

Notice and Request for Comment
on
Proposed Multilateral Instrument 11-101 *Principal Regulator System*
Form 11-101F1 *Principal Regulator Notice* and
Companion Policy 11-101CP *Principal Regulator System*
and
Consequential amendments to
National Policy 31-201 *National Registration System*
National Policy 43-201 *Mutual Reliance Review System for Prospectuses*
National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* and
Multilateral Instrument 81-104 *Commodity Pools*.

May 27, 2005

This notice describes a set of rule and policy initiatives intended to simplify the securities regulatory system for issuers and registrants that have their securities traded or deal with clients in more than one Canadian jurisdiction.

National and multilateral initiatives

The Canadian Securities Administrators (CSA), other than the Ontario Securities Commission (OSC), are publishing for a 60 day comment period the following draft documents:

- Multilateral Instrument 11-101 *Principal Regulator System*;
- Form 11-101F1 *Principal Regulator Notice*; and
- Companion Policy 11-101CP *Principal Regulator System*;

(collectively, the proposed instrument).

CSA, including the OSC, are also publishing proposed amendments to the following national policies and instruments:

- National Policy 31-201 *National Registration System* (NP 31-201);
- National Policy 43-201 *Mutual Reliance Review System for Prospectuses* (NP 43-201)¹;
- National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (NI 51-101);
and
- Multilateral Instrument 81-104 *Commodity Pools* (MI 81-104).

(collectively, the proposed amendments).

Local amendments

Some jurisdictions may also have to make consequential amendments to local instruments. CSA members are publishing amendments to local instruments under separate local notices.

¹ In Québec, this policy is adopted as Notice 43-201 Relating to the Mutual Review Reliance System for prospectuses and annual information forms.

In Québec, amendments to the Regulations respecting securities (R.R.Q. c. V-1.1, r.1) were published for comment on March 11, 2005. Furthermore, in Québec, mutual fund dealers (group savings plan brokerage firms) and their representatives are regulated under the *Act respecting the distribution of financial products and services*. Regulatory provisions will likely have to be adopted under that Act by the Autorité des marchés financiers (AMF) to permit implementation of the proposed instrument. Finally, in Québec, the proposed instrument will include a reference provision (section 1.2) that will direct the reader to an additional appendix (Appendix C). This appendix will set out the complete references of all regulatory and other relevant texts mentioned in the proposed instrument.

British Columbia is also considering a new instrument that would revoke and replace BC Instrument 51-801 *Implementing National Instrument 51-102 Continuous Disclosure Obligations* to deal with the outcome of CSA discussions on the differences in part 8 (business acquisition report) and part 10 (restricted securities) of NI 51-102 *Continuous Disclosure Obligations* (NI 51-102). For further information on the results of these discussions, see *Differences in requirements* below. The British Columbia Securities Commission (BCSC) will publish the proposed new instrument for comment under a separate local notice.

In addition, British Columbia is considering adopting Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* and will be publishing it for comment under its local notice.

Publication and request for comments

CSA are publishing the text of the proposed instrument and proposed amendments concurrently with this notice. The proposed amendments are attached to the notice as Appendices A (amendments to NP 31-201), B (blacklined version of NP 43-201), C (amendments to NI 51-101) and D (amendments to MI 81-104). You can find them on websites of certain CSA members, including the following:

www.bsc.bc.ca

www.albertasecurities.com

www.sfsc.gov.sk.ca

www.msc.gov.mb.ca

www.lautorite.qc.ca

www.nbsc-cvmnb.ca

www.gov.ns.ca/nssc/

We request comments by July 27, 2005. Our target for implementing the proposed instrument and proposed amendments is late August 2005.

Purpose and scope

The purpose of the proposed instrument and proposed amendments is to implement, in certain areas of securities regulation, a system that gives a market participant access to the capital markets in multiple jurisdictions by dealing with its principal regulator. A market participant's principal regulator will usually be the regulator in the jurisdiction where its head office is located. A market participant will generally have the same principal regulator under the proposed instrument and the relevant mutual reliance review system (MRRS) established by CSA.

Ontario-based market participants will not be able to rely on the exemptions contained in the proposed instrument, but will continue to be able to use MRRS. The OSC will continue to act as principal regulator under MRRS.

An issuer with a head office outside of Ontario that uses the OSC as its principal regulator under NP 43-201 or NP 12-201 *Mutual Reliance Review System for Exemptive Relief Applications*² (for example, a foreign issuer listed on TSX) could select another jurisdiction to act as principal regulator under the proposed instrument and rely on the exemptions in the proposed instrument. The effect would be that the OSC would still be the issuer's principal regulator under NP 43-201 or NP 12-201, but the other jurisdiction selected by the issuer as principal regulator under the proposed instrument would be the only non-principal jurisdiction under MRRS.

An issuer that has a principal regulator other than the OSC would continue to have to comply with Ontario securities law to the extent it participates in Ontario's capital market, and would continue, when necessary, to file any relief applications with the OSC as its only non-principal regulator under NP 43-201 or NP 12-201.

Prince Edward Island, Newfoundland and Labrador, the Northwest Territories, Yukon and Nunavut do not currently act as principal regulators under NP 43-201. However, they will act as the principal regulator for the prospectus exemptions in Part 4 of the proposed instrument if Ontario is the principal regulator for the prospectus filing under NP 43-201. The OSC will issue the decision document under NP 43-201, evidencing the receipts of all jurisdictions where the prospectus is filed. The receipt for Prince Edward Island, Newfoundland and Labrador, the Northwest Territories, Yukon or Nunavut, evidenced by the decision document issued by Ontario, will be the principal jurisdiction receipt needed for the exemptions in the non-principal jurisdictions under the proposed instrument.

CSA are considering extending the list of jurisdictions that can act as principal regulator. New Brunswick does not currently act as principal regulator under NP 43-201 but is included as a principal regulator in the proposed amendments to NP 43-201 and for purposes of the exemptions under the proposed instrument.

Situation in British Columbia

The BCSC is generally concerned about the outcome of CSA discussions on the differences in the national and multilateral instruments covered by the proposed instrument. The result of these discussions is that British Columbia issuers will not fully benefit from the BCSC's streamlining initiatives if they participate in the Canadian capital markets outside British Columbia.

² In Québec, NP 12-201 is adopted as Notice 12-201 Relating to the Mutual Review Reliance System for Exemptive Relief Applications.

Before deciding whether to adopt the principal regulator system, the BCSC will consider

- comments received on the proposed instrument, the proposed amendments and the other instruments it is publishing for comment to eliminate differences that would not be acceptable under the principal regulator system, and
- the progress made on streamlining and simplifying the business acquisition report (BAR) requirements in NI 51-102.

For further information, see *Background, Differences in requirements* and *Request for comment* below.

Background

On September 30, 2004, the Ministers responsible for securities regulation in most Canadian provinces and territories signed a memorandum of understanding and agreed to an action plan that includes making best efforts to implement a passport system in certain areas of securities regulation by August 1, 2005.³

The Ministers agreed that the system would provide a single window of access to market participants in areas where there are already highly harmonized securities laws across Canada or where highly harmonized securities laws could be achieved quickly. The areas to be covered by the system are prospectus requirements and clearance, registration process, requirements and related filings, continuous disclosure requirements, and prospectus and registration exemptions and routine discretionary exemptions.

Although the Ontario government did not sign the memorandum of understanding, the OSC participated in the development of the proposed instrument and proposed amendments. The OSC is not publishing the proposed instrument for the reasons set out in its local notice.

The proposed instrument and proposed amendments go as far as is possible under current legislation to achieve the memorandum of understanding's objective of permitting a market participant to have access to the capital markets in multiple jurisdictions by dealing with its principal regulator. We refer to this system as the 'principal regulator system'. It applies to areas of securities legislation that are already highly harmonized.

In a second phase of implementing the memorandum of understanding, the Ministers plan to seek legislative amendments to provide securities regulatory authorities with additional powers to delegate and receive delegation, to adopt, recognize or incorporate the provisions of other Canadian jurisdiction's laws, to adopt decisions of other securities regulatory authorities and to issue blanket exemptions tied to compliance with designated requirements in another jurisdiction. This legislation would permit arrangements to take the passport system closer to a one-regulator and one-law model.

³ The Ontario government did not sign the memorandum of understanding. Several other jurisdictions said they would sign it later, after getting governmental approvals, and (except for Prince Edward Island), have now done so.

In a further phase of the project, the Ministers plan to develop and implement highly harmonized and streamlined securities legislation and to review the fee structure to make it consistent with the objectives of the memorandum of understanding.

Summary of Principal Regulator System

System for prospectus filings and clearance

For prospectus filings and clearance, we propose streamlining our MRRS processes and shortening our review periods to move toward having only one decision-maker for each issuer. We also propose exempting issuers from many prospectus-related requirements to move toward having only one law apply.

(i) *Streamline NP 43-201*

CSA propose reducing the time it takes to review a prospectus by getting the non-principal regulators to do their review while (instead of after) the principal regulator does its review. We estimate this would shorten the prospectus review process for long form prospectuses by 5 business days and for short form prospectuses by 1 or 2 business days. This would reduce the review period from 15 to 10 business days for long form prospectuses and from 5 to 3 business days for short form prospectuses.

We also propose making other changes to virtually eliminate the need for issuers to deal with non-principal regulators on any comments. One of these changes would require the principal regulator to forward potential opt-out issues raised by non-principal jurisdictions to the filer and attempt to resolve those issues with the filer on behalf of the non-principal regulator. Another, would require the principal regulator to attempt to resolve differences of opinion on proposed dispositions of novel and substantive pre-filings directly with the non-principal regulator that disagrees with the proposed disposition, rather than requiring the filer to resolve the issue directly with that non-principal regulator.

To implement these changes, we propose amending NP 43-201 and changing our administrative processes. A blacklined version of NP 43-201 is attached showing those amendments. We made the amendments to the version of NP 43-201 published for comment on January 7, 2005 in connection with our proposal to repeal and replace National Instrument 44-101 *Short Form Prospectus Distributions* (NI 44-101). We will coordinate the timing for implementing the two sets of amendments based on when those instruments come into effect.

