

2.2 Notice 34-201 & Rescission of N.P. Statement 17:

**NOTICE OF PROPOSED NATIONAL POLICY 34-201
AND RESCISSION OF NATIONAL POLICY STATEMENT NO. 17**

BREACH OF REQUIREMENTS OF OTHER JURISDICTIONS

Introduction

The Commission, together with other members of the Canadian Securities Administrators (the "CSA"), is publishing for comment the text of a proposed National Policy governing certain conduct of registrants. The proposed National Policy is an initiative of the CSA, and is to be adopted as a policy in each of the jurisdictions represented by the CSA. The proposed National Policy is substantially similar to National Policy Statement No. 17, which it replaces, but expands the scope of the instruments the breach of which may be considered by the CSA. National Policy Statement No. 17 was initially published in June 1978.

The proposed National Policy contains a footnote which is not part of the policy itself, but which has been included to provide background and explanation.

Terms used in the proposed National Policy that are defined or interpreted in a definition instrument in force in the jurisdiction should be read in accordance with that definition instrument, unless the context otherwise requires.

Substance and Purpose of Proposed National Policy

The substance and purpose of the proposed National Policy is to give notice to registrants and applicants for registration or renewal or reinstatement of registration in a jurisdiction that a breach by the applicant or registrant of securities legislation (including regulations and rules), securities directions (including policies) or self-regulatory organization regulatory instruments of another jurisdiction or a foreign jurisdiction may be considered to affect the fitness for registration or continued registration of an applicant or registrant. The proposed National Policy will facilitate consistent and co-operative treatment of conduct of registrants and applicants.

Summary of Proposed National Policy

The proposed National Policy applies to registrants or applicants for registration or renewal or reinstatement of registration. A breach by an applicant or registrant of the securities legislation or securities directions or the regulatory instruments of stock exchanges or other self-regulatory organizations, of any jurisdiction, whether Canadian or international, that were adopted for the protection of investors or to foster fair and efficient capital markets and confidence in capital markets may be considered to be prejudicial to the public interest and to affect the fitness for registration or continued registration of the applicant or registrant.

Comments

Interested parties are invited to make written submissions with respect to the proposed National Policy. Submissions received by April 15, 1998 will be considered.

Submissions, in duplicate, should be addressed to all of the Canadian securities regulatory authorities listed below in care of the Ontario Securities Commission:

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Securities Commission
The Manitoba Securities Commission
Ontario Securities Commission
Office of the Administrator, Government of New Brunswick
Prince Edward Island Securities Commission
Nova Scotia Securities Commission
Securities Division, Government of Newfoundland and Labrador
Registrar of Securities, Northwest Territories
Registrar of Securities, Government of the Yukon Territory

c/o Daniel P. Iggers, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 800, Box 55
Toronto, Ontario M5H 3S8

Submissions should also be addressed to the Commission des valeurs mobilières du Québec as follows:

Claude St Pierre
Secretary
Commission des valeurs mobilières du Québec
Tour de la Bourse
C.P. 246, 17th Floor
Montréal, Québec H4Z 1G3

A diskette containing the submissions (in DOS or Windows format, preferably WordPerfect) should also be submitted. As securities legislation in certain provinces requires that a summary of written comments received during the comment period be published, confidentiality of submissions received cannot be maintained.

Questions may be referred to any of:

Ross McLennan
Director, Registration
British Columbia Securities Commission
(604) 899-6685

Ken Parker
Director, Capital Markets
Alberta Securities Commission
(403) 297-3251

Barbara Shourounis
Executive Director
Saskatchewan Securities Commission
(306) 787-5645

Doug Brown
Assistant Counsel
The Manitoba Securities Commission
(204) 945-0605

Richard Roberts
Registrar of Securities
Government of the Yukon Territory
(403) 667-5005

Gary MacDougall
Director of Legal Registries
Government of the Northwest Territories
(403) 873-7490

Nancy Ross
Legal Adviser - Registration, Market Operations Branch
Ontario Securities Commission
(416) 593-8154

Renée Piette
Financial Analyst
Commission des valeurs mobilières du Québec
(514) 873-5009

Donne Smith
Administrator
Office of the Administrator
Government of New Brunswick
(506) 658-3060

Elaine Anne MacGregor
Deputy Director, Capital Markets
Nova Scotia Securities Commission
(902) 424-7768

Ruth DeMone
Registrations Officer
Prince Edward Island Securities Commission
(902) 368-4550

Anthony Patey
Director of Securities
Securities Division-Department of Justice
Government of Newfoundland and Labrador
(709) 729-4189

DATED: February 13, 1998

**NATIONAL POLICY 34-201
BREACH OF REQUIREMENTS OF OTHER JURISDICTIONS¹⁶**

Breach of Requirements of Other Jurisdictions - The breach by a registrant or an applicant for registration or reinstatement or renewal of registration of Canadian securities legislation or Canadian securities directions of a jurisdiction, other than the local jurisdiction, or the securities laws, regulations or rules of a foreign jurisdiction or the by-laws, rules, regulations, policies, procedures, or practices of a stock exchange, commodities exchange, commodity futures exchange or other self-regulatory organization applicable to the registrant or applicant, that were adopted for the protection of investors or to foster fair and efficient capital markets and confidence in capital markets, may be considered by the securities regulatory authority to be prejudicial to the public interest and to affect the fitness for registration or continued registration of the applicant or registrant.

¹⁶ This proposed National Policy is based on National Policy Statement No. 17. This proposed National Policy will be adopted as a policy in all jurisdictions.