

*Note: [31 Oct 2024] – The following is a consolidation of the ASC Rules (General). It incorporates the amendments to this document that came into effect on December 31, 2012, October 31, 2014, May 9, 2016, June 1, 2017, October 30, 2023 and October 31, 2024. This consolidation is provided for your convenience and should not be relied on as authoritative.*

## **ALBERTA SECURITIES COMMISSION RULES (GENERAL)**

### **TABLE OF CONTENTS**

#### **PART 1 INTERPRETATION**

Definition	1
Disclosure of securities beneficially owned	2
Deemed to be a parent company	3

#### **PART 2 SUMMONS**

Summons to a witness	4
Summons for an examination	5

#### **PART 3 REGISTRATION**

Compensation fund or contingency trust fund	6
Registrant audit costs	7

#### **PART 4 TRADING IN SECURITIES AND DERIVATIVES GENERALLY**

Trading in securities and derivatives	8
Confirmation under section 90(1) of the Act	9
Confirmation of a trade in an option contract	10
Confirmation re offsetting trade	11
Outstanding derivative	12
Minimum margin required	13
Omnibus accounts	14
Compliance with section 97(1)(c) of the Act	15
Risk disclosure statement under section 98 of the Act	16

#### **PART 5 INSIDER TRADING AND SELF-DEALING**

Report under section 183 of the Act	17
Report under section 191 of the Act	18

#### **PART 6 ENFORCEMENT**

Warrant	19
Costs re investigation and hearing	20
Payment to Commission	21

**PART 7  
CIVIL LIABILITY FOR SECONDARY MARKET DISCLOSURE**

Meaning of equity security	22
Meaning of market capitalization	23
Meaning of principal market	24
Meaning of trading price	25
Application of Part 17.01 of the Act	26

**PART 8  
GENERAL PROVISIONS**

Filing of material filed in other jurisdictions – investment funds	27
Filing of material generally	28
Effective date and repeal	29

**SCHEDULE  
FORMS**

Summons to a Witness pursuant to Section 28, 29 or 42 of the Securities Act	Form 1
Affidavit of Service	Form 2
Summons for Examination before a Person Designated under Section 82 of the Securities Act	Form 3
Report by a Registered Owner of Securities Beneficially Owned by an Insider under Section 183 of the Securities Act	Form 4
Report by Management Company under Section 191 of the Securities Act	Form 5
Endorsement of Warrant under Section 196(1) of the Securities Act	Form 6

**PART 1  
INTERPRETATION**

- Definition **1** In these Rules, “Act” means the *Securities Act*.
- Disclosure of securities beneficially owned **2 (1)** If Alberta securities laws require the disclosure of the number or percentage of securities beneficially owned by a person and, by virtue of section 5 of the Act, one or more companies will also have to be shown as beneficially owning the securities, a statement disclosing
- (a) all securities beneficially owned or deemed to be beneficially owned by the person,
  - (b) the name of the controlled company or the company affiliated with the controlled company through which the securities are indirectly owned, and
  - (c) the number or percentage of the securities so owned by the company,
- is deemed to be sufficient disclosure without disclosing the name of any other company that is deemed to beneficially own the same securities.
- (2)** If Alberta securities laws require the disclosure of the number or percentage of securities beneficially owned by a company and, by virtue of section 6 of the Act, one or more other companies will also have to be shown as beneficially owning the securities, a statement
- (a) disclosing all securities beneficially owned or deemed to be beneficially owned by the parent company, and
  - (b) indicating whether the ownership is direct or indirect and, if indirect, indicating
    - (i) the name of the subsidiary through which the securities are indirectly owned, and
    - (ii) the number or percentage of the securities so owned,
- is deemed to be sufficient disclosure without disclosing the name of any other company that is deemed to beneficially own the same securities.
- (3)** Despite subsections (1) and (2), an insider that is a company required to report under National Instrument 55-104 *Insider Reporting Requirements and Exemptions* must report in accordance with that instrument.
- Deemed to be a parent company **3** A company is deemed to be another company's parent company if that other company is its subsidiary.