We would also make adjustments to current administrative practices to ensure that non-principal regulators have an opportunity to provide input on prospectuses for novel investment products or offerings without, to the extent possible, jeopardizing the compressed time periods.

(ii) *Exemption from long form rule or national prospectus rule of a non-principal regulator*

The proposed instrument contains several exemptions that move toward the one-law goal by generally exempting an issuer from prospectus form and content requirements in the non-principal regulators' jurisdictions. This is done in slightly different ways for different kinds of prospectuses.

- ***Long Form Prospectuses***

All jurisdictions, except Québec, already allow or require issuers filing long form prospectuses to comply with OSC Rule 41-501 *General Prospectus Requirements*. In Québec, issuers must

comply with Regulation Q-28 *respecting General Prospectus Requirements*, which is substantially equivalent to OSC Rule 41-501. The exemption for long form prospectuses would therefore require that the issuer

- file its prospectus materials (including any amendments) with the principal regulator and get the necessary receipts,
- file its prospectus materials with the non-principal regulators, and
- if Québec is not the principal regulator, file the prospectus materials required under OSC Rule 41-501, or, if Québec is the principal regulator, file the prospectus materials required under Regulation Q-28.

Issuers will still have to consider the requirements of the non-principal regulators relating to certificates, filings, delivery and fees. The companion policy provides a list of the significant requirements in each jurisdiction that issuers would still have to comply with.

- ***Other types of prospectuses***

The proposed instrument includes a similar exemption from the following national prospectus rules or disclosure requirements:

- Section 2.1 of National Instrument 33-105 *Underwriting Conflicts*⁴
- National Instrument 41-101 *Prospectus Disclosure Requirements*
- National Instrument 44-101 *Short Form Prospectus*
- National Instrument 44-102 *Shelf Prospectus*
- National Instrument 44-103 *Post-Receipt Pricing*
- National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*
- National Instrument 81-101 *Mutual Fund Prospectus Disclosure*
- Part 3 of MI 81-104
- Sections 8.1, 8.2(1) and 8.2(2) of National Instrument 81-105 *Mutual Fund Sales Practices*

The exemptions require that the issuer

- file its prospectus materials (including any amendments) with the principal regulator and get the necessary receipts, and
- file its prospectus materials with the non-principal regulators.

Each non-principal regulator would still, as required by the legislation, be making a decision to issue a receipt for the prospectus, as is now the case under MRRS. This would continue to happen behind the scenes, and the receipt issued by the principal regulator under MRRS would evidence the receipt of the non-principal regulators.

⁴ The AMF has adopted a blanket order (2003-C-0047) that exempts dealers from some Québec local regulatory requirements to the extent they comply with National Instrument 33-105. The AMF is presently evaluating the possibility of replacing this order by a regulation for the purposes of the proposed instrument. In the event that NI 33-105 is not adopted as a regulation in Québec, the blanket order might need to be modified in order to adequately mirror the exemption from Appendix C of NI 33-105 provided for in section 4.2 of the proposed instrument or, alternatively, certain modifications might have to be made to section 4.2 of the proposed instrument in order to reflect Québec's situation.

- ***Prospectus discretionary relief***

The Part 4 exemptions eliminate the need for an issuer to obtain relief from prospectus form and content requirements in non-principal jurisdictions.

This means that an issuer would not have to apply under NP 12-201 or Parts 8 or 9 of NP 43-201, unless it is a reporting issuer in Ontario⁵. Instead, the issuer would request relief only from its principal regulator, and rely on the exemptions in Part 4 of the proposed instrument in its non-principal jurisdictions. The process for pre-filings under Part 9 of NP 43-201, however, would remain the same.

System for registration

CSA implemented National Instrument 31-101 *National Registration System* (NI 31-101) and NP 31-201 on April 4, 2005. NI 31-101 and NP 31-201 will serve as the principal regulator system for the registration process, requirements and related filings. NI 31-101 exempts an applicant for registration from the ‘fit and proper’ requirements of each non-principal jurisdiction if it meets the fit and proper requirements of its principal jurisdiction. NP 31-201 sets out the MRRS process for registration.

To further enhance the system, we are publishing for comment amendments to NP 31-201 that would shorten the decision-making process. This amendment would reduce the opt-in period in NP 31-201 from 5 business days to 2 business days. We plan to monitor the situation during the comment period and, if we conclude that it is administratively possible, to adopt this proposed amendment at the same time as the proposed instrument or after.

The proposed instrument also includes exemptions from the registration requirement of each non-principal jurisdiction for a dealer, unrestricted adviser or representative that has no more than a few eligible clients and a small amount of assets under management in the jurisdiction (the mobility exemptions). An eligible client includes a person who was a client of the registrant immediately before moving to the jurisdiction, and relatives of that client. These exemptions are subject to conditions, including that the dealer, unrestricted adviser or representative be registered in its principal jurisdiction, act fairly, honestly and in good faith and not solicit new clients in the local jurisdiction except for trades in reliance on another registration exemption in the local jurisdiction.

The mobility exemptions remove an irritant for registered firms and representatives. Current securities legislation requires dealers and unrestricted advisers to be registered in all jurisdictions where they have clients. When an existing client moves to a jurisdiction where the firm or representative is not registered, the firm or representative has to decide whether to incur the expense of registering in that jurisdiction or to tell the client to take its business elsewhere. Firms often find this difficult because they do not always have a sufficient number of clients in the jurisdiction to justify the expense of registering the firm or the representative.

Although the OSC is not publishing the proposed instrument, it is looking at other ways to implement similar mobility exemptions. If the OSC adopts mobility exemptions that are

⁵ If an issuer files a prospectus in Ontario and the issuer’s head office is not in Ontario, the issuer must make any application for relief with its principal regulator, as determined under the proposed instrument, and with the OSC under NP 12-201 or NP 43-201. If the issuer’s head office is in Ontario, the exemptions in the proposed instrument are not available and the issuer must apply for discretionary relief under NP 12-201 or NP 43-201 in each jurisdiction in which the issuer is filing the prospectus.

sufficiently harmonized with the ones in the proposed instrument, we would modify the proposed instrument to allow the mobility exemptions to apply to dealers, unrestricted advisers and representatives in Ontario.

For purposes of the mobility exemptions, the principal regulator for a firm is determined by the location of its head office. Under NI 31-101, a firm's principal regulator is determined by using a "most significant connection" test, with the head office as the primary indicator. We plan to amend the principal regulator definition in NI 31-101 at a later date to conform it to the proposed instrument. In the meantime, we will monitor the situation to ensure that the difference in the tests does not result in a firm having a different principal regulator under NI 31-101 and the proposed instrument.

System for continuous disclosure requirements

The proposed instrument contains an exemption that implements the principal regulator system for continuous disclosure requirements by moving to having only one-law apply to each issuer.

The proposed instrument provides a reporting issuer with an exemption from the continuous disclosure requirements (CD requirements) in a non-principal jurisdiction if it

- files the same documents with the non-principal regulator that it files with its PR,
- delivers to securityholders in the non-principal jurisdiction any documents delivered to securityholders in the principal jurisdiction,
- disseminates in the non-principal jurisdiction any information that it disseminates in the principal jurisdiction, and
- pays the fee to the non-principal regulator.

The CD requirements covered by this exemption are those contained in the following instruments:

- National Instrument 43-101 *Standards of Disclosure for Mineral Projects*
- NI 51-101
- NI 51-102
- National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* (as it applies to documents filed under NI 51-102)
- National Instrument 52-108 *Auditor Oversight* (as they apply to issuers)⁶
- Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*
- Multilateral Instrument 52-110 *Audit Committees* (MI 52-110)
- BC Instrument 52-509 *Audit Committees* (BCI 52-509)
- National Instrument 54-101 *Communication with Beneficial Owners of Securities of Reporting Issuers*
- National Instrument 58-101 *Disclosure of Corporate Governance Practices*
- MI 81-104 (section 8.5 only)
- National Instrument 81-106 *Investment Fund Continuous Disclosure*

⁶ CSA is still considering whether to include National Instrument 52-108 *Auditor Oversight* in the proposed instrument.

As in the prospectus context, the proposed instrument also eliminates the need for an issuer to obtain discretionary continuous disclosure exemptions in non-principal jurisdictions.

This means that an issuer would not have to apply under NP 12-201, unless it is a reporting issuer in Ontario⁷. The issuer would make a local application with its principal regulator, and rely on the exemptions in Part 3 of the proposed instrument in its non-principal jurisdictions.

Differences in requirements

CSA have had discussions about differences among jurisdictions in the national and multilateral instruments covered by the proposed instrument. Many of these differences exist only in British Columbia. For some of the differences, most other CSA members would not agree that an issuer whose principal regulator is British Columbia could rely outside British Columbia on the exemptions in the proposed instrument if these differences remained. As a result, the BCSC is considering adopting Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* and eliminating the following British Columbia differences:

- The carve-out in sections 2.1.3 (report of management and directors) and 3.6 (responsibilities of board of directors) of NI 51-101
- The carve-out in section 8.6 (financial statement and leverage disclosure) of MI 81-104

The BCSC is also considering revoking and replacing BC Instrument 51-801 *Implementing National Instrument 51-102 Continuous Disclosure Obligations* to require a reporting issuer that relies on the continuous disclosure and the national prospectus rule exemptions in the proposed instrument to comply with part 8 (business acquisition report) and part 10 (restricted securities) of NI 51-102.

For the following differences, all CSA members, other than Ontario, agreed that the instruments were sufficiently harmonized and the differences would be accepted in other jurisdictions for market participants whose principal regulator is the BCSC:

- The audit committee rules (MI 52-110 and BCI 52-509)
- The test for “independence” in National Instrument 58-101 *Disclosure of Corporate Governance Practices*
- Part 12 (material contracts) of National Instrument 51-102 *Continuous Disclosure Obligations*
- Parts 3 (seed capital requirements) and 4 (proficiency and supervisory requirements) of MI 81-104
- Differences in the treatment of non-reporting investment funds in National Instrument 81-106 *Investment Fund Continuous Disclosure*

⁷ If an issuer is a reporting issuer in Ontario and its head office is not in Ontario, the issuer must make an application with its principal regulator, as determined under the proposed instrument, and with the OSC under NP 12-201. If the issuer's head office is in Ontario, the exemptions in the proposed instrument are not available and the issuer must apply for discretionary relief under NP 12-201 in each jurisdiction in which the issuer is making a continuous disclosure filing.

