

ALBERTA SECURITIES COMMISSION

NOTICE

Proposed Repeals and Amendments to Alberta Securities Laws Related to Proposed National Instrument 45-106 *Prospectus and Registration Exemptions*

December 17, 2004

Overview

The Alberta Securities Commission (ASC) is publishing this notice in conjunction with the notice/request for comment on proposed National Instrument *Prospectus and Registration Exemptions* (NI 45-106) and the related notice/request for comment on proposed repeals and consequential amendments to certain national and multilateral instruments being published by the members of the Canadian Securities Administrators (CSA).

NI 45-106 consolidates and harmonizes the prospectus and registration exemptions found in various provincial statutes and national, multilateral and local instruments into a single national instrument. In order to facilitate full implementation of NI 45-106, the CSA intend to concurrently repeal or make consequential amendments to a number of national and multilateral instruments and local securities legislation. Securities regulatory authorities in each jurisdiction will concurrently publish separate notices outlining the repeals and proposed amendments to their local securities legislation.

This notice identifies the proposed repeals and consequential amendments to Alberta securities laws. The ASC is publishing the text of the proposed repeals and amendments to Alberta securities laws concurrently with this notice for a [90] day comment period.

Purpose and Benefits

The ASC, together with the other members of the CSA, believe that NI 45-106 and the related repeals and consequential amendments will yield substantial benefits and reduce costs to market participants by harmonizing the majority of prospectus and registration exemptions currently available across Canada, as well as the resale, disclosure and filing requirements associated with these exemptions.

At present, most jurisdictions have a similar but not identical set of exemptions. Market participants that wish to effect multi-jurisdictional exempt distributions must familiarize themselves with the various exempt distribution regimes of the relevant jurisdictions. This typically necessitates reviewing the various acts, regulations and rules in each of those jurisdictions. On implementation of NI 45-106, market participants will generally have to look no further than NI 45-106 to view the landscape of exemptions.

Where possible, we have consolidated many of the existing exemptions to make them more straightforward and user friendly. Moreover, the scope of certain exemptions has been modified and new exemptions have been added in response to a number of relatively routine exemptive relief applications. These changes should yield additional benefits to market participants.

The proposed amendments and repeals will facilitate the consolidation and harmonization of the majority of current exemptions within NI 45-106. This should

- (i) result in reduced transaction costs because market participants will no longer need to expend time and money wrestling with a collection of exempt distribution regimes and their associated resale, disclosure and filing requirements, and
- (ii) facilitate capital formation for issuers.

Summary of Key Proposed Amendments to Alberta Securities Laws

The ASC proposes to:

- ◆ repeal those registration and prospectus exemptions being carried forward in the form of harmonized exemptions in NI 45-106 and related filing provisions contained in Parts 6 and 10 of the ASC (General) Rules. The registration and prospectus exemptions contained in sections 65 [portfolio manager], 66 [additional registration exemptions], 66.2 [\$97,000], [68 [capital accumulation plans]], 122 [additional prospectus exemptions] and 122.2 [\$97,000] will be repealed as they are being replaced by harmonized exemptions in NI 45-106. The text of the proposed amendments to the ASC (General) Rules is set out in Schedule A to this notice.
- ◆ restate ASC Rule 45-502 *Trade with RRSP, RRIF or RESP* to strike all references to RRSPs and RRIFs as the exemptions for RRSPs and RRIFs are being incorporated into NI 45-106. The text of the proposed amendments to ASC Rule 45-502 is set out in Schedule B to this notice.
- ◆ amend ASC Rule 72-501 *Distributions to Purchasers Outside Alberta* to update securities legislation and form references. The text of the proposed amendments to ASC Rule 72-501 is set out in Schedule C to this notice.
- ◆ repeal several ASC blanket orders relating to the TSX Venture Exchange short form offering document and transitional provisions for the existing capital raising exemptions contained in MI 45-103 *Capital Raising Exemptions* as these exemptions are being carried forward in NI 45-106. We also propose to repeal ASC Blanket Order dated October 10, 1991 dealing with Self-Directed Registered Education Savings Plans because it appears to be outdated. We invite specific comment on whether the registration and prospectus exemption provided for the establishment of self-directed registered education savings plans are still required. The repeals are itemized in Schedule D to this notice.

