

April 11, 2006

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, BRITISH COLUMBIA, MANITOBA, NEW BRUNSWICK,
NEWFOUNDLAND AND LABRADOR, NOVA SCOTIA, NUNAVUT, NORTHWEST
TERRITORIES, ONTARIO, PRINCE EDWARD ISLAND, QUEBEC,
SASKATCHEWAN AND YUKON
(the Jurisdictions)**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR
EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
BCE INC. AND BELL CANADA
(the Filers)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for :

- an exemption from the dealer registration requirements in respect of a trade in a negotiable promissory note or commercial paper maturing not more than one year from the date of issue (the **Commercial Paper**) ; and
- an exemption from the prospectus requirements in respect of the distribution of Commercial Paper (collectively the **Requested Relief**).

Under the Mutual Reliance Review System for Exemptive Relief Applications (MRRS):

- (a) the Autorité des marchés financiers was selected as the principal regulator for this application, and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are otherwise defined in this decision.

Representations

This decision is based on the following facts represented by the Filers:

1. The Filers are both corporations under the Canada Business Corporations Act with head offices and principal business offices located in Montreal, Quebec. The Filers are both reporting issuer in each of the Jurisdictions except Nunavut, Yukon and the Northwest Territories, and are not on the list of reporting issuers in default in any of such Jurisdictions.
2. Subsection 2.35(1)(b) of National Instrument 45-106-Prospectus and Registration Exemptions (**NI 45-106**) provides that exemptions from the registration and prospectus requirements of the Legislation for short-term debt (the Commercial Paper Exemption) is available only where such short-term debt "has an approved credit rating from an approved credit rating organization" as defined in National Instrument 81-102 - Mutual Funds (**NI 81-102**).
3. The definition of an "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, 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. At the time of this decision, the rating of each of the Filers' Commercial Paper attributed by Standard & Poor's and by Dominion Bond Rating Service Limited, respectively "A-1" (low) and "R-1" (low) meet the prescribed threshold stated in the definition of approved credit rating of NI 81-102 with respect to these two credit rating organizations.
5. However, at the time of this decision, the Commercial Paper of each of the Filers do not meet the "approved credit rating" of NI 81-102 since Moody's Investor Service has attributed a "P-2" rating on the Commercial Paper of each of the Filers, which is a lower rating than that required by the Commercial Paper Exemption.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that the Commercial Paper:

- (a) matures not more than one year from the date of issue;
- (b) is not convertible or exchangeable into or accompanied by a right to purchase another security other than Commercial Paper;

(c) has a 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:

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

For each Jurisdiction, this decision will terminate on the earlier of:

(a) 90 days after the coming into force of any rule, other regulation or blanket order or ruling under the Legislation of the Jurisdiction that amends section 2.35 of NI 45-106 or provides an alternate exemption; and

(b) three years from the date of this decision.

(s) Josée Deslauriers
Surintendante marchés des valeurs
Autorité des marchés financiers