

**NOTICE OF AMENDMENTS TO COMPANION POLICY 55-102CP
TO NATIONAL INSTRUMENT 55-102 SYSTEM FOR ELECTRONIC
DISCLOSURE BY INSIDERS (SEDI)**

Notice of Amendments

The Canadian Securities Administrators (CSA) are amending Companion Policy 55-102CP (the Policy) to National Instrument 55-102 *System for Electronic Disclosure by Insiders (SEDI)* (NI 55-102), effective August 20, 2005. The amendments reflect changes to the SEDI system that will remove the conditional filing function for users who have not completed the registration process. The changes mean that users cannot access the system until they complete the registration process. The system changes are effective on August 20, 2005. All CSA jurisdictions that have insider reporting requirements have implemented or expect to implement the amendments to the Policy.

Background to the Amendments

SEDI

SEDI is an insider trade reporting system that allows insiders to file electronically their insider reports, and issuers to file certain information about the issuer electronically. All publicly available insider reporting information is easily accessible by the public.

User Registration

NI 55-102 requires a person who will use SEDI for insider filings to register as a SEDI user, following a specified process and form. In the current Policy, the CSA provided its view that, until a user has completed the registration process, a SEDI filing is not a valid filing for purposes of securities legislation.

Conditional Filing Function

SEDI originally included a conditional filing function that permitted an individual who submitted the online user registration form to prepare and submit an insider profile, as well as insider reports, prior to completing the registration process. SEDI assigned a conditional status to any insider profiles or insider reports filed by an individual who had not completed the registration process.

Part 4 of the Policy currently provides that conditional SEDI filings are not valid filings and are not publicly accessible. Part 4 of the Policy also says that when the individual

making a conditional SEDI filing completes the registration process, by delivering to CDS for verification a signed paper copy of the registration form, any conditional SEDI filings automatically cease to be conditional filings and become publicly accessible.

Substance and Purpose of the Amendments

Since SEDI became operational, members of the CSA have noted repeated instances where individuals who made conditional filings did not subsequently complete the registration process. Their insider filings remain conditional and the insider is in default of their insider reporting obligations under applicable securities legislation. To address this issue, on August 20, 2005, we will remove the conditional filing function from the SEDI software application. As a result, an individual must complete the registration process before using SEDI to make any filings. The amendments to the Policy reflect this change to the SEDI software application.

The CSA is of the view that the amendments to the Policy are not material. Accordingly, the amendments are not being published for comment.

Related Staff Notice and SEDI User Guide

The CSA will publish a revised version of CSA Staff Notice 55-310 – *Questions and Answers on the System for Electronic Disclosure by Insiders (SEDI)* and a revised version of the SEDI User Guide available online at www.csa-acvm.ca by the effective date of the amendments.

Text of Amendments

The text of the amendments follows.

For questions, please refer to any of:

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