ASC Recommendations for Amendments to the Securities Act

In order to facilitate full implementation of NI 45-106 in Alberta, the ASC will recommend to the Alberta Government that the registration and prospectus exemptions currently found in sections 85, 86, 87 and 131 of the *Securities Act* and related transitional provisions and filing requirements be repealed. Most of the current exemptions will be carried forward as harmonized exemptions in NI 45-106. Those few exemptions being retained, but not being carried forward in NI 45-106, will be moved into the ASC (General) Rules along with related transitional provisions.

Those exemptions that are not being retained either as harmonized national exemptions or local Alberta exemptions are listed below:

- ◆ section 86(1)(g) - trade by pledgee, mortgagee or encumbrancer to liquidate a debt
Explanation of repeal: This exemption is being repealed because we do not believe that there continues to be a valid rationale for this registration exemption.
- ◆ section 86(1)(k) - execution of unsolicited orders through a registered dealer by a financial institution. We are repealing this exemption as financial institutions can rely on the accredited investor exemption to execute unsolicited orders.
- ◆ section 86(1)(l) - trade in a bond or debenture by way of an unsolicited order given to a financial institution if the financial institution is acting as principal and the bond or debenture is (i) acquired from a registered dealer for the trade, or (ii) sold to a registered dealer for the trade. We are repealing this exemption as financial institutions can rely on the accredited investor exemption in this situation.
- ◆ section 86(1)(hh) - trade by a trust corporation if (i) the trade is through its offices in securities of a mutual fund that is promoted, managed and administered by the trust corporation, and (ii) no sales or other acquisition charges are levied. This exemption is being repealed because there is no underlying rationale for exempting trust corporations and not other financial institutions.
- ◆ section 87(j) - securities bought and sold by a prospector to finance a prospecting expedition. This exemption is being repealed in all jurisdictions as it is outdated. Mining issuers and prospectors will now look to the new petroleum, natural gas and mining properties exemption in NI 45-106.
- ◆ section 143 (b) - options to sell or purchase securities known as puts and calls. This exemption is being repealed because the exemption has not been available to issuers as the ASC has never recognized an exchange for the purposes of this exemption.
- ◆ sections 66(a) and 122(a) of the ASC (General Rules) - di minimus rights offering exemptions. This exemption is being repealed because it is duplicative. Issuers should look to the di minimus exemption in Part 10 of NI 45-101 *Rights Offerings*.

Those exemptions being retained as local exemptions in the ASC (General) Rules include the exempt purchaser, promoter, cooperatives under the *Cooperative Act* and corporations under the *Rural Utilities Act* exemptions. Several of these exemptions will be modified before being re-enacted in the rules. For example, the current exemption in section 87(h) of the Act will only apply to issuers under the Rural Utilities Act as the *Co-operative Associations Act* is being repealed effective March 31, 2005. Alberta cooperatives issuing membership and investment shares will now look to the current exemptions found in section 87(h.1) and (h.2). The current exemptions provide for the Commission to prescribe a cap on the total value of membership shares issued to each member under section 87(h.1) and additional conditions over and above the 12 month membership requirement for the issuance of investment shares to members.

We invite specific comment on

1. Should the total value of membership shares issuable to a member should be capped and if so, what should that monetary cap be?

In Saskatchewan under the *New Generation Cooperatives Regulations*, the monetary cap is set at \$1000. In BC, the monetary cap on membership shares under the current cooperatives exemption is \$5,000, while under the new regulatory regime they will be excluded from the definition of *security*.