Where appropriate, however, the issuer would have to disclose that it is applying the audit committee rule or the definition of “independence” that applies in British Columbia and that the rule or definition is different from the equivalent rule or definition in other jurisdictions.

CSA are still discussing how to resolve the differences related to the BAR requirements in NI 51-102. Currently, the BAR requirements do not apply in British Columbia. The BCSC is concerned that the burden imposed by the BAR requirements may exceed the value of the resulting disclosure in some circumstances. CSA will examine how to streamline and simplify the BAR requirements based on the experience gained to date in the application of the requirements.

System for statutory and discretionary exemptions

When it comes into effect, proposed National Instrument 45-106 *Prospectus and Registration Exemptions*, published by CSA on December 17, 2004, will realize the Ministers’ objective under the memorandum of understanding for statutory exemptions. This instrument consolidates and harmonizes the prospectus and registration exemptions in existing securities legislation and instruments. We anticipate that it will be in effect in September 2005.

The exemptions in the prospectus and continuous disclosure systems will serve as the principal regulator system for discretionary exemptions. We also propose to make some changes to the way we administer NP 12-201. We believe that these improvements will reduce the number of comments from non-principal regulators and generally expedite the review process for exemption applications. We do not have to amend NP 12-201 to put these changes in place.

ANTICIPATED COSTS AND BENEFITS

We expect that the proposed instrument and proposed amendments will enhance the efficiency of regulation of the capital markets and simplify the use of the regulatory system for market participants. By building on and further streamlining MRRS, we can make our decisions more timely and our processes more efficient and seamless for market participants. A market participant would deal almost exclusively with its principal regulator and, from a practical point of view experience a one-decision-maker process. The proposed instrument exempts an issuer or registrant from many aspects of securities law in non-principal jurisdictions on the basis that it is subject to the law of its principal jurisdiction. This achieves a one-law model for the requirements covered by the exemptions.

We did not do a cost-benefit analysis of the proposed instrument and proposed amendments because we do not expect them to impose new costs on market participants. In fact, we expect them to reduce costs.

REQUEST FOR COMMENT

We request your comments on all aspects of the proposed instrument and proposed amendments.

We specifically request comments on these two issues:

1. Differences in requirements

Most CSA members think that the principal regulator system should be based on highly harmonized, if not uniform, requirements in all jurisdictions. In their view, local innovation and reform measures should apply only to market participants that operate exclusively in the local jurisdiction and should be made available in other jurisdictions only when those jurisdictions

agree to them. They think that market participants should not be held to different standards simply because of where their head office is located.

By contrast, the BCSC thinks that the principal regulator system should be designed to accommodate a greater range of differences in local requirements. Although, the specific differences being discussed might not seem very significant, the debate about accommodating differences reflects different views about how the principal regulator system should work. The BCSC supports the principal regulator system, but thinks it should be based on legislation that can differ from jurisdiction to jurisdiction as long as the legislation provides equivalent protection. Regulatory convenience and market pressures would lead jurisdictions to adopt identical requirements in many cases. In other cases, though, some jurisdictions might prefer to have detailed and specific requirements while others might prefer less detailed, outcomes-based requirements.

Designing the system to accommodate differences would allow individual jurisdictions to innovate and implement reforms that affect a sufficient number of capital market participants to assess whether they could benefit the entire Canadian securities market. Once proven, these reforms might then be adopted by other jurisdictions.

Although the principal regulator system accommodates some differences, it is a condition of implementing the proposed instrument that the BCSC require British Columbia issuers using the system to comply with the additional or different requirements that currently apply in other jurisdictions under some of the national and multilateral instruments. The BCSC thinks this condition would negate the benefits of its recent streamlining initiatives and narrow the scope for future innovation and reform except where jurisdictions can reach agreement in advance.

CSA specifically request comments on which of these two views should guide CSA in finalizing the principal regulator system.

In addition, CSA request comments on whether issuers whose principal regulator is British Columbia should be able rely outside British Columbia on the exemptions in the proposed instrument if British Columbia retained

- its carve-out in sections 2.1.3 (report of management and directors) and 3.6 (responsibilities of board of directors) of NI 51-101
- its carve-out in section 8.6 (financial statement and leverage disclosure) of MI 81-104, and
- its exemption from parts 8 (business acquisition report) and 10 (restricted securities) of NI 51-102, set out in BC Instrument 51-801 *Implementing National Instrument 51-102 Continuous Disclosure Obligations*

2. Foreign issuers

The proposed instrument would allow foreign issuers to use the principal regulator system. However, because Ontario will not be adopting the proposed instrument, a foreign issuer that has designated the OSC as its principal regulator for NP 12-201 or NP 43-201 could select another jurisdiction to act as its principal regulator under the proposed instrument. The OSC would continue to act as principal regulator under NP 12-201 and NP 43-201.

An alternative approach would be to deny access to the system to foreign issuers for whom the OSC is the principal regulator under MRRS. This would treat them the same as Ontario-based issuers.

CSA request comments on which alternative we should follow for foreign issuers.

HOW TO PROVIDE YOUR COMMENTS

Please provide your comments by **July 27, 2005** by addressing your submission to the regulators listed below:

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Autorité des marchés financiers
New Brunswick Securities Commission
Nova Scotia Securities Commission
Office of the Attorney General, Prince Edward Island
Financial Services Regulation Division, Consumer and Commercial Affairs Branch, Department of Government Services, Newfoundland and Labrador
Registrar of Securities, Government of Yukon
Registrar of Securities, Department of Justice, Government of the Northwest Territories
Registrar of Securities, Legal Registries Division, Department of Justice, Government of Nunavut

You do not need to deliver your comments to all of the regulators publishing the proposed instrument and proposed amendments. Please deliver your comments to the two addresses that follow, and they will be distributed to the other jurisdictions:

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e-mail: consultation-en-cours@lautorite.qc.ca

If you are not sending your comments by e-mail, please send a diskette or CD containing your comments in Word.

We cannot keep submissions confidential because securities legislation in certain provinces requires that a summary of the written comments received during the comment period be published.

QUESTIONS

Please refer your questions to any of:

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Refer to “Securities Law & Policy - Regulatory Instruments - Multilateral Instrument 11-101 *Principal Regulator System*” for Appendices A - D to this Notice.

Appendix A

Amendment to National Policy 31-201 *National Registration System*

PART 1 AMENDMENT TO NATIONAL POLICY 31-201

- 1.1 **Amendment** – National Policy 31-201 *National Registration System* is amended in subsection 6.3(1) by striking the phrase “five business days” and replacing it with “two business days”.

PART 2 EFFECTIVE DATE

- 2.1 **Effective Date** - This amendment is effective ●.

Appendix B

**NATIONAL POLICY 43- 201
MUTUAL RELIANCE REVIEW SYSTEM FOR PROSPECTUSES**

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APPENDIX A Materials Required to be Filed under National Policy 43-201

APPENDIX B Examples of Applications Dealt With under National Policy 43-201

NATIONAL POLICY 43- 201
MUTUAL RELIANCE REVIEW SYSTEM FOR PROSPECTUSES¹

PART 1 OVERVIEW AND APPLICATION

- 1.1 Scope** - This Policy describes the practical application of mutual reliance concepts set out in the MRRS MOU relating to the filing and review of prospectuses, including mutual investment fund and shelf prospectuses, amendments to prospectuses and related materials.
- 1.2 Objective** - Under the MRRS, a designated securities regulatory authority or regulator, as applicable, acts as the principal regulator for all materials relating to a filer. This will enable participating principal regulators to develop greater familiarity with their respective filers, which will enhance the efficiency and quality of their review of materials filed under the MRRS.
- 1.3 Application of Local Requirements** - Although the filer will generally deal only with its principal regulator in connection with materials filed under the MRRS, the local securities legislation and local securities directions in each jurisdiction in which the materials are filed are applicable to the materials, except to the extent that MI 11-101 provides relief from those local requirements.

PART 2 DEFINITIONS AND INTERPRETATION

2.1 Definitions - In this Policy,

“amendment” means an amendment to a preliminary prospectus or prospectus;

“application” means a request for discretionary relief from or approval under securities legislation or securities directions, but does not include a waiver application or pre-filing;

“applications policy” means National Policy 12-201, *Mutual Reliance Review System for Exemptive Relief Applications*;

“CSA committee” means the Mutual Reliance Review System Committee of the Canadian Securities Administrators;

“local securities directions” means, for the local jurisdiction, the instruments listed in Appendix A of National Instrument 14-101, *Definitions* opposite the name of the local jurisdiction;

“local securities legislation” means, for the local jurisdiction, the statute and other instruments listed in Appendix B of National Instrument 14-101, *Definitions* opposite the name of the local jurisdiction;

“local securities regulatory authority” means, for the local jurisdiction, the securities commission or

¹ [This document has been blacklined to show changes from the version of NP 43-201 published for comment January 7, 2005 in connection with proposed changes to National Instrument 44-101 Short Form Prospectus Distributions](#)

similar regulatory authority listed in Appendix C of National Instrument 14-101 *Definitions* opposite the name of the local jurisdiction;

“long form prospectus” includes a simplified prospectus and annual information form for a mutual fund;

“materials” means the documents and fees referred to in Appendix “A” to this Policy, as amended from time to time, for each category of filing;

“MRRS MOU” means the Memorandum of Understanding relating to the Mutual Reliance Review System signed as of October 14, 1999;

“MI 11-101” means Multilateral Instrument 11-101, *Principal Regulator System*;

“NI 44-101” means National Instrument 44-101, *Short Form Prospectus Distributions*;

“NI 81-101” means National Instrument 81-101, *Mutual Fund Prospectus Disclosure*;

“OSC 41-501” means Ontario Securities Commission Rule 41-501, *General Prospectus Requirements*;

“pre-filing” means a consultation with one or more of the securities regulatory authorities regarding the interpretation or application of securities legislation or securities directions to a particular transaction or proposed transaction that is the subject of, or is referred to in, materials, if the consultation is initiated before the filing of those materials;

“preliminary prospectus amendment” means an amendment to a preliminary prospectus;