**PART 2  
SUMMONS**

- Summons to a witness **4** The following apply to a summons issued under any of sections 28, 29 or 42 of the Act:
- (a) every summons issued to a witness shall be completed substantially in accordance with Form 1;

- (b) the summons to a witness must be served at least 10 days before the examination or hearing date to which it applies, unless
  - (i) in the case of a summons issued by the Executive Director, the Executive Director determines that it is appropriate in the circumstances to abridge the time for service, or
  - (ii) in the case of a summons issued by the Commission, the Commission determines that it is appropriate in the circumstances to abridge the time for service;
- (c) if a person or company is represented by a lawyer, the summons may be served on the lawyer;
- (d) the allowance that shall be paid for each day or part of a day necessarily spent by a witness in travelling to, staying as long as is reasonably necessary to give evidence, and travelling back from the location of the hearing or examination shall be \$50.00;
- (e) if a witness does not reside within reasonable commuting distance of the location of the hearing or examination, the witness will be reimbursed the amount actually paid for accommodation, provided the Executive Director determines the amount is reasonable;
- (f) during days spent by the witness in travelling to, staying as long as is reasonably necessary to give evidence, and travelling back from the location of the hearing or examination, the witness will be reimbursed the amount actually paid for necessary meals, provided the Executive Director determines the amount is reasonable;
- (g) when a witness travels to, and returns from, the location of the hearing or examination
  - (i) by train, bus or other public transportation, the witness will be reimbursed the reasonable fare actually paid by the witness, provided the Executive Director determines the amount is reasonable; or
  - (ii) by private vehicle, the witness will be paid a reasonable allowance, as determined by the Executive Director, for the distance travelled;
- (h) if a witness must travel over 250 kilometres each way to and from the location of the hearing or examination, and uses a regularly scheduled air carrier, the witness will be reimbursed the airfare actually paid by the witness, provided the Executive Director determines the amount is reasonable;
- (i) the allowance for the first day that the witness is required to attend at the hearing or examination shall be provided to the witness on the day the witness attends the hearing or the examination, as the case may be, and all other allowances and reimbursement of expenses or fees that are required to be provided to the witness shall be provided as soon as practicable after the hearing or examination;

- (j) where this section contemplates that the Executive Director will determine the reasonableness of the amount claimed by a witness as an expense incurred and the Executive Director determines that the amount claimed is not reasonable, the Executive Director may determine the amount that should be paid or reimbursed to that witness in satisfaction of the claim;
- (k) the service of a summons on a witness, and the payment of conduct money, fees, expenses or allowances to a witness may be proved by an affidavit completed substantially in accordance with Form 2.

Summons for an examination

5

A summons for an examination under section 82 of the Act shall be completed in accordance with Form 3.

### PART 3 REGISTRATION

Compensation fund or contingency trust fund

6 (1)

The Executive Director may

- (a) establish a compensation fund or contingency trust fund with a trust company, or
- (b) approve a compensation fund or contingency trust fund established by
  - (i) a recognized self-regulatory organization,
  - (ii) a recognized exchange, or
  - (iii) a trust company.

(2) Every investment dealer and mutual fund dealer must participate in and contribute to a fund established or approved under subsection (1).

(3) The Executive Director may require any of the following persons or companies to participate in a fund established or approved under subsection (1):

- (a) a scholarship plan dealer;
- (b) an exempt market dealer;
- (c) a restricted dealer;
- (d) a portfolio manager;
- (e) a restricted portfolio manager.

(4) Every person or company required pursuant to subsection (2) or (3) to participate in a fund established or approved under subsection (1) must contribute an amount of money to the fund as required by the recognized self-regulatory organization, by the recognized exchange, or, in the case of a fund established by a trust company or by the Executive Director, by the Executive Director.

(5) The Executive Director may exempt an investment dealer or mutual fund dealer from the requirements of subsection (2).

Registrant audit costs

7

If the Executive Director requests an auditor to conduct an audit of the financial affairs of a registrant in accordance with a direction given under Alberta securities laws, all costs relating to the audit shall be paid by the registrant.