2. Should the issuance of investment shares to members of a cooperative be subject to any or a combination of the following conditions:
 - a 12 month membership requirement
 - a cap on the number of members
 - a cap on the total value of investment shares issued to members
 - a cap on the funds raised in reliance on the exemption (similar to the \$100,000 maximum in Saskatchewan under prescribed conditions)

In Saskatchewan under the *New Generation Cooperatives Regulations*, a monetary cap of \$100,000 is imposed on the sale of securities of the cooperative to members only for specified purposes. Under the old BC exemption, the issuance of investment shares was subject to the first three conditions listed above, with a 12 month membership requirement, a cap on total members of 150 and a \$5000 cap on the maximum total value of investment shares (together with the value of membership and investment shares already held by the member).

3. Should the exemption for options currently found in section of the Act and Forms 25 and 26 dealing with put and call options be retained and the exemption moved into the ASC General Rules? It appears that no one has been able to rely on the exemption as the Commission has never recognized an exchange for the purposes of s. 142 of the Act. In addition two of the three Canadian exchanges not longer continue to have members.

We also invite specific comment on our recommendation to repeal the registration exemption for trades in securities of securities of a mutual fund promoted, managed and administered by a trust corporation, which has been in place since 1984 but is not available to other financial institutions.

The ASC's recommendations for statutory amendments are set out in Schedule E to this notice.

Request for Comment

We request your comments on the proposed amendments to Alberta securities laws by March 18, 2005.

How to Provide Your Comments

Please provide your written comments prior to March 18, 2005. We will be publishing comment letters on our website and therefore cannot maintain confidentiality of submissions.

Please address your submission to:

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If you are not sending your comments by e- mail, please send a diskette containing your comments (in DOS or Windows format, preferably Word).

Schedule A

AMENDMENTS TO ALBERTA SECURITIES COMMISSION (GENERAL) RULES

PART 1 AMENDMENTS TO ASC (GENERAL) RULES

1.1 Amendment - The Alberta Securities (General) Rules are amended by;

(a) repealing the following provisions:

- (1) section 65
- (ii) section 66
- (iii) section 66.1
- (iv) section 66.2
- (v) section 68 (capital accumulation plans)
- (vi) section 70 (filings by international banks)
- (vii) section 122
- (viii) section 122.1
- (ix) section 122.2
- (x) section 123(capital accumulation plan)
- (xi) section 123.1
- (xii) section 126

(b) adding the following provision before section 69:

68.1 Registration exemption for exempt purchaser - The dealer registration requirement does not apply to a trade of a security if the party purchasing as principal is recognized by the Commission as an exempt purchaser.

(c) adding the following after section 69:

69.1 Registration exemption for promoter - The dealer registration requirement does not apply to a trade by an issuer in securities of its own issue with a promoter of the issuer or by a promoter of an issuer in securities of the issuer with another promoter of the issuer.

69.2 Registration exemption for issuers under the Rural Utilities Act - The dealer registration requirement does not apply to a trade of a voting security of a [corporation] to which the *Rural Utilities Act* applies.

69.3 Registration exemption for cooperative membership shares - The dealer registration requirement does not apply to a trade of membership shares, including member loans deemed to be membership shares as defined in the *Cooperatives Act*, issued by a cooperative to which that Act applies, if

- (i) the aggregate acquisition cost to the members in any one year, excluding the cost to the members of membership shares and member loans paid for by the application of patronage returns as defined under that Act, is not greater than \$1000, or
- (ii) the shares are paid for by the application of patronage dividends as defined in that Act credited to the members or holders of investment shares.

69.4 Registration exemption for cooperative investment shares - The dealer registration requirement does not apply to a trade in investment shares as defined in the Cooperatives Act, issued by a cooperative pursuant to that Act, other than a cooperative under Division 1 or 4 of Part 18 of that Act, if the investment shares are purchased only by members of the cooperative who have been members of the cooperative for at least 12 months before the share purchase.