“preliminary prospectus amendment MRRS decision document” means a MRRS decision document issued for a preliminary prospectus amendment;

“prospectus amendment” means an amendment to a prospectus;

“prospectus amendment MRRS decision document” means a MRRS decision document issued for a prospectus amendment;

“Q-28” means Policy Statement No. Q-28, *General Prospectus Requirements* of the Autorité des marchés financiers;

“renewal shelf prospectus” means a short form prospectus that is prepared and filed in accordance with the shelf prospectus system to replace a short form prospectus previously filed by the issuer under the shelf prospectus system for which a final receipt or final MRRS decision document was issued;

“requested regulator” means a participating principal regulator, other than the principal regulator determined in accordance with section 3.2, which a filer requests under subsection 3.4 to act as its

principal regulator;

“seasoned prospectus” means a pro forma or preliminary prospectus of an issuer, if it is filed within two years of the date that a final MRRS decision document, or receipt, was issued to the issuer for a prospectus;

“securities directions” means the instruments listed in Appendix A of National Instrument 14-101, *Definitions*;

“securities legislation” means the statutes and other instruments listed in Appendix B of National Instrument 14-101, *Definitions*;

“securities regulatory authorities” means the securities commissions and similar regulatory authorities listed in Appendix C of National Instrument 14-101, *Definitions*;

“SEDAR” has the meaning ascribed to that term in National Instrument 13-101 System for Electronic Document Analysis and Retrieval;

“shelf prospectus system” means the system for the distribution of securities using a shelf prospectus as contemplated in National Instrument 44-102, *Shelf Distributions*;

“short form prospectus system” means the system for the distribution of securities as contemplated in NI 44-101; and

“waiver application” means a request for discretionary relief from securities legislation or securities directions, if the relief, if granted, would be evidenced by the issuance of a MRRS decision document under this Policy.

2.2 Interpretation - Unless otherwise defined herein, terms used in this Policy that are defined or interpreted in the MRRS MOU should be read in accordance with the MRRS MOU.

PART 3 PRINCIPAL REGULATOR

3.1 Participating Principal Regulators - As of the date of this Policy, the securities regulatory authorities of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, [New Brunswick](#) and Nova Scotia have agreed to act as principal regulator for materials filed under this Policy.

3.2 Determination of Principal Regulator

- (1) It is the responsibility of the filer to determine its principal regulator. Unless changed or redesignated under section 3.3, 3.4 or 3.5, the principal regulator for a filer is determined in accordance with the following criteria:
- (a) For filers, other than mutual-investment funds, whose head office is in a jurisdiction in which a participating principal regulator is located, the principal regulator is the local securities regulatory authority or regulator in the jurisdiction in which the head office is located.
 - (b) For filers, other than mutual-investment funds, whose head office is not in a jurisdiction in which a participating principal regulator is located, the filer ~~can-should~~ select ~~at~~the participating principal regulator ~~as its principal regulator, if with which~~ the filer has ~~a reasonable~~the next most significant connection ~~with the jurisdiction in which the selected~~to act as the principal regulator ~~is located. The next most significant connection should be determined by reference to the factors listed in subsection 3.4(1).~~
 - (c) For filers that are mutual-investment funds whose manager's head office is in a jurisdiction in which a participating principal regulator is located, the principal regulator is the local securities regulatory authority or regulator in the jurisdiction in which the manager's head office is located.
 - (d) ~~For filers that are mutual funds whose manager's head office is not in a jurisdiction in which a participating principal regulator is located, the filer can select a participating principal regulator as its principal regulator, if the filer has a reasonable connection with the jurisdiction in which the selected principal regulator is located.~~For filers that are investment funds whose manager's head office is not in a jurisdiction in which a participating principal regulator is located, the filer should select the participating principal regulator with which the filer has the next most significant connection to act as the principal regulator. The next most significant connection should be determined by reference to the factors listed in subsection 3.4(1).
- (2) For a particular filing of materials, if the filer has incorrectly identified a non-principal regulator as the principal regulator, that non-principal regulator will decline to act as principal regulator and will notify the filer.
- (3) The principal regulator determined in accordance with section 3.2 is the principal regulator for all materials filed under this Policy unless the principal regulator has been changed under section 3.3, 3.4 or 3.5.

3.3 Automatic Change of Principal Regulator - If the location of the head office of the filer or in the case of an mutual-investment fund, the manager, is changed after the determination of the principal regulator in accordance with section 3.2, the principal regulator will change automatically to the local securities regulatory authority or regulator in the jurisdiction to which the head office has been moved if the new head office is in a jurisdiction in which a

participating principal regulator is located. In all other circumstances the principal regulator can only be changed in accordance with section 3.4 or 3.5.

3.4 Discretionary Change of Principal Regulator Applied for by Filer

- (1) A filer may apply for a change of principal regulator if it believes that its principal regulator is not the appropriate principal regulator. However, a change of a filer's principal regulator based on factors other than the head office criteria set out in section 3.2 will generally not be permitted unless exceptional circumstances justify the change. The factors that may be considered in assessing an application for a change of a filer's principal regulator include:
 - (a) location of management;
 - (b) location of assets and operations; and
 - (c) location of filer's trading market or quotation system in Canada, or, if the filer's securities are not traded or quoted on a trading market or quotation system in Canada, location of filer's securityholders.
- (2) If a filer applies for a change of its principal regulator, the application should be submitted in paper form to the principal regulator and the requested regulator at least thirty days in advance of any filing of materials under this Policy to permit adequate time for staff of the relevant securities regulatory authorities to consider and resolve the application. If the application is not resolved before the date of any filing of materials, the principal regulator will continue to act as principal regulator for that filing, and the change requested, if granted, will relate to materials filed after the issuance of the final MRRS decision document.
- (3) The application should address the basis for the designation of the filer's principal regulator in accordance with section 3.2, and should set forth the reasons for the requested regulator to act as principal regulator with regard to the factors specified in subsection (1) and any other relevant factors. The filer will be given an opportunity to respond to concerns or comments raised by the relevant securities regulatory authorities.
- (4) If an application is denied, the principal regulator will provide written reasons for the denial to the filer.

3.5 Discretionary Change of Principal Regulator Proposed by the Participating Principal Regulators

- (1) The participating principal regulators may determine that it would be preferable for a participating principal regulator other than the securities regulatory authority acting as principal regulator to act as a filer's principal regulator. This determination will generally only be made if changing the principal regulator of a filer would result in

greater administrative and regulatory efficiencies with regard to the factors specified in subsection 3.4(1) and other relevant factors. The participating principal regulators will not redesignate a filer's principal regulator after materials have been filed and before a final MRRS decision document has been issued for the materials.

- (2) If the participating principal regulators propose to change a filer's principal regulator, the principal regulator will notify the filer in writing of the proposed change, and will identify the reasons for the proposed change. The redesignated principal regulator will become the filer's principal regulator thirty days after the date of the notice unless the filer objects in writing to the proposed change. The filer, the principal regulator and the proposed principal regulator will attempt to resolve any objections raised by the filer to the proposed change.

3.6 Notification to CSA Committee of Discretionary Change of Principal Regulator - The participating principal regulators involved in an application or proposal to change a filer's principal regulator will advise the CSA committee of all decisions rendered under sections 3.4 or 3.5 and the reasons for the decisions.

3.7 Effect of Change of Principal Regulator

- (1) A change of principal regulator under section 3.3, 3.4 or 3.5 applies for all materials filed under this Policy after the change.
- (2) If the circumstances relevant to the determination of the principal regulator change after the date of any filing of materials and before a final MRRS decision document is issued relating to those materials, the principal regulator will act as principal regulator for that filing, and the change of principal regulator will relate to materials filed after the issuance of the final MRRS decision document.

3.8 Identification of New Principal Regulator - At the time of the first filing following a change of principal regulator, the filer should identify the new principal regulator in the cover page information for the SEDAR filing and indicate that this is a change from the previous filing. The filer should also update its SEDAR filer profile to identify the new principal regulator and include the basis for the change of principal regulator.

PART 4 FILING MATERIALS UNDER THE MRRS

4.1 Election of MRRS and Identifying Principal Regulator - The filer should indicate in the cover page information for the SEDAR filing its principal regulator and that it is electing to file materials under the MRRS. The filer should also identify its principal regulator and the basis for the determination in its SEDAR filer profile. If a filer's principal regulator is determined in accordance with paragraph 3.2(1)(b) or 3.2(1)(d), the filer should provide a description of the factors connecting the filer to the jurisdiction of the principal regulator it has selected. If applicable, the filer should provide the date of the change in circumstances resulting in an automatic change of principal regulator under section 3.3 or of a decision under section 3.4 or 3.5 changing the principal regulator.

- 4.2 Filing** - If a filer proposes to distribute its securities by prospectus only to purchasers in jurisdictions other than the jurisdiction in which its principal regulator is located, the materials, including the required fees, should also be filed with the principal regulator, and will be reviewed by the principal regulator. This will enable participating principal regulators to maintain familiarity with their respective filers.
- 4.3 Black-lined Document** - Except in the case of short form prospectuses, it is strongly recommended that a filer file through SEDAR a draft prospectus (the French language version, in Québec), black lined to show changes, as far as possible in advance of filing final materials. This black lined version is in addition to the black lined version of the final prospectus to be filed with the final materials.
- 4.4 Seasoned Prospectuses**
- (1) If appropriate, a filer may identify a prospectus being filed as a seasoned prospectus. When a seasoned prospectus is filed it should be accompanied by a copy of the seasoned prospectus black lined against the preceding prospectus of the filer to show all changes made. The prospectus should be accompanied by a certificate of the filer. The certificate should certify that the black lined prospectus indicates all differences between the content of the seasoned prospectus and that of the previous prospectus of the filer.
 - (2) If a filing is made under this section, the principal regulator will advise the non-principal regulators when the comment letter is issued that the prospectus is being reviewed as a seasoned prospectus. The non-principal regulators will then assume that the principal regulator has conducted only a limited review of the prospectus unless the contrary is specifically stated.
 - (3) The procedures set out in this section do not apply to filings made under NI 81-101.

