

ALBERTA SECURITIES COMMISSION

NOTICE

Local Consequential Amendments Relating to:

National Instrument 51-102
Continuous Disclosure Obligations

and

National Instrument 71-102
Continuous Disclosure and Other Exemptions Relating to Foreign Issuers

February 6, 2004

This Alberta Securities Commission (the "ASC") Notice supplements the ASC Notice issued on December 19, 2003 (the "December Notice") concerning the following national instruments:

- National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102") and its related forms and companion policy, and
- National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* ("NI 71-102") and its related companion policy.

In conjunction with implementing NI 51-102 and NI 71-102, the ASC has made other changes to current Alberta securities laws and ASC policies (collectively, "Local Changes"), as described in the December Notice. One of those Local Changes was the implementation of ASC Blanket Order 51-507, providing interim blanket exemptions from certain provisions of the *Alberta Securities Commission Rules (General)* (the "ASC Rules"). Blanket Order 51-507 was issued in anticipation of the proclamation of certain provisions of Bill 14, the *Securities Amendment Act, 2003* (Alberta), as described in the December Notice. It now appears that proclamation of those provisions will be deferred pending, among other things, the implementation of National Instrument 81-106 *Investment Fund Continuous Disclosure* ("NI 81-106").

Accordingly, the ASC has approved Blanket Order 51-508 *Interim Relief from Certain Continuous Disclosure and Proxy Solicitation Requirements*, which replaces Blanket Order 51-507 and expands the interim blanket exemptions granted to issuers who are subject to NI 51-102 to include relief from certain provisions of the *Securities Act* (Alberta) (the "Act"), listed below.

Provisions of the Act affected by Blanket Order 51-508

- section 146;
- section 148;
- section 149;
- section 150;

- section 152;
- section 155; and
- section 156.

Blanket Order 51-508 also effectively limits the application of ASC Rules listed below to investment funds only, as Blanket Order 51-507 did.

ASC Rules affected by Blanket Order

- section 143;
- section 146;
- section 147;
- section 148;
- section 151;
- section 160;
- section 162;
- section 163;
- section 164;
- section 165;
- section 166;
- section 167;
- section 168; and
- section 169.

Further Information

Please direct your questions concerning implementation in Alberta of NI 51-102, NI 71-102 and the related documents to either of the following:

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**ALBERTA SECURITIES COMMISSION
BLANKET ORDER**

**Sections 213 and 214 of the *Securities Act*
(R.S.A. 2000, c. S-4, as amended)
and National Instrument 51-102
*Continuous Disclosure Obligations***

***Interim Relief from Certain Continuous Disclosure
and Proxy Solicitation Requirements***

Background

- (a) National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102") has been made an Alberta Securities Commission Rule, effective March 30, 2004.
- (b) NI 51-102 will apply to reporting issuers other than "investment funds", as defined in NI 51-102, and is intended to supersede and replace a number of continuous disclosure and proxy solicitation provisions currently contained in the *Securities Act* (Alberta) (the "Act") and the *ASC Rules (General)* (the "Rules").
- (c) Under the terms of NI 51-102, Part 9 *Proxy Solicitation and Information Circulars* of NI 51-102 ("Part 9") will not come into effect until June 1, 2004.
- (d) Proposed National Instrument 81-106 *Investment Fund Continuous Disclosure* ("NI 81-106") will address continuous disclosure and proxy solicitation obligations of investment funds, but its implementation is expected to occur after implementation of NI 51-102.
- (e) Certain amendments to and repeals of provisions of the Act (the "Amendments") concerning continuous disclosure and proxy solicitation are awaiting proclamation.
- (f) It is expected that certain continuous disclosure and proxy solicitation provisions of the Rules will be repealed with effect upon or after the later of the implementation of NI 51-102 and the implementation of NI 81-106.
- (g) On December 18, 2003 the Commission issued Blanket Order 51-507 to provide transitional relief from certain provisions of the Rules upon the implementation of NI 51-102, which relief was premised on the expectation that the Amendments would be proclaimed in force concurrently with the implementation of NI 51-102.

- (h) It is now expected that the Amendments will not be proclaimed in force with effect prior to the later of the implementation of NI 51-102 and the implementation of NI 81-106.
- (i) The Commission considers that it is desirable:
 - (i) to permit reporting issuers to comply with Part 9 instead of with the provisions of the Act and the Rules specified in paragraphs 2(a)(i) and (ii) of this blanket order (collectively, the “Current Proxy Requirements”) from March 30, 2004 to June 1, 2004;
 - (ii) to exempt reporting issuers that are subject to, and comply with, NI 51-102 from the provisions of the Act and the Rules specified in paragraphs 2(b)(i) and (ii) and 2(c)(i) and (ii) of this blanket order (collectively, the “Current CD Requirements”), from March 30, 2004 until the repeal or amendment, as applicable, of the Current CD Requirements; and
 - (iii) to exempt reporting issuers that are subject to, and comply with, NI 51-102 from the Current Proxy Requirements from June 1, 2004 until the repeal of the Current Proxy Requirements.

Order

1. IT IS HEREBY ORDERED pursuant to section 214 of the Act that Blanket Order 51-507 is revoked;
2. IT IS HEREBY FURTHER ORDERED pursuant to section 213 of the Act that:

Permission for interim application of the new proxy requirements

- (a) from March 30, 2004 until June 1, 2004, a reporting issuer that is subject to NI 51-102 and that complies with Part 9 is exempt from:
 - (i) subsection 152(1) and sections 155 and 156 of the Act; and
 - (ii) sections 163 through 169 of the Rules;

Exemption from Current CD Requirements relating to financial statements

- (b) from March 30, 2004, a reporting issuer that is subject to NI 51-102 and complies with Part 4 *Financial Statements* of NI 51-102 is exempt from:
 - (i) sections 148, 149 and 150 of the Act; and
 - (ii) sections 146, 147, 148, 151 and 160 of the Rules;

for financial statements relating to financial years commencing on or after January 1, 2004 and to interim periods within those financial years;

Exemption from other Current CD Requirements

- (c) from March 30, 2004, a reporting issuer that is subject to NI 51-102 and complies with Part 7 *Material Change Reports* of NI 51-102 is exempt from section 146 of the Act and section 143 of the Rules;
- (d) from March 30, 2004, a reporting issuer that is subject to NI 51-102 is exempt from subsection 152(2) of the Act and section 162 of the Rules; and

Permanent exemption from Current Proxy Requirements

- (e) from June 1, 2004, a reporting issuer that is subject to NI 51-102 and complies with Part 9 is exempt from the Current Proxy Requirements.

DATED at the City of Calgary)
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in the Province of Alberta) "original signed by"
) Glenda A. Campbell, Q.C., Vice-Chair
this 6th day of February, 2004)
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) "original signed by"
) Stephen R. Murison, Vice-Chair
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