

CANADIAN SECURITIES ADMINISTRATORS' NOTICE 35-301
Conditional Exemption from Registration for United States
Broker-Dealers and Agents

In October 1997, the Canadian Securities Administrators (the "CSA") released for comment proposed National Instrument 35-101 Conditional Exemption from Registration for United States Broker-Dealers and Agents. The substance and purpose of the proposed National Instrument are to provide United States of America (the "USA") broker-dealers and their agents with a conditional exemption from the applicable registration and prospectus requirements under Canadian securities legislation in order to facilitate certain cross-border trading in foreign securities between USA broker-dealers and their clients from the USA who are present in a Canadian jurisdiction.

Based on the comment letters received in response to the release, the CSA have determined that the following two reciprocity issues require resolution prior to proceeding with the implementation of the National Instrument.

First, the Securities and Exchange Commission (the "SEC") in the USA has published for comment proposed rules that would provide registration relief to Canadian dealers and their salespersons in a manner similar to that provided to USA broker-dealers and their agents under the National Instrument. The CSA await the final SEC rules to ensure the rules will provide sufficient reciprocal relief.

Second, the CSA are of the view that in order for sufficient reciprocity to be achieved certain additional states in the USA must adopt rules that provide relief substantively similar to that provided under the National Instrument and the North American Securities Administrators Association resolution on this issue.

The CSA expect to proceed with the National Instrument following the satisfactory resolution of the above reciprocity issues.

Dated: July 16, 1999