69.5 Transitional: exemption of trades

(1) In this section,

- (a) "eligible party" means,
 - (i) with respect to a trade in a previously traded section 86(1)(y) security,
 - (A) in the case of a person or company disposing of a previously traded section 86(1)(y) security, the person or company that holds that security, and
 - (B) in the case of a person or company acquiring a previously traded section 86(1)(y) security, a person or company that already holds or has held a previously traded section 86(1)(y) security of the kind that is being acquired;
 - (ii) with respect to a trade in a previously traded section 86(1)(z) security,

- (A) in the case of a person or company disposing of a previously traded section 86(1)(z) security, the person or company that holds that security, and
 - (B) in the case of a person or company acquiring a previously traded section 86(1)(z) security, a person or company that already holds or has held a previously traded section 86(1)(z) security of the kind that is being acquired;
- (b) "previously traded section 86(1)(y) security" means a security that was traded pursuant to the exemption contained in section 86(1)(y) prior to the repeal of that provision by section 9 of the *Securities Amendment Act, 2003*;
 - (c) "previously traded section 86(1)(z) security" means a security that was traded pursuant to the exemption contained in section 86(1)(z) prior to the repeal of that provision by section 9 of the *Securities Amendment Act, 2003*.

(2) The dealer registration requirement does not apply to the following trades in securities:

- (a) with respect to a previously traded section 86(1)(y) security, a trade in that security if all the parties to that trade are eligible parties;
- (b) with respect to a previously traded section 86(1)(z) security, a trade in that security if all the parties to that trade are eligible parties.

(3) Section 86(2) of the Act, as it existed prior to its repeal by [section * of the *Securities Amendment Act, 2005*], applies to subsection (2) of this section in the same manner as it applied to section 86(1) prior to the repeal of that provision by [section * of the *Securities Amendment Act, 2005*].

- (c) adding the following provisions before section 127.1

127.01 Prospectus exemption for exempt purchaser - The prospectus requirement does not apply to a distribution of a security if the party purchasing as principal is recognized by the Commission as an exempt purchaser.

127.02 Prospectus exemption for promoter - The prospectus requirement does not apply to a trade by an issuer in securities of its own issue with a promoter of the issuer or by a promoter of an issuer in securities of the issuer with another promoter of the issuer.

127.03 Prospectus exemptions for cooperatives and corporations under the Rural Utilities Act - The prospectus requirement does not apply to a distribution of securities referred to in sections 69.1, 69.2, 69.3 and 69.4 of the Rules.

127.04 Prospectus exemption for options - The prospectus requirement does not apply to a distribution of securities that are options to sell or purchase securities known as puts and call or any combination of them that provide that the holder of them may sell or purchase from the writer of an option a specified amount of securities at a specific price on or prior to a specified date or the occurrence of a specified event, if

- (i) the option has been written by a member of an exchange recognized by the Commission for that purpose or the performance under the option is guaranteed by a member of an exchange recognized by the Commission for that purpose, or
- (ii) the option is in the form prescribed by the regulation.

127.04 Transitional: exemption of trades

(1) In this section,

- (a) "eligible party" means,
 - (i) with respect to a trade in a previously traded section 131(1)(q) security,
 - (A) in the case of a person or company disposing of a previously traded section 131(1)(q) security, the person or company that holds that security, and
 - (B) in the case of a person or company acquiring a previously traded section 131(1)(q) security, a person or company that already holds or has held a previously traded section 131(1)(q) security of the kind that is being acquired;
 - (ii) with respect to a trade in a previously traded section 131(1)(r) security,
 - (A) in the case of a person or company disposing of a previously traded section 131(1)(r) security, the person or company that holds that security, and
 - (B) in the case of a person or company acquiring a previously traded section 131(1)(r) security, a person or company that already holds or has held a previously traded section 131(1)(r) security of the kind that is being acquired;
- (b) "previously traded section 131(1)(q) security" means a security that was traded pursuant to the exemption contained in section

131(1)(q) prior to the repeal of that provision by section 13 of the *Securities Amendment Act, 2003*;

- (c) "previously traded section 131(1)(r) security" means a security that was traded pursuant to the exemption contained in section 131(1)(r) prior to the repeal of that provision by section 13 of the *Securities Amendment Act, 2003*.