PART 5 REVIEW OF MATERIALS

- 5.1 Review by Principal Regulator** - The principal regulator is responsible for reviewing all materials in accordance with the local securities legislation and local securities directions of the jurisdiction in which the principal regulator is located, and in accordance with its review procedures, analysis and precedents. The principal regulator will be responsible for issuing and resolving comments on materials and issuing the MRRS decision document once the relevant conditions have been satisfied. While the non-principal regulators may review the materials and will advise the principal regulator of any material concerns relating to the materials that, if left unresolved, would cause the non-principal regulators to opt out of the MRRS, the filer will generally deal solely with the principal regulator.

5.2 Review Period for Long Form Prospectuses and Renewal Shelf Prospectuses

~~(1) A principal regulator that has implemented a system of selective review will, within three working days of the date of the preliminary MRRS decision document or receipt of the pro forma materials, notify the non-principal regulators if the designated level of review to be given to the materials is a basic review.~~

~~(2)(1) If a principal regulator that has implemented a system of selective review selects materials for either full review or issue-oriented review, or a principal regulator does not have a system of selective review, t~~The principal regulator will use its best efforts to review the materials and issue a comment letter within 10 working days of the date of the preliminary MRRS decision document or receipt of the pro forma materials.

~~(3)(2) Each non-principal regulator will, within five working days of the date of the preliminary MRRS decision document or receipt of the pro forma materials, receipt of the comment letter of the principal regulator,~~ use its best efforts to:

- (a) advise the principal regulator of any material concerns with the materials that, if left unresolved, would cause the non-principal regulator to opt out of the MRRS; or
- (b) indicate in the SEDAR “Filing Status” screen that it is clear to receive final materials, if there are no outstanding applications or waiver applications that have been filed with the non-principal regulators.

~~(4) For materials that have been selected for basic review, the non-principal regulators will, within 6 working days of being notified that the materials have been selected for basic review, use their best efforts to comply with paragraphs (3)(a) or (3)(b), as appropriate.~~

5.3 Review Period for Short Form Prospectuses

(1) The principal regulator will use its best efforts to review materials relating to a preliminary short form prospectus and issue a comment letter within three working days of the date of the preliminary MRRS decision document. Each non-principal regulator will, ~~by 12:00 noon, Eastern time, on the~~ within three working days of following the date of issuance of the comment letter of the principal regulator ~~preliminary MRRS decision document,~~ use its best efforts to:

- (a) advise the principal regulator of any material concerns with the materials that, if left unresolved, would cause the non-principal regulator to opt out of the MRRS; or
- (b) indicate in the SEDAR “Filing Status” screen that it is clear to receive final materials, if there are no outstanding applications that have been filed with the non-principal regulators.

(2) Despite the foregoing, if, in the opinion of the principal regulator, a proposed distribution by way of short form prospectus is too complex to be reviewed adequately within the prescribed time periods, the principal regulator may determine that the time periods applicable to long form prospectuses should apply, and the principal regulator will, within one working day of the filing of the preliminary short

form prospectus, so notify the filer and the non-principal regulators. The filer is encouraged to submit a pre-filing to resolve any issues that may cause a delay in the prescribed time periods.

- 5.4 Novel Structure or Issue** - If a prospectus is filed for an offering that involves a novel structure or novel issue and the issues were not resolved in a pre-filing with the relevant regulators, the principal regulator may establish a cooperative review process actively involving the non-principal regulators in formulating and resolving the comments. The principles of mutual reliance, in all other respects, will continue to apply. The complexity of the structure or the issue may affect the prescribed review periods.
- 5.5 Form of Response** - The filer should provide to the principal regulator written responses to the comment letter issued by the principal regulator.

PART 6 OPTING OUT

- 6.1 Opting Out** - A non-principal regulator can opt out of the MRRS for a filing at any time before the principal regulator issues a final MRRS decision document for the materials. The non-principal regulator will provide notice of its decision to opt out to the filer, the principal regulator and the other non-principal regulators by indicating “MRRS - Opt Out” in the SEDAR “Filing Status” screen. The non-principal regulator will at that time provide written reasons for its decision to opt out of the MRRS to the ~~filer~~ principal regulator and the other non-principal regulators via SEDAR. ~~The non-principal regulator that has opted out will also advise the principal regulator and the other non-principal regulators of its reasons for opting out.~~ The filer ~~principal regulator~~ will forward the reasons for opting out to the filer and will use its best efforts to resolve opt out issues ~~deal directly with the filer on behalf of the non-principal regulator that has opted out~~ and the filer ~~to resolve any outstanding issues.~~ If the principal regulator is able to resolve these issues with the non-principal regulator that has opted out, the non-principal regulator that has opted out may opt back in. Reasons for opting out will be forwarded to the CSA committee. In the event that the principal regulator is unable to resolve the opt out issues with the non-principal regulator, the principal regulator will issue a final MRRS decision document on behalf of the non-principal regulators that have not opted out. The filer will then deal directly with the non-principal regulator that has opted out to resolve any outstanding issues outside the MRRS.

- ~~**6.2 Opting Back In** - If the filer and the non-principal regulator are able to resolve their outstanding issues before the principal regulator issues the final MRRS decision document, the non-principal regulator may opt back in to the MRRS by notifying the principal regulator, all other non-principal regulators and the filer by indicating “MRRS - Opt Back In - Clear for Final” in the SEDAR “Filing Status” screen.~~

PART 7 MRRS DECISION DOCUMENT

7.1 Effect of MRRS Decision Document - The MRRS decision document evidences that a determination on materials has been made by the principal regulator and the non-principal regulators that have not opted out of the MRRS for the materials.

7.2 Conditions to Issuance of Preliminary MRRS Decision Document - The principal regulator will issue a preliminary MRRS decision document if:

1. the principal regulator has determined that acceptable materials have been filed; and
2. the filer has confirmed to the principal regulator in a letter accompanying the materials that, to the best of its knowledge and belief:
 - (a) materials, including all required translations, have been filed with all non-principal regulators that have not opted out of the MRRS for the materials;
 - (b) in respect of each jurisdiction in which the materials are filed, the filer has filed or delivered all documents required to be filed or delivered under the local securities legislation and is not subject to a cease trade order issued by a local securities regulatory authority;
 - (c) in each jurisdiction in which the securities will be offered to purchasers, at least one underwriter that has signed the certificate is registered, or has filed an application for registration or an application for exemptive relief from the requirement to be registered. If none of the underwriters that has signed the certificate are registered in a jurisdiction in which the distribution is being made but one of the underwriters has filed an application for registration or an application for exemptive relief from the requirement to be registered, that underwriter will file an undertaking with the principal regulator not to solicit in that jurisdiction until the registration or exemption has been obtained; and
 - (d) in the case of distributions to be effected by the filer, the filer is registered in each jurisdiction in which the securities will be offered to purchasers, or has filed an application for registration. If the filer has filed an application for registration in a jurisdiction, the filer will file an undertaking with the principal regulator not to solicit in that jurisdiction until the registration is obtained.

7.3 Form of Preliminary MRRS Decision Document - The preliminary MRRS decision document for a preliminary prospectus will contain the following legend:

This preliminary mutual reliance review system decision document evidences that preliminary receipts of the regulators in each of (name of each jurisdiction in which materials have been filed and where the regulator has not opted out of the MRRS for the materials) have been issued.

7.4 Conditions to Issuance of Final MRRS Decision Document for Long Form Prospectus and Renewal Shelf Prospectus - The principal regulator will issue a final MRRS decision document for a long-form prospectus or a renewal shelf prospectus if:

1. the statutory waiting period between the issuance of a MRRS decision document for preliminary materials and final materials, if applicable, has expired;
2. all non-principal regulators, other than the regulators in ~~New Brunswick~~, Prince Edward Island, the Yukon Territory, the Northwest Territories and Nunavut, have indicated in the SEDAR “Filing Status” screen that they are “Clear for Final” or have opted out of the MRRS for the filing by indicating “MRRS - Opt Out” in the SEDAR “Filing Status” screen;
3. the principal regulator has determined that acceptable materials have been filed; and
4. the filer has confirmed to the principal regulator in a letter accompanying the materials that, to the best of its knowledge and belief:
 - (a) materials, including all required translations, have been filed with all non-principal regulators that have not opted out of the MRRS for the materials;
 - (b) in respect of each jurisdiction in which the materials are filed, the filer has filed or delivered all documents required to be filed or delivered under the local securities legislation and is not subject to a cease trade order issued by a local securities regulatory authority;
 - (c) in each jurisdiction in which the securities will be offered to purchasers, at least one underwriter that has signed the certificate is registered or has been exempted from the requirement to be registered;
 - (d) in the case of distributions to be effected by the filer, the filer is registered in each jurisdiction in which the securities will be offered to purchasers; and
 - (e) all necessary relief from applicable securities legislation or securities directions has been applied for and granted by the principal regulator and non-principal regulators.

7.5 Conditions to Issuance of Final MRRS Decision Document for Short Form Prospectus - The principal regulator will issue a final MRRS decision document for a short form prospectus if the conditions specified in section 7.4, other than subsection 7.4(1), have been met and at least two working days have elapsed from the date of the preliminary MRRS decision document.

7.6 Form of Final MRRS Decision Document - The final MRRS decision document for a prospectus will contain the following legend:

This final mutual reliance review system decision document evidences that final receipts of the regulators in each of (name of each jurisdiction in which materials have been filed and where the regulator has not opted out of the MRRS for the materials) have been issued.

7.7 Local Decision Document - Despite the issuance of the MRRS decision document, certain non-principal regulators will issue concurrently their own decision documents for materials. In the case of materials filed for a proposed distribution of securities, it is not necessary for a filer to obtain a copy of the local decision document before commencing the distribution of its securities.

7.8 Holidays - The principal regulator will issue a MRRS decision document evidencing the receipt of non-principal regulators that are open on the date of the MRRS decision document. The principal regulator will issue a MRRS decision document evidencing the receipt of the remaining non-principal regulators on the next day that the non-principal regulators are open.

