

**ALBERTA SECURITIES COMMISSION
NOTICE**

**NATIONAL INSTRUMENT 41-101
*PROSPECTUS DISCLOSURE REQUIREMENTS***

and

**REPEAL OF
NATIONAL POLICY STATEMENTS
NOS. 12, 13, 32 AND 35**

1. Implementation of Instrument and Repeal of Current Requirements

The Alberta Securities Commission (the "Commission") and other members of the Canadian Securities Administrators (the "CSA") have implemented National Instrument 41-101 *Prospectus Disclosure Requirements* ("NI 41-101"). NI 41-101 will become effective on December 31, 2000. In Alberta, NI 41-101 has been implemented as a Commission Rule.

In conjunction with the implementation of NI 41-101, the Commission and other CSA members have repealed the following, with effect on December 31, 2000.

- National Policy Statement No. 12 *Disclosure of "Market Out" Clauses in Underwriting Agreements in Prospectuses* ("NP 12");
- National Policy Statement No. 13 *Disclaimer Clause on Prospectus* ("NP 13");
- National Policy Statement No. 32 *Prospectus Warning Re: Scope of Distribution* ("NP 32");
and
- National Policy Statement No. 35 *Purchaser's Statutory Rights* ("NP 35").

Also in conjunction with the implementation of NI 41-101, the Commission has repealed sections 99 and 100 of the Commission Rules, with effect on December 31, 2000.

2. Purpose and Substance of the Instrument

NI 41-101 consolidates and simplifies, through the use of plainer language in prescribed disclosure, the prospectus disclosure requirements currently set out in NP 12, NP 13, NP 32 and NP 35 and similar prospectus disclosure requirements in the securities legislation of certain jurisdictions including, in Alberta, sections 99 and 100 of the Commission Rules.

3. Prior Publication, Public Comment and CSA Responses

The Commission and other CSA members published a draft version of NI 41-101 on May 16, 1997 (the "1997 Draft") together with an explanatory notice, and solicited public comment on the 1997 Draft. The CSA received one comment letter from Osler Hoskin & Harcourt. The CSA have considered the comments received and thank the commenter.

The comments received and the CSA's responses are summarized below. The CSA made changes to NI 41-101 in response to the public comments and the CSA's own further consideration of the 1997 Draft. Because the changes, which are also summarized below, are not material, NI 41-101 is not being republished for comment.

(a) Detailed Summary of Public Comments and CSA Responses

Application and Interpretation - Section 1.2 Preliminary Prospectus

Comment

The commenter suggested that an exception be included in section 1.2 for information which is not available as at the date of a preliminary prospectus.

Response

The CSA believe that an exception is not necessary. NI 41-101 should be read together with the applicable form requirements for a prospectus. In this context, the form requirements provide that details concerning the price and other matters dependent upon or relating to price may be left out of a preliminary prospectus to the extent that these matters have not been decided.

Front Page Disclosure - Section 2.1 Prospectus Warning and Disclaimer Clause

Comment

The commenter recommended that the word "distributed" in the prospectus warning be replaced with "offered for sale" in the interests of plain English disclosure.

Response

The CSA agree in principle with the comment but have made a number of drafting changes to this section which make the suggested drafting change unnecessary.

Front Page Disclosure - Section 2.2 Preliminary Prospectus Disclosure

Comment

The commenter recommended that an issuer be given more flexibility in naming those jurisdictions in which it has filed a prospectus. The commenter also suggested replacing the reference to a “distribution” with the “sale of such securities” and “distributed” with “sold”, in the interests of plain English disclosure.

Response

The CSA agree with the comments. Section 2.2 of NI 41-101 and the related instruction have been revised accordingly.

Plan of Distribution Disclosure - Section 3.1

Comment

The commenter made a number of drafting suggestions in the interests of plain English disclosure. In this regard the commenter noted that it had made similar comments to the Ontario Securities Commission (the "OSC") in the context of the reformulation process respecting OSC Rule 41-501 *General Prospectus Requirements* (the “Ontario Long Form Prospectus Rule”).

Response

The CSA agree in principle with the suggestions. The CSA are not, however, proposing changes at this time but will consider the suggestions again in the course of developing a national long form prospectus instrument based on the Ontario Long Form Prospectus Rule. The requirements of NI 41-101 are likely to be incorporated in that national long form prospectus instrument. For more information about the development of a national long form prospectus instrument, refer to the notices published concurrently with this Notice respecting, in Alberta, proposed Commission Rule 41-501 and, in Ontario, the Ontario Long Form Prospectus Rule. A copy of the Alberta notice can be found on the Commission's website at www.albertasecurities.com. Copies of the Ontario Long Form Prospectus Rule and the related OSC notice can be found on the OSC's website at www.osc.gov.on.ca.

Comment

The commenter suggested that the language in subsection 3.1(2) does not reflect practice by referring to a flexible closing date and recommended drafting changes in this regard.

Response

The CSA do not believe that a change is strictly required. Section 1.3 of NI 41-101 allows an issuer to modify any of the statements required to be included in a prospectus to reflect the terms and conditions of the distribution.

*Purchasers' Statutory Rights - Part 4**Comment*

The commenter made a number of drafting suggestions in the interests of plain English disclosure. The commenter noted that similar comments were made to the OSC in the context of the reformulation process respecting the Ontario Long Form Prospectus Rule.

Response

The CSA agree in principle with the suggestions. The CSA are not, however, proposing changes at this time but will consider the comments again in the course of developing a national long form prospectus instrument based on the Ontario Long Form Prospectus Rule.

(b) Additional Changes to NI 41-101

The CSA have made two further changes to NI 41-101:

- new section 2.3 prescribes disclosure concerning the ability of investors to collect, from foreign issuers, selling security holders, credit supporters and/or promoters, judgments obtained in Canadian courts based on the civil liability provisions of securities legislation; and
- new section 4.2 prescribes disclosure concerning purchasers' statutory rights in respect of non-fixed price offerings.

October 13, 2000.