**PART 4  
TRADING IN SECURITIES AND  
DERIVATIVES GENERALLY**

Trading in securities and derivatives

8 (1)

In this section,

- (a) “agency” means a person or company that is
  - (i) recognized by the Commission for the purposes of this section, and
  - (ii) established for the purpose of receiving, assembling and publishing information collected from registrants concerning the details of trades in securities and derivatives specified by the Commission and executed through negotiation or otherwise in the over-the-counter market;
- (b) “exercise price” means the price at which a purchaser of an option contract has the right to assume a purchase or sell position in a derivative or an underlying asset that is the subject of the option contract;
- (c) “expiry date” means the date on which a derivative or option contract expires;
- (d) “offsetting trade” means assuming an equal and opposite position in a derivative or an option contract
  - (i) on the originating exchange, or
  - (ii) on a different exchange that employs the clearing facilities of the originating exchange;
- (e) “over-the-counter market” includes all trading in securities and derivatives other than trades in securities and derivatives that are listed and posted for trading on any exchange recognized by the Commission for the purposes of this section if the securities and derivatives are traded pursuant to the by-laws, rules, or other regulatory instruments of that exchange;
- (f) “settlement price” means the price used by an exchange or its clearing agency to determine, on a daily basis, the net gain or loss in the value of a derivative or an option contract.

(2)

The Executive Director may require any class of registrants, as a condition of registration,

- (a) to report all trades in the over-the-counter market to an agency recognized by the Commission in accordance with the requirements of the agency,
- (b) to pay to the agency the fees of the agency that are approved by the Commission,

- (c) to trade derivatives, or classes of derivatives, on or through the facilities of an exchange recognized by the Commission or exempted by the Commission from the requirement to be recognized as an exchange,
  - (d) to clear trades in derivatives, or classes of derivatives, on or through the facilities of a clearing agency recognized by the Commission, and
  - (e) to maintain at least a prescribed minimum excess working capital in respect of trades in derivatives, or classes of derivatives, not cleared on or through the facilities of a clearing agency recognized by the Commission.
- (3) The forms, fees and other requirements of an agency are subject to the approval of the Commission and the Commission shall publish those forms, fees and other requirements, and any amendment to any of them, in the month immediately following their approval.
- (4) The Executive Director may inspect all books, documents, correspondence and other records of any description maintained by an agency.
- (5) If the information received by an agency under this section is recorded by means of a mechanical, electronic or other device, the agency shall
- (a) take adequate precautions that are appropriate to the means used to guard against the falsification of the information recorded, and
  - (b) provide means for making the information available to the Executive Director in an accurate and intelligible form within a reasonable time.

Confirmation under section 90(1) of the Act

- 9 (1) Where a trade is made in a derivative, the written confirmation required under section 90(1) of the Act shall set out the following:
- (a) the derivative and quantity bought or sold;
  - (b) the delivery month and year;
  - (c) the expiry date of the derivative;
  - (d) the name of the exchange on which the trade took place;
  - (e) the date on which the trade took place;
  - (f) the price at which the derivative was traded;
  - (g) the commission and fees, if any, charged in respect of the trade;
  - (h) the names of the dealer and representative, if any, in the trade.
- (2) For purposes of subsections (1)(d) and (h), a person, company or representative may be identified in a written confirmation by means of a code or symbol, if the written confirmation also contains a statement that the name of the person, company or representative will be furnished to the customer on request.
- (3) If a dealer uses a code or symbol for identification in a confirmation under subsection (1)(d) or (h), the dealer shall

- (a) promptly file with the Executive Director the code or symbol and its meaning, and
  - (b) notify the Executive Director within 5 days of any change in or addition to the code or symbol or its meaning.
- Confirmation of a trade in an option contract

**10**

Where a dealer acts as an agent for a customer in connection with a trade in an option contract, in addition to meeting the requirements of section 9(1), the confirmation must set out

  - (a) the premium,
  - (b) the exercise price, and
  - (c) the underlying asset or derivative that is the subject of the option contract.
- Confirmation re offsetting trade

**11**

Where a dealer acts as an agent in connection with an offsetting trade in a derivative, in addition to providing the written confirmation and authorization that is required under section 90 of the Act, the dealer shall promptly send to the customer a written statement of purchase and sale setting out all of the following:

  - (a) the derivative and quantity bought and sold;
  - (b) the delivery month and year;
  - (c) the expiry date of the derivative;
  - (d) the name of the exchange on which the trade took place;
  - (e) the dates of the initial and offsetting trades;
  - (f) the prices on the initial trade and on the offsetting trades;
  - (g) the gross profit or loss on the trade;
  - (h) the commission and fees, if any, charged in respect of the trade;
  - (i) the net profit or loss on the trade;
  - (j) the names of the dealer and representative, if any, in the trade.
- Outstanding derivative

**12**

Where a customer's account contains an outstanding derivative, the dealer shall promptly send to the customer a written statement setting out all of the following:

  - (a) the opening cash balance in the customer's account;
  - (b) all deposits, credits, withdrawals and debits to or from the customer's account;
  - (c) the closing cash balance in the customer's account;
  - (d) each open derivative;
  - (e) the exercise price of each open option contract;
  - (f) the settlement price of the underlying asset or derivative that is the subject of an open option contract;
  - (g) the price at which each open derivative was traded.