7.9 Material Issues Raised Late

- ~~(1) “Material issue” means a potential receipt refusal issue raised by the principal regulator as a result of its review of the materials or raised by the filer as a result of changes made by the filer after a non-principal regulator is clear for final.~~
- ~~(2) If a material issue is raised after a non-principal regulator has indicated that it is clear for final, the principal regulator may determine that it is not prepared to issue a final MRRS decision document unless such non-principal regulator provides reconfirmation that it is clear for final materials. The principal regulator will submit through SEDAR under “Memo to Regulators—Reconfirmation Requested” a letter identifying the new material issue. The filer should encourage the non-principal regulators to respond to the correspondence of the principal regulator. A non-principal regulator, other than the regulators in New Brunswick, Prince Edward Island, the Yukon Territory, the Northwest Territories and Nunavut, that does not provide reconfirmation within five days is considered to have opted out of MRRS.~~

7.107.9 Refusal by Principal Regulator to Issue a Receipt

- (1) If the principal regulator refuses to issue a receipt for materials and therefore refuses to issue a MRRS decision document, it will notify the filer and the non-principal regulators by sending a refusal letter through SEDAR, and the MRRS will no longer apply to the filing. In these circumstances, the filer will deal separately with the local securities regulatory authority in each jurisdiction in which the materials were filed, including the principal regulator, to determine if the local securities regulatory authority or regulator in those jurisdictions will issue a local decision document. Filers are cautioned that, once the MRRS is no longer applicable to the materials,

each non-principal regulator may conduct its own comprehensive review of the materials.

- (2) To the extent the issues that gave rise to the refusal to issue a MRRS decision document are resolved to the satisfaction of all parties, the filer may request that the MRRS apply once again to the materials.

7.17.10 Right to be Heard Following a Refusal - If a filer requests a hearing for a refusal by the principal regulator to issue a receipt, the principal regulator will promptly advise the non-principal regulators of the request. The principal regulator will generally hold the hearing, either solely or together with other interested non-principal regulators. The non-principal regulators may make whatever arrangements they consider appropriate, including conducting hearings.

PART 8 APPLICATIONS

8.1 Applications - In many instances, certain exemptive relief is required by a filer to enable a filing of materials or to facilitate a distribution of securities under materials filed. The following guidelines may assist a filer in ensuring that the review of materials is not unduly delayed if there is a concurrent application that is not subject to Part 9:

1. The principles of mutual reliance are available to govern the review and disposition of applications that are made in multiple jurisdictions. If the application is to be filed under the MRRS, it should be filed under the applications policy.
2. If the relief requested in the application is a condition to the issuance of a MRRS decision document and if the application is not filed in a timely manner, the issuance of the MRRS decision document may be delayed. In this regard, if an application is filed under the MRRS, filers are referred to the time periods for processing applications as contained in the applications policy.
3. If an application is filed, the filer should indicate in the SEDAR cover page information for the related filing of materials under the field “Application for Exemption Order in”, those jurisdictions in which the application is being made. The filer should also indicate in a cover letter accompanying the application that there is a related filing of materials that has either been filed or will be filed.

PART 9 PRE-FILINGS AND WAIVER APPLICATIONS

9.1 General

- (1) The principles of mutual reliance are available to govern the review of pre-filings and waiver applications that are made in more than one jurisdiction. There may be pre-filings and waiver applications where a formal order is required in some jurisdictions while the issuance of a receipt will evidence the required relief in other

jurisdictions. This difference among the jurisdictions may create ambiguity about whether a particular pre-filing or waiver application should be made under this policy or the applications policy. In order to free the process of ambiguity, Appendix B contains examples of applications that are dealt with under this Policy.

- (2) If the filer does not require exemptive relief in the jurisdiction of its principal regulator, the filer should select the participating principal regulator in the jurisdiction with which the filer has the next most significant connection to act as the principal regulator for the purposes of the pre-filing or waiver application.
- (3) In a letter accompanying materials filed, the filer should describe the subject matter of any pre-filings or waiver applications made to the non-principal regulators and the disposition thereof by the non-principal regulators.
- (4) If the resolution of a pre-filing or waiver application is a condition precedent to the issuance of either a preliminary or final MRRS decision document, filers are reminded to file the pre-filing or waiver application sufficiently in advance of the filing of the related materials to avoid any delay in the issuance of the MRRS decision document.
- (5) Different review procedures apply to those pre-filings and waiver applications filed under the MRRS that are routine and those that raise novel and substantive issues.
- (6) If a pre-filing or waiver application has been filed, the filer should indicate in the SEDAR cover page information for the related filing of materials under the field “Pre-filing or Waiver Application”, those jurisdictions in which the pre-filing or waiver application has been made. The filer should also indicate in a cover letter accompanying the pre-filing or waiver application that there is a related filing of materials that has either been filed or will be filed.

9.2 Procedure for Routine Pre-Filings and Waiver Applications - Except as provided in section 9.3, a pre-filing or waiver application made under the MRRS should be submitted to the principal regulator in the form required by the principal regulator, and the filer will deal directly with the principal regulator to resolve the pre-filing or waiver application.

9.3 Procedure for Novel and Substantive Pre-Filings and Waiver Applications

- (1) If the principal regulator determines that a pre-filing or waiver application filed, or to be filed, under the MRRS involves a novel and substantive issue or raises a novel public policy concern:
 - (a) the principal regulator will direct the filer to submit the pre-filing or waiver application in written form to the principal regulator and the non-principal regulators;
 - (b) each non-principal regulator will be given five working days from the date of its receipt of the pre-filing or waiver application to forward to the principal

regulator and the other non-principal regulators substantive issues that may, if left unresolved, cause the non-principal regulator to opt out of the disposition of the pre-filing or waiver application; and

- (c) the principal regulator will notify all non-principal regulators of its proposed disposition of the pre-filing or waiver application and will give each non-principal regulator a reasonable period of time to advise the principal regulator of its disagreement with the proposed disposition of the pre-filing or waiver application before notifying the filer of the disposition. The principal regulator will advise the filer that the disposition of the pre-filing or waiver application represents the disposition by all non-principal regulators other than those that advised the principal regulator of their disagreement with the disposition within the specified period of time. If a non-principal regulator disagrees with the disposition, the principal regulator will use its best efforts filer should deal directly with that non-principal regulator to resolve the outstanding issues with the non-principal regulator that disagrees with the proposed disposition of the pre-filing or waiver application.

- (2) In circumstances where it is apparent to the filer that a proposed pre-filing or waiver application contains a novel public policy issue, the filer is encouraged, for the purpose of accelerating the resolution of the pre-filing or waiver application, to send the pre-filing or waiver application in written form to the non-principal regulators contemporaneously with submitting it to the principal regulator.

9.4 Filing of Related Materials - For any materials filed under the MRRS to which a pre-filing or waiver application relates, the filer should include in the cover letter accompanying the materials a description of the subject matter of the pre-filing or waiver application, including the relevant provisions of the securities legislation and securities directions of the principal regulator ~~and each non-principal regulator~~ and the proposed disposition of the pre-filing or waiver application by the principal regulator and, if applicable, any non-principal regulator that disagreed with the disposition by the principal regulator and had an alternative disposition of the pre-filing or waiver application. In the case of a waiver application, the filer should identify the other non-principal regulators from which the requested relief is also needed.

9.5 Effect of Related MRRS Decision Document - In the case of a waiver application, the filer should include in the cover letter referred to in section 9.4 a request that the non-principal regulators grant the discretionary relief requested from the principal regulator. The final MRRS decision document will evidence that the principal regulator and the non-principal regulators that have not opted out have granted the discretionary relief requested in the waiver application. The securities regulatory authorities of certain jurisdictions will also issue their own local decision documents.

PART 10 AMENDMENTS

10.1 Filing of Amendments

- (1) Amendment materials should be filed with the principal regulator and the non-principal regulators in accordance with Part 4 of this Policy.
- (2) The Securities Act (Québec) provides that the Autorité des marchés financiers must decide to issue or to refuse to issue a receipt for a prospectus amendment, other than a prospectus relating to a continuous distribution, within two working days of filing of the prospectus amendment. If a filer wishes to apply the MRRS to a prospectus amendment, other than a prospectus amendment relating to a continuous distribution that is also filed in the province of Québec, it should include in the cover letter accompanying the prospectus amendment materials statements that:
 - (a) it acknowledges that the Autorité des marchés financiers may be unable to issue a receipt within two working days of the date of receipt of the prospectus amendment and specifically waives any rights it may have to have a receipt issued by the Autorité des marchés financiers within that time frame; and
 - (b) it undertakes to the Autorité des marchés financiers that it will cease the distribution of its securities in Québec until the prospectus amendment MRRS decision document is issued.
- (3) If the filer does not include the statements referred to in subsection (2) in the cover letter accompanying the prospectus amendment materials, the MRRS will not apply to that filing.
- (4) Filers are reminded that local securities legislation in other jurisdictions contain restrictions on distributing securities until the prospectus amendment MRRS decision document is issued, as discussed in section 10.9.

10.2 Conditions to Issuance of MRRS Decision Document for Preliminary Prospectus Amendments - The principal regulator will issue a preliminary prospectus amendment MRRS decision document if:

1. the principal regulator has determined that acceptable materials have been filed; and
2. the filer has confirmed to the principal regulator in a letter accompanying the materials that, to the best of its knowledge and belief:
 - (a) materials, including all required translations, have been filed with all relevant non-principal regulators that have not opted out of the MRRS for the materials;
 - (b) in respect of each jurisdiction in which the materials are filed, the filer has filed or delivered all documents required to be filed or delivered under the

local securities legislation and is not subject to a cease trade order issued by a local securities regulatory authority; and

- (c) if the amendment reflects the removal of an underwriter, the filer has confirmed to the principal regulator that in each jurisdiction in which the securities will be offered to purchasers, at least one underwriter that has signed the certificate is registered, or has filed an application for registration or an application for exemptive relief from the requirement to be registered. If none of the underwriters that has signed the certificate are registered in a jurisdiction in which the distribution is being made but one of the underwriters has filed an application for registration or an application for exemptive relief from the requirement to be registered, that underwriter will file an undertaking with the principal regulator not to solicit in that jurisdiction until the registration or exemption has been obtained.

