

2.2 ASC Rule - National Instrument 33-106

**NOTICE
NATIONAL INSTRUMENT 33-106
YEAR 2000 PREPARATION REPORTING**

The Commission has made National Instrument 33-106 *Year 2000 Preparation Reporting* ("NI 33-106") a rule pursuant to section 3(d) of the *Securities Regulation*. NI 33-106 was made a rule on October 14, 1998 and will, subject to section 4(2) of the *Securities Regulation*, cease to have effect 275 days later, on July 16, 1999.

Background

NI 33-106 is an initiative of the Canadian Securities Administrators (the "CSA"). It has been adopted as a rule in Ontario and is expected to be adopted as a rule or blanket order in British Columbia and Nova Scotia, as a Commission regulation in Saskatchewan and as a policy in all other jurisdictions represented by the CSA. The exact timing and form of implementation may vary from jurisdiction to jurisdiction.

NI 33-106 is one element in the effort of the CSA to ensure that participants in Canada's capital markets prepare for the "Year 2000 Problem" – problems arising from any of the following: (i) computer software incorrectly reading the date "01/01/00" as 1900 or another incorrect year; (ii) computer software incorrectly identifying a date in the year 1999 or any year thereafter; (iii) computer software failing to detect that the year 2000 is a leap year; (iv) any other related computer error.

NI 33-106 deals with preparations by registrants for the Year 2000 Problem. The Commission considers such information vital to ensuring continued efficient operation of capital markets. Inadequate preparation by registrants for the Year 2000 Problem could impair the accuracy of investors' investment records and the ability to effect and settle trades in securities in a timely fashion.

The Commission believes that there is an urgent need for NI 33-106 and that, without it, there is a substantial risk of material harm to investors and to the integrity of the capital markets.

Summary of the Instrument

NI 33-106 requires registered firms (registered dealers, advisers or underwriters, other than individuals) to file information concerning their preparations for the Year 2000 Problem. In particular, each registered firm is required to file, within specified periods, an initial survey concerning its preparations for the Year 2000 Problem and management certificates concerning progress of those preparations.

In Alberta, the first filings under NI 33-106 are required not later than October 31, 1998. A different requirement may apply in other jurisdictions. Filed information will be available for public inspection in accordance with Canadian securities legislation.

A registered firm may fulfil its obligations under NI 33-106 by filing the required information with a specified self-regulatory organization ("SRO") of which it is a member, provided that the registered firm is notified in writing by the SRO that the SRO will itself file the information with the regulator.

The CSA are considering whether to require, by a separate instrument, reports by independent auditors on preparations by registered firms for the Year 2000 Problem. NI 33-106 does not contain such a requirement.

Manner of Filing

Information required under NI 33-106 may be filed by diskette, in portable document format, delivered to the attention of the person named below. In the alternative, the information required under NI 33-106 may be filed with certain regulators by e-mail, at the addresses indicated below. Regulators not identified below should be contacted directly for filing instructions.

<u>Jurisdiction</u>	<u>Deliver Diskette to:</u>	<u>E-mail</u>
Alberta	Director, Capital Markets	not applicable
British Columbia	Examination Administrator	registration@bcsc.bc.ca
Manitoba	Registrations Office	Securities@cca.gov.mb.ca
Ontario	General Manager, Registration	y2k@osc.gov.on.ca
Québec	Jean Lorrain, Directeur de la Conformité et de l'application	courrier@cvmq.gouv.qc.ca

Text of National Instrument

The text of NI 33-106 follows.

DATED: October 16, 1998.