

ALBERTA SECURITIES COMMISSION

NOTICE

**PROCLAMATION OF THE SECURITIES AMENDMENT ACT, 2003
AND
THE REPEAL AND REPLACEMENT OF ASC BLANKET ORDER 51-508**

March 18, 2005

On **March 30, 2005**, the remaining provisions of the *Securities Amendment Act, 2003* relating to continuous disclosure and proxies and proxy solicitation requirements will come into force. The text of sections 18 to 26 and 33 of the *Securities Amendment Act, 2003* which come into force on March 30th is set out below:

18 Section 146 is repealed and the following is substituted:

Disclosure of material changes

146 When a material change occurs with respect to a reporting issuer, the reporting issuer shall make disclosure of the material change as provided under the regulations.

19 Section 148 is repealed.

20 Section 149 is repealed and the following is substituted:

Filing financial statements

149 A reporting issuer shall file financial statements

- (a) prepared, reviewed and approved as provided for under the regulations, and
- (b) accompanied with those reports, if any, that are required under the regulations.

21 Section 150 is repealed and the following is substituted:

Sending of financial statements

150 A reporting issuer must, in accordance with the regulations, send financial statements to those persons and companies that under the regulations are to be provided with the financial statements.

22 Section 152 is repealed and the following is substituted:

Other continuous disclosure

152 If the regulations require a reporting issuer to provide information that is in addition to the information referred to in sections 146 to 151, the reporting issuer must, with respect to that additional information, do so in accordance with the regulations governing the preparation, form, content, review, audit, approval, certification, filing, delivery and use of information to or in respect of security holders under this Part.

23 Section 154 is amended

- (a) **by repealing clause (a);**
- (b) **in clause (b)(iv) by striking out “under section 155” and substituting**

“pursuant to the regulations”.

24 Sections 155 and 156 are repealed.

25 The following is added after section 157:

Proxies and information circular

157.1(1) Where the regulations provide for the form, content, filing and sending of information circulars or form of proxy, any person or company that sends or is required to send an information circular or a form of proxy to security holders of a reporting issuer must do so in accordance with those regulations.

(2) A proxy that is executed by a security holder may confer authority, and is subject to any restrictions, as prescribed or otherwise provided for under the regulations.

26 Section 194(1)(g) is amended

(a) by striking out “section 146(1) or (4)” and substituting “section 146”;

(b) by striking out “section 150;”, “section 155;”, “section 156(1);” and “section 157(2);” and substituting the following :

section 149;
section 150;
section 152;
section 157(2);
section 157.1;

33 Section 212 is repealed.

Background

The Securities Amendment Act, 2003 received royal assent on May 16th and has been proclaimed in force in stages. Sections 1-8, 16, 17 and 34 to 37 of the *Securities Amendment Act, 2003* were proclaimed in force on June 10, 2003, while sections 9 to 15, 27 to 32 and 38 of the *Securities Amendment Act, 2003* were proclaimed in force on June 16, 2003. Proclamation of the remaining provisions of the *Securities Amendment Act, 2003* was deferred until the new harmonized continuous disclosure regimes for investment funds and all other reporting issuers were fully implemented.

Due to delays in finalizing National Instrument 81-106 Investment Fund Continuous Disclosure (NI 81-106) because of its republication and significant number of comments received, the Commission has requested that the Alberta Government proclaim sections 16 to 26 and 33 of the *Securities Amendment Act, 2003* effective March 30, 2005. To ensure that investment funds remain subject to continuous disclosure and proxy solicitation requirements until NI 81-106 comes into effect in Alberta, the Commission has developed an interim continuous disclosure and proxy solicitation rule for investments funds that are reporting issuers in Alberta.

Interim ASC Rule for Investment Funds

The Commission is implementing ASC Rule 81-501 *Interim Continuous Disclosure and Proxy Solicitation Requirements for Investment Funds* (ASC Rule 81-501) effective March 30, 2005 to “preserve” the current continuous disclosure and proxy related requirements for investment funds that are reporting issuers in Alberta until NI 81-106 is fully implemented. Further details about ASC Rule 81-501 are set out in an ASC Notice dated March 11, 2005, while additional information regarding the proposed June 1st implementation of NI 81-106 may be found in a CSA Notice dated March 11, 2005.

Repeal and Replacement of ASC Blanket Order 51-508

ASC Blanket Order 51-508 Interim Relief from Certain Continuous Disclosure and Proxy Solicitation Requirements dated February 6, 2004 provided relief from certain continuous disclosure and proxy solicitation provisions of the Act not yet repealed or amended when National Instrument 51-102 *Continuous Disclosure Obligations* was implemented on March 30, 2004. With the proclamation of the remaining provisions of the *Securities Amendment Act, 2003* on March 30, 2005, the interim relief provided by ASC Blanket Order 51-508 will no longer be required.

It is necessary, however, to retain the requirements currently contained in sections 149 and 150 of the *Securities Act* and sections 151 and 160 of the ASC (General) Rules for annual financial statements for financial years beginning prior to January 1, 2004 as the 140-day filing deadline for those financial statements will not have run by March 30, 2005.

Effective March 30th, the Commission will revoke and replace ASC Blanket Order 51-508 dated February 6, 2004 with a new blanket order that preserves the continuous disclosure and proxy solicitation requirements of sections 149 and 150 of the *Securities Act* and sections 151 and 160 of the ASC Rules for annual financial statements for financial years beginning prior to January 1, 2004. ASC Blanket Order 51-508 dated March 16, 2005 can be accessed through the Commission’s website.

Website Access

This notice, new ASC Blanket Order 51-508 and the *Securities Amendment Act, 2003* can be accessed through the Commission website at www.albertasecurities.com (under Securities Law and Policy).