10.3 Form of MRRS Decision Document for Preliminary Prospectus Amendments

- (1) The securities legislation and securities directions in force in certain jurisdictions require that a receipt be issued for a preliminary prospectus amendment. The securities legislation and securities directions in force in other jurisdictions do not require that a receipt be issued, and it has been the administrative practice to issue a notice of acceptance of filing for the preliminary prospectus amendment. For the purposes of this Policy, a preliminary prospectus amendment MRRS decision document will evidence that, if applicable, the required receipts or notices of acceptance of filing have been issued by the principal regulator and the non-principal regulators.
- (2) The preliminary prospectus amendment MRRS decision document will contain the following legend:

This mutual reliance review system decision document evidences that receipts or notices of acceptance of filing of the regulators in each of (name of each jurisdiction in which materials have been filed and where the regulator has not opted out of the MRRS for the materials) have been issued.

10.4 Review Period for Preliminary Prospectus Amendments

- (1) If a preliminary prospectus amendment is filed before the principal regulator issues its comment letter relating to the preliminary prospectus materials, the principal regulator may be unable to complete its review of the preliminary materials and issue its comment letter within the time periods indicated in sections 5.2 and 5.3, as applicable. In this case, the principal regulator will use its best efforts to issue its comment letter on the later of the date that is five working days after the filing of the amendment and the original due date for the comment letter. Similarly, if a preliminary prospectus amendment is filed before the non-principal regulator completes its review described in section 5.2(2) and 5.3(1), the non-principal regulator may be unable to complete its review within the relevant time periods. In

this case, the non-principal regulator will use its best efforts to complete its review on the later of the date that is three working days after the filing of the amendment and the original due date for completing the review.

- (2) If a preliminary prospectus amendment for a preliminary long form prospectus is filed after the principal regulator has issued its comment letter:
- (a) the principal regulator will use its best efforts to review the materials and issue a comment letter within three working days of the date of the preliminary prospectus amendment MRRS decision document; and
 - (b) the non-principal regulators will use their best efforts to advise the principal regulator of any material concerns with the materials that, if left unresolved, would cause the non-principal regulator to opt out of the MRRS within the later of three working days of the date of the preliminary prospectus amendment MRRS decision document:
 - (i) ~~two working days of the date of receipt of the comment letter of the principal regulator relating to the amendment; and~~
 - (ii) ~~the expiry of the time period indicated in section 5.2 for review by the non-principal regulator of the preliminary materials.~~
- (3) If a preliminary prospectus amendment for a preliminary short form prospectus is filed after the principal regulator has issued its comment letter:
- (a) the principal regulator will use its best efforts to review the materials and issue a comment letter within two working days of the date of the preliminary prospectus amendment MRRS decision document; and
 - (b) the non-principal regulators will use their best efforts to advise the principal regulator of any material concerns with the materials that, if left unresolved, would cause the non-principal regulator to opt out of the MRRS within two working days of the date of the preliminary prospectus amendment MRRS decision document ~~by the later of:~~
 - (i) ~~12:00 noon, Eastern time, on the working day following the date of issuance of the comment letter of the principal regulator relating to the prospectus amendment; and~~
 - (ii) ~~the expiry of the time period indicated in section 5.3 for review by the non-principal regulator of the preliminary materials.~~
- (4) The time periods in subsections (2) and (3) may not apply in certain circumstances if it would be more appropriate for the principal regulator and the non-principal regulators to review the amendment materials at a different stage of the review process. For example, the principal regulator and the non-principal regulators may

wish to defer review of the amendment materials until after receiving and reviewing the filer's responses to comments already issued in respect of the preliminary materials.

10.5 Review Period for Prospectus Amendments

- (1) If a prospectus amendment to a long form prospectus, including a prospectus for an ~~mutual investment~~ fund, is filed, the principal regulator will use its best efforts to review the materials and to issue a comment letter within three working days of the date of the receipt of the prospectus amendment, and the non-principal regulators will use their best efforts to advise the principal regulator of any material concerns with the materials that, if left unresolved, would cause the non-principal regulator to opt out of the MRRS within ~~two-three~~ working days of the date of the ~~issuance receipt of the prospectus amendment~~ ~~comment letter of the principal regulator~~.
- (2) If a prospectus amendment to a short form prospectus is filed, the principal regulator will use its best efforts to review the materials and to issue a comment letter within two working days of the date of the receipt of the prospectus amendment, and the non-principal regulators will use their best efforts to advise the principal regulator of any material concerns with the materials that, if left unresolved, would cause the non-principal regulator to opt out of the MRRS ~~by 12:00 noon, Eastern time, on the~~ ~~within two~~ working days ~~following of~~ the date ~~of issuance~~ of the ~~comment letter receipt of the principal regulator~~ ~~prospectus amendment~~.

10.6 Conditions to Issuance of Prospectus Amendment MRRS Decision Document - The principal regulator will issue a prospectus amendment MRRS decision document if:

1. all comments raised have been resolved to the satisfaction of the principal regulator and, if applicable, any non-principal regulator that has not opted out of the MRRS for the materials;
2. the principal regulator has determined that acceptable materials have been filed;
3. all non-principal regulators, other than the regulators in ~~New Brunswick~~, Prince Edward Island, the Yukon Territory, the Northwest Territories and Nunavut, have indicated in the SEDAR "Filing Status" screen that they are "Clear for First Amendment to Final" (or "Clear for Second Amendment to Final" or "Clear for Third Amendment to Final" as applicable) or have opted out of the MRRS for the filing by indicating "MRRS - Opt Out" in the SEDAR "Filing Status" screen; and
4. the filer has confirmed to the principal regulator in a letter accompanying the materials that, to the best of its knowledge and belief:
 - (a) materials, including all required translations, have been filed with all non-principal regulators that have not opted out of the MRRS for the materials;

- (b) in respect of each jurisdiction in which the materials are filed, the filer has filed or delivered all documents required to be filed or delivered under the local securities legislation and is not subject to a cease trade order issued by a local securities regulatory authority;
- (c) if the amendment reflects the removal of an underwriter, the filer has confirmed to the principal regulator that in each jurisdiction in which the securities will be offered to purchasers, at least one underwriter that has signed the certificate is registered or has been exempted from the requirement to be registered; and
- (d) all necessary relief from applicable securities legislation or securities directions has been applied for and granted by the principal regulator and non-principal regulators.

10.7 Form of Prospectus Amendment MRRS Decision Document

- (1) The securities legislation and securities directions in force in different jurisdictions impose different requirements on receipting or accepting amendments. The securities legislation and securities directions in force in certain jurisdictions require that a receipt be issued for any prospectus amendment, whereas the securities legislation and securities directions in force in other jurisdictions do not require that a receipt be issued, and it has been the administrative practice to issue a notice of acceptance of filing for the prospectus amendment. The securities legislation and securities directions in other jurisdictions require that a receipt be issued for a prospectus amendment only where the prospectus amendment is filed for the purpose of distributing securities in addition to the securities previously disclosed in the related prospectus. For the purposes of this Policy, a prospectus amendment MRRS decision document will constitute confirmation that, if applicable, the required receipts or notices of acceptance of filing have been issued by the principal regulator and the non-principal regulators.
- (2) The prospectus amendment MRRS decision document will contain the following legend:

This mutual reliance review system decision document evidences that receipts or notices of acceptance of filing of the regulators in each of (name of each jurisdiction in which materials have been filed and where the regulator has not opted out of the MRRS for the materials) have been issued.

10.8 Local Decision Document - Despite the issuance of the MRRS decision document, certain non-principal regulators will issue concurrently their own decision documents for amendments. In the case of prospectus amendments, it is not necessary for a filer to obtain a copy of the local decision document before recommencing the distribution of its securities.

10.9 Other Requirements

- (1) Filers are reminded that the securities legislation and securities directions in force in certain jurisdictions require that where an amendment has been filed for the purposes of distributing securities in addition to the securities previously disclosed in the prospectus, the additional distribution will not be proceeded with for a specified period of time.
- (2) Filers are also reminded that the securities legislation and securities directions of certain jurisdictions provide that, except in certain circumstances with the written permission of a designated person, a distribution or additional distribution must not proceed until a receipt for a prospectus amendment is issued.

APPENDIX A

MATERIALS REQUIRED TO BE FILED UNDER NATIONAL POLICY 43-201

The attached lists of documents, as varied in accordance with the following guidance, are those required to be filed or delivered under each category of filing to which the Policy applies.

The following guidance applies to all filings of materials under the MRRS:

1. Where a filing is to be made in the province of Québec, a French language version of the following documents must also be filed:
 - (a) the preliminary prospectus and the prospectus; and
 - (b) any amendment to a preliminary prospectus and any amendment to a prospectus.

The French language versions of all documents incorporated by reference, if not previously filed, must be filed at the time of filing of a preliminary short form prospectus.

2. The attached lists do not refer to the applicable filing and distribution fees required by the securities regulatory authorities. The filer should consult the fee schedules of the relevant securities legislation for the applicable fees.

For filers that are permitted to file materials in paper form under National Instrument 13-101, *System for Electronic Document Analysis and Retrieval (SEDAR)*, the payment of fees should be made by cheque payable as follows:

British Columbia - British Columbia Securities Commission
 Alberta - Alberta Securities Commission
 Saskatchewan - Minister of Finance
 Manitoba - Minister of Finance
 Ontario - Ontario Securities Commission
 Québec - Autorité des marchés financiers
 New Brunswick - ~~Minister of Finance~~ New Brunswick Securities Commission
 Nova Scotia - Minister of Finance
 Prince Edward Island - Provincial Secretary
 Newfoundland and Labrador - Newfoundland and Labrador Exchequer Account
 Northwest Territories - Government of the Northwest Territories
 Yukon Territory - Government of Yukon
 Nunavut - Nunavut Securities Registry

In all other cases, payment of filing fees should be transmitted electronically through SEDAR.

3. Additional filing requirements apply to certain types of offerings such as offerings using the shelf offering procedures (National Instrument 44-102), the post-receipt pricing procedures (National Instrument 44-103) or the multijurisdictional disclosure system (National Instrument 71-101). Reference should be made to the applicable provisions of national or local rules or policies for any additional filing requirements or procedures.
4. ~~[Further filing requirements for British Columbia are contained in BC Policy 41-601.]~~
5. ~~Further filing requirements for Alberta, for filings not filed in compliance with OSC 41-501 or NI 44-101, are contained in ASC Policy 4.7.~~
6. ~~Further filing requirements for Québec are contained in local securities legislation and local securities directions.~~
74. Where the attached requirements refer to personal information regarding directors, executive officers and promoters of the filer, the filer should provide, for each director and executive officer of the filer and for each promoter of the filer (or in the case where the promoter is not an individual, for each director and executive officer of the promoter) the following information for security check purposes:
 - (i) full name (including any previous name(s) if any);
 - (ii) position with or relationship to the issuer;
 - (iii) employer's name and address, if other than the issuer;
 - (iv) full residential address;
 - (v) date and place of birth; and
 - (vi) citizenship.