- (3) On request, a dealer or adviser shall
- (a) provide a customer with a summary of the terms and conditions of a derivative traded by the dealer or recommended by the adviser, and
  - (b) inform the customer where a copy of the terms and conditions of the derivative may be obtained and viewed.

**PART 5  
INSIDER TRADING AND SELF-DEALING**

- |                                     |           |  |
|-------------------------------------|-----------|--|
| Report under section 183 of the Act | <b>17</b> | Every report required to be filed under section 183 of the Act shall be completed in accordance with Form 4. |
| Report under section 191 of the Act | <b>18</b> | Every report required to be filed under section 191 of the Act shall be completed in accordance with Form 5. |

**PART 6  
ENFORCEMENT**

- |                                    |           |   |
|------------------------------------|-----------|---|
| Warrant                            | <b>19</b> | The endorsement of a warrant by a provincial judge or justice of the Court of Queen's Bench provided for by section 196 of the Act shall be completed in accordance with Form 6.  |
| Costs re investigation and hearing | <b>20</b> | <p>When the Commission or the Executive Director, as the case may be, makes an order under section 202(1) of the Act for the payment of costs of or related to the hearing or the investigation that led to the hearing, or both, the costs ordered may include one or more of the following, if the Commission or the Executive Director, as the case may be, is satisfied that such costs are reasonable in all the circumstances:</p> <ul style="list-style-type: none"> <li>(a) costs of Commission staff involved in the investigation or the hearing, or both, for each of the items undertaken in Column 1 at the rate prescribed in Column 2, or as otherwise ordered by the Commission or the Executive Director:</li> </ul> |

<u>Item</u>	<u>Column 1</u>	<u>Column 2</u>
1	Pre-Hearing Conferences and Hearing Management Sessions – for each ½ day	\$500
2	Contested Interim Applications whether heard orally, in writing or both (other than Contested Adjournment Applications)	\$2,000
3	Contested Adjournment Application	\$1,300
4	Uncontested Application	\$500
5	Ex Parte Application	\$500
6	Hearing	
6(1)	For each day or partial day of hearing up to and including hearing day 15 NOTE: In the event that any of the hearing days conclude in a half-day or less, then the amount for that day is to be reduced to \$4,000 regardless of the time scheduled	\$8,000

6(2)	For each day or partial day after hearing day 15 NOTE: In the event that any of the hearing days conclude in a half-day or less, then the amount for that day is to be reduced to \$1,500 regardless of the time scheduled	\$3,000
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- (b) costs paid or payable to a person or company, other than Commission staff, appointed or engaged by the Commission or the Executive Director for purposes of or related to the investigation or the hearing, or both;
- (c) costs paid or payable in respect of witnesses, other than costs referred to in clauses (a) and (b), for purposes of or related to the investigation or the hearing, or both; and
- (d) any other costs paid or payable for purposes of or related to the investigation or the hearing, or both.

Payment to Commission                      **21**                      Money paid by a person or company pursuant to an agreement with the Executive Director shall be paid to the Commission.

**PART 7  
CIVIL LIABILITY FOR SECONDARY MARKET DISCLOSURE**

Meaning of equity security                      **22**                      In this Part, “equity security” means any security of an issuer that carries the residual right to participate in

- (a) the earnings of the issuer, and
- (b) the assets of the issuer on the liquidation or the winding-up of the issuer.

Meaning of market capitalization                      **23**                      For the purposes of Part 17.01 of the Act, “market capitalization” means, in respect of an issuer, the amount determined as follows:

- (a) for each class of equity securities for which there is a published market, determine the sum of the number of outstanding securities of the class at the close of trading on each of the 10 trading days before the day on which the misrepresentation was made or the failure to make timely disclosure first occurred;
- (b) divide the sum determined under clause (a) by 10;
- (c) multiply the quotient determined under clause (b) for each class by the trading price of the securities of the class on the principal market for the securities for the 10 trading days before the day on which the misrepresentation was made or the failure to make timely disclosure first occurred;
- (d