(2) The prospectus requirement does not apply to the following distributions:

- (a) with respect to a previously traded section 131(1)(q) security, a trade in that security if all the parties to that trade are eligible parties;
- (b) with respect to a previously traded section 131(1)(r) security, a trade in that security if all the parties to that trade are eligible parties.

(3) Section 131(2) of the Act, as it existed prior to its repeal by [section * of the *Securities Amendment Act, 2005*], applies to subsection (2) of this section in the same manner as it applied to section 131(1) prior to the repeal of that provision by [section * of the *Securities Amendment Act, 2005*].

(d) repealing and restating section 127.1 as follows:

127.1 Offering memorandum required for exempt purchaser and minimum amount investment exemptions

(1) If any document purporting to describe the business and affairs of the issuer and prepared for review by prospective purchasers to assist in making an investment decision in respect of the securities being sold is delivered to a purchaser under section 127.01 of the Rules or section 2.10 of National Exemption 45-106 *Prospectus and Registration Exemptions* ("NI 45-106"), in respect of an offering commenced on or after [insert the effective date of NI 45-106], the issuer must deliver to the purchaser, at the same time or before the purchaser signs the agreement to purchase the security, an offering memorandum in a form that

- (a) complies with sections 2.9 (11) to (14) and 6.4 of NI 45-106, or
- (b) includes
 - (i) the certificate required by section 2.9(11) to(14) and
 - (ii) a statement describing the rights of actions provided by section 204 of the Act and the time limits specified by section 211 of the Act in which an action to enforce a right under section 204 must be commenced.

(2) Subsection (1) does not apply if the documents delivered consist only of one or more of the following

- (a) an annual report, annual information form, interim report,
- (b) information circular, take-over bid circular, issuer bid circular, prospectus, or
- (c) continuous disclosure document, the content of which is prescribed by Alberta securities law,

that has been filed.

(3) The issuer must update the offering memorandum and any required update of a previously filed offering memorandum on or before the 10th day after each distribution under the offering memorandum or an update of the offering memorandum.

(d) repealing and restating section 127.2 as follows:

127.2 Offering memorandum filing requirements - An issuer that delivered an offering memorandum under

- (a) section 127.01 of the Rules,
- (b) section 2.10 of NI 45-106,
- (c) section 122.2 of the Rules, as it existed prior to its repeal on [insert the effective date of NI 45-106],
- (d) section 131(c) of the Act as it existed prior to its repeal by the [*Securities Amendment Act, 2005*], or
- (e) section 131(d), (q), (r), (s), (t) or (bb) of the Act, as they existed prior to their repeal by the Securities Amendment Act, 2003,

must file a copy of the offering memorandum and any required update of a previously filed offering memorandum on or before the 10th day after each distribution under the offering memorandum or an update of the offering memorandum.

(e) repealing and restating section 129.1 as follows:

129.1 Report of exempt distribution - An issuer that makes a distribution under section 127.01 must, on or before the 10th day following completion of the distribution, file a report in accordance with Form 45-106F1 *Report of Exempt Distribution*.

(f) repealing and restating section 129.2 as follows:

129.2 Transitional provision re report of exempt distribution

(1) An issuer that makes a distribution under

- (a) section 131(1)(a), (d), (q), (r), (s), (t), (u), or (bb) of the Act, as they existed prior to their repeal by the *Securities Amendment Act, 2003*,
- (b) section 131(b), (c), (l) or (m) of the Act, as they existed prior to their repeal by the [*Securities Amendment Act, 2005*],
- (c) section 122(d) or 122.2 of the Rules as they existed prior to their repeal on [insert effective date of NI 45-106],

must, on or before the 10th day following completion of the distribution, file a report in accordance with Form 45-106F1 *Report of Exempt Distribution*.