For any of the above noted individuals with a residential address outside of Canada, the filer should provide the following additional information:

- (i) previous address(es) (5 year history);
- (ii) dates residing in foreign country;
- (iii) height and weight;
- (iv) eye colour;
- (v) hair colour; and

- (vi) passport nationality and number.

Where the offering is made under the provisions of NI 44-101, a completed authorization form as per Appendix A of NI 44-101, “Authorization of Indirect Collection of Personal Information” must be filed. Where the offering is made under the provisions of OSC 41-501 a completed Form 41-501F2 “Authorization of Indirect Collection of Personal Information” must be filed. Where the offering is made ~~in Québec~~ under the provisions of Q-28, a completed form as per Appendix A of Q-28, *Authorization of Indirect Collection of Personal Information*, must be filed.

~~Where Saskatchewan, Manitoba or Nova Scotia is principal regulator, a RCMP GRC Securities Fraud Information Centre Request Form #2674 (89-07) must be filed. In connection with the filing of an initial public offering prospectus: (i) where Québec is principal regulator, a Form 4 under the Regulation concerning securities made under the Securities Act (Québec) must be filed; and (ii) where British Columbia is principal regulator, the filer must file the personal information form required by BC Policy 41-601.~~

PRELIMINARY OR PRO FORMA LONG FORM PROSPECTUS

An issuer that files a preliminary prospectus or a *pro forma* prospectus pursuant to OSC 41-501 or, ~~in Québec~~ pursuant to Q-28, shall file and/or deliver the documents required to be filed and/or delivered as set out in Section 13.2 of OSC 41-501 or, ~~in Québec~~ as set out in Section 13.2 of Q-28, along with:

1. Filing fees; and
2. A letter to the principal regulator prepared in accordance with section 7.2.2 of the Policy.

Issuers filing prospectuses and pro forma prospectuses outside Québec in accordance with OSC 41-501 will satisfy requirements in other jurisdictions governing the form and content of a long form prospectus and the accompanying filings and deliveries to the Commissions. Issuers should consult local rules or orders for details.

~~Issuers not filing in accordance with OSC 41-501 or, in Québec pursuant to Q-28, should look to local requirements to determine documents to be filed and/or delivered but in all cases should include the items set out in #1 and #2 above.~~

FINAL LONG FORM PROSPECTUS

An issuer that files a final prospectus pursuant to OSC 41-501 or, ~~in Québec~~ pursuant to Q-28, shall file and/or deliver the documents required to be filed and/or delivered as set out in Section 13.3 of OSC 41-501 or, ~~in Québec~~ as set out in Section 13.3 of Q-28, along with:

1. Filing fees and other applicable fees including participation fees; and
2. A letter to the principal regulator prepared in accordance with section 7.4.4 of the Policy.

Issuers filing prospectuses and pro forma prospectuses outside Québec in accordance with OSC 41-501 will satisfy requirements in other jurisdictions governing the form and content of a long form prospectus and the accompanying filings and deliveries to the Commissions. Issuers should consult local rules or orders for details.

~~Issuers not filing in accordance with OSC 41-501 or, in Québec pursuant to Q-28, should look to local requirements to determine documents to be filed and/or delivered but in all cases should include the items set out in #1 and #2 above.~~

PRELIMINARY SHORT FORM PROSPECTUS

An issuer that files a preliminary short form prospectus pursuant to NI 44-101 shall file and/or deliver the documents required to be filed and/or delivered as set out in Section 4.2 of that instrument along with:

1. Filing fees; and
2. A letter to the principal regulator prepared in accordance with section 7.2.2 of the Policy.

FINAL SHORT FORM PROSPECTUS

An issuer that files a final short form prospectus pursuant to NI 44-101 shall file and/or deliver the documents required to be filed and/or delivered as set out in Section 4.3 of that Instrument along with:

1. Filing fees and other applicable fees including participation fees; and
2. A letter to the principal regulator prepared in accordance with section 7.4.4 of the Policy.

**AMENDMENTS TO PRELIMINARY PROSPECTUS AND PROSPECTUS
(SHORT FORM AND LONG FORM)**

An issuer that files an amendment pursuant to OSC 41-501 or, ~~in Québec~~ pursuant to Q-28, or pursuant to NI 44-101, shall file and/or deliver the documents required to be filed and/or delivered as set out in section 13.7 of OSC 41-501, section 13.6 of Q-28 or section 5.3 of NI 44-101, respectively, along with:

1. Filing fees;
2. A letter prepared in accordance with section 10.1(2) of the Policy, if applicable; and
3. A letter to the principal regulator:
 - (a) for a preliminary prospectus amendment, prepared in accordance with section 10.2.2 of the Policy; or
 - (b) for a prospectus amendment, prepared in accordance with section 10.6.4 of the Policy.

~~Issuers not filing in accordance with OSC 41-501 or, in Québec pursuant to Q-28, or NI 44-101 should look to local requirements to determine documents to be filed and/or delivered but in all cases should include the items set out in #1, #2 and #3 above.~~

**PRELIMINARY SIMPLIFIED PROSPECTUS AND ANNUAL INFORMATION FORM
FILED UNDER NI 81-101**

1. Preliminary simplified prospectus
2. Preliminary simplified prospectus - blacklined
(where a new fund is being qualified by a separate prospectus but is to be part of an existing group of funds sold by prospectus, a blacklined version of the simplified prospectus should indicate any changes from the existing simplified prospectus for the group of funds)
3. Preliminary annual information form
4. Preliminary annual information form - blacklined
(where a new fund is being qualified by a separate prospectus but is to be part of an existing group of funds sold by prospectus, a blacklined version of the annual information form should indicate any changes from the existing annual information form for the group of funds)
5. Copy or draft of all material contracts for the new mutual funds
6. For a new mutual fund in a new mutual fund group, personal information regarding individuals acting as trustees and promoters, and directors and senior officers of the fund, trustee, manager and promoter. If the mutual fund is a member of a mutual fund family for which this type of information was previously provided, the information would be required only for those persons for whom the information was not previously provided by other members of the mutual fund family
7. Financial statements, if applicable
8. Filing fees
9. A letter to the principal regulator prepared in accordance with section 7.2.2 of the Policy

**PRO FORMA SIMPLIFIED PROSPECTUS AND ANNUAL INFORMATION FORM
FILED UNDER NI 81-101**

1. Pro forma simplified prospectus
2. Pro forma simplified prospectus - blacklined to indicate all changes from previous simplified prospectus
3. Pro forma annual information form
4. Pro forma annual information form - blacklined to indicate all changes from previous annual information form
5. Copy or draft of all material contracts not previously filed
6. Personal information regarding individuals acting as trustees and promoters, and directors and senior officers of the fund, trustee, manager and promoter where this information has not previously been provided for these persons in connection with a previous filing of the mutual fund family
7. Compliance report required under Part 12 of National Instrument 81-102, *Mutual Funds*
8. Filing fees

**FINAL SIMPLIFIED PROSPECTUS AND ANNUAL INFORMATION FORM FILED
UNDER NI 81-101**

1. Final simplified prospectus
2. Final simplified prospectus - blacklined to show changes from preliminary or pro forma simplified prospectus, as the case may be
3. Final annual information form
4. Final annual information form - blacklined to show changes from preliminary or pro forma annual information form, as the case may be
5. Copy of all material contracts not previously filed
6. For new funds, audited financial statements if not previously filed
7. Auditors' consent letter re audited financial statements
8. Auditors' comfort letter re unaudited financial statements, if applicable
9. Consent of legal counsel or other experts
10. Certificate re proceeds of distribution in the jurisdiction (applicable to filings in B.C., Alberta, Ontario and Québec)
11. Filing fees
12. A letter to the principal regulator prepared in accordance with section 7.4.4 of the Policy

**AMENDMENT TO A SIMPLIFIED PROSPECTUS AND ANNUAL INFORMATION
FORM FILED UNDER NI 81-101**

1. Amendment to simplified prospectus
2. Amendment to simplified prospectus - blacklined (where amendment is an amended and restated simplified prospectus)
3. Amendment to annual information form
4. Amendment to annual information form - blacklined (where amendment is an amended and restated annual information form)
5. Copy of all material contracts not previously filed
6. Auditors' consent letter, if applicable
7. Auditors' comfort letter, if applicable
8. Consent of legal counsel and other experts, if applicable
9. Filing fees
10. A letter to the principal regulator prepared in accordance with section 10.6.4 of the Policy

APPENDIX B

EXAMPLES OF APPLICATIONS DEALT WITH UNDER NATIONAL POLICY 43-201

1. relief from financial statement and other requirements in a prospectus
2. relief from escrow requirements
3. applications relating to representations as to listing - however, because of the differences in local requirements, it may be easier to deal with these applications outside of the MRRS
4. requests for confidentiality of material contracts
5. NI 81-101 waiver applications
6. requests for confidential pre-filing of a prospectus for review purposes

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Appendix C

Amendments to National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*

PART 1 AMENDMENTS TO NATIONAL INSTRUMENT 51-101

1.1 **Amendment** - National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* is amended by:

- (a) in section 2.1.3, striking the phrase “except in British Columbia”: and
- (b) repealing section 3.6.

PART 2 EFFECTIVE DATE

2.1 **Effective Date** - This amendment is effective __.

Appendix D

Amendments to Multilateral Instrument 81-104 *Commodity Pools*

PART 1 AMENDMENTS TO MULTILATERAL INSTRUMENT 81-104

- 1.1 **Amendment** - Multilateral Instrument 81-104 *Commodity Pools* is amended by repealing section 8.6.

PART 2 EFFECTIVE DATE

- 2.1 **Effective Date** - This amendment is effective __.