 aggregate principal amount of Senior Unsecured Series 2003-1 Debentures due September 26, 2005, in Canada. The minimum aggregate subscription price will be \$150,000 and thereafter in integral amounts of \$10,000. The Offering will be made pursuant to exemptions from the prospectus and registration requirements of the Act.

7. The Debentures will be unconditionally guaranteed as to payment of principal and interest by AHFC.

8. Holders of Debentures will receive the audited consolidated financial statements of the Applicant, AHFC and Honda for each fiscal year along with Honda's annual report.

9. The Trust Indenture is by its express terms required to comply with the provisions, if any, of the CBCA, and any other statutes of Canada or any province or territory thereof and any regulations thereunder relating to trust indentures and to the rights, duties and obligations of trustees thereunder and of corporations issuing debt obligations thereunder, to the extent that such provisions are at the time in force and apply to the indenture of the Applicant (collectively "Indenture Legislation"). The Trust Indenture also provides that each of the Applicant and the Trustee will at all times in relation to the Trust Indenture and any action to be taken thereunder observe and comply with and be entitled to the benefits of Indenture Legislation. Additionally, the Trust Indenture provides that to the extent that any provision of the indenture limits, qualifies or conflicts with any mandatory requirement of the Indenture Legislation, such mandatory requirements shall prevail.

(C) 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**, pursuant to subsection 20(1) of the Act, the Applicant shall be exempted from compliance with the requirements of Parts VIII and IX of the Regulations.

2. **THAT** the fee for this order shall be \$25.

**BY ORDER OF THE COMMISSION**

**Deputy Director - Legal**