PART 2 EFFECTIVE DATE

2.1 Effective Date - These amendments are effective ●.

Schedule B

**Amendments to Alberta Securities Commission
Rule 45-502 *Trade with RRSP, RRIF or RESP***

PART 1 AMENDMENTS TO ASC RULE 45-502

1.1 **Amendment** - Alberta Securities Commission Rule 45-502 *Trade with RRSP, RRIF or RESP* is amended to strike all references to “RRSP” and “RRIF” wherever they appear in that instrument.

PART 2 EFFECTIVE DATE

2.1 **Effective Date** - These amendments are effective ●.

Schedule C

Amendments to Alberta Securities Commission Rule 72-501
Distributions to Purchasers Outside Alberta

PART 1 AMENDMENTS TO ASC RULE 72-501

1.1 Amendment - Alberta Securities Commission Rule 72-501 *Distributions to Purchasers Outside Alberta* is amended by:

- (a) in section 2.1, striking “sections 85 and 131” and substituting “sections 75 and 110”,
- (b) in section 2.3, striking “Form 45-103F4” and substituting “Form 45-106 F4”,
- (c) in section 3.1, striking “sections 54 and 81” and substituting “sections 75 and 110”,
- (d) in section 3.2, by striking “in section 2.5 of MI 45-102” and substituting “in section 2.5 of NI 45-102”, and
- (e) in section 3.3, by striking “Form 45-103F4” and substituting “Form 45-106 F4”.

PART 2 EFFECTIVE DATE

2.1 Effective Date - These amendments are effective ●.

Schedule D

**REPEAL OF CERTAIN ALBERTA SECURITIES COMMISSION
BLANKET ORDERS**

PART 1 REPEAL OF CERTAIN ASC BLANKET ORDERS

1.1 Repeals - The following ASC Blanket Orders are repealed:

- (a) ASC Blanket Order 45-507 *Offerings by TSX Venture Exchange Short Form Offering Document*
- (b) ASC Blanket Order 45-510 *Transitional Provision regarding Multilateral Instrument 45-103 Capital Raising Exemptions*
- (c) ASC Blanket Order entitled *In the Matter of Self-directed Registered Education Savings Plans* dated October 10, 1991

PART 2 EFFECTIVE DATE

2.1 Effective Date - These amendments are effective ●.

Schedule E

**ALBERTA SECURITIES COMMISSION RECOMMENDATIONS
FOR AMENDMENTS TO THE *SECURITIES ACT***

The Alberta Securities Commission will recommend to the Alberta Government that the following provisions of the *Securities Act* be repealed:

| Securities Act Reference | NI 45-106 Reference |
|---------------------------------|---|
| section 85 | to be replaced by s. 3.7 of NI 45-106 |
| section 86(1)(a) | to be replaced by s. 3.4 of NI 45-106 |
| section 86(1)(b) | to be replaced by s.2.31/3.3 of NI 45-106 |
| section 86(d) | to be restated in ASC (General) Rules |
| section 86(1)(f) | to be replaced by s. 2.33 of NI 45-106 |
| section 86(1)(g) | no equivalent |
| section 86(1)(h) | to be replaced by s. 3.5 of NI 45-106 |
| section 86(1)(j) | to be replaced by s. 3.1 of NI 45-106 |
| section 86(1)(k) | to be replaced by s. 3.1 of NI 45-106 |
| section 86(1)(l) | to be replaced by s. 3.1 of NI 45-106 |
| section 86(1)(m) | to be replaced by s. 2.11/2.32/2.43 |
| section 86(1)(n) | to be replaced by s. 2.32 of NI 45-106 |
| section 86(1)(o) | to be replaced by s. 2.1 of NI 45-106 |
| section 86(1)(p) | to be replaced by s. 2.11 of NI 45-106 |
| section 86(1)(q) | to be replaced by s. 2.16 of NI 45-106 |
| section 86(1)(r) | to be replaced by s. 2.16 of NI 45-106 |
| section 86(1)(s) | to be replaced by s. 2.12 of NI 45-106 |
| section 86(1)(t) | to be replaced by s. 2.15 of NI 45-106 |
| section 86(1)(cc) | to be replaced by s. 2.2 of NI 45-106 |
| section 86(1)(dd) | to be replaced by s. 2.11 of NI 45-106 |

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|-------------------|---|
| section 86(1)(ee) | to be replaced by s. 2.16 of NI 45-106 |
| section 86(1)(hh) | no equivalent |
| section 86(1)(ii) | no equivalent |
| section 86(2) | |
| section 86.1 | to be moved into ASC (General) Rules |
| section 87(a) | to be replaced by s. 2.35 of NI 45-106 |
| section 87(b) | to be replaced by s. 2.35 of NI 45-106 |
| section 87(c) | to be replaced by s. 2.20/2.21 of NI 45-106 |
| section 87(d) | to be replaced by s. 2.36 of NI 45-106 |
| section 87(e) | to be replaced by s. 2.37 of NI 45-106 |
| section 87(f) | to be replaced by s. 2.38 of NI 45-106 |
| section 87(g) | to be replaced by s. 2.39 of NI 45-106 |
| section 87(j) | no equivalent |
| section 87(k) | to be replaced by s. 2.13 of NI 45-106 |
| section 87(h) | to be restated in amended form in ASC (General) Rules |
| section 87(h.1) | to be restated in ASC (General) Rules |
| section 87(h.2) | to be restated in ASC (General) Rules |
| section 87(l) | to be replaced by s. 2.40 of NI 45-106 |
| section 88 | to be replaced by s. 3.2 of NI 45-106 |
| section 89 | to be replaced by s. 1.4(2) of NI 45-106 |
| section 131(1)(b) | to be replaced by s. 2.31 of NI 45-106 |
| section 131(1)(c) | to be restated in ASC (General) Rules |
| section 131(1)(e) | to be replaced by s. 2.33 of NI 45-106 |
| section 131(1)(f) | to be replaced by s. 2.11/2.32/2.43 |
| section 131(1)(g) | to be replaced by s. 2.32 of NI 45-106 |

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|--------------------|--|
| section 131(1)(h) | to be replaced by s. 2.1 of NI 45-106 |
| section 131(1)(i) | to be replaced by s. 2.11 of NI 45-106 |
| section 131(1)(j) | to be replaced by s. 2.16 of NI 45-106 |
| section 131(1)(k) | to be replaced by s. 2.16 of NI 45-106 |
| section 131(1)(l) | to be replaced by s. 2.12 of NI 45-106 |
| section 131(1)(m) | to be replaced by s. 2.13 of NI 45-106 |
| section 131(1)(n) | to be replaced by s. 2.15 of NI 45-106 |
| section 131(1)(x) | to be restated in ASC (General) Rules |
| section 131(1)(y) | to be replaced by s. 2.2 of NI 45-106 |
| section 131(1)(z) | to be replaced by s. 2.11 of NI 45-106 |
| section 131(1)(aa) | to be replaced by s. 2.16 of NI 45-106 |
| section 131(1)(cc) | no equivalent |
| section 131(2) | no equivalent |
| section 131.1 | to be restated in ASC (General) Rules |
| section 132 | requirements found in ASC (General) Rules |
| section 142 | consolidated in section 141 of the ASC (General) Rules |
| section 143 | modified and restated in amended form in ASC (General) Rules |

The Alberta Securities Commission will also recommend to the Alberta Government that the section 141 of the *Securities Act* be amended by adding the following after subsection (3):

- (4) For the purpose of this section, an issuer is deemed to have been a reporting issuer as of the date that it met the condition of the appropriate subclause of section 1(ccc) if,
- (a) it is currently in compliance with the requirements of Alberta securities laws, and
 - (b) in the case of qualification under section 1(ccc), it is currently listed and posted for trading on an exchange in Alberta recognized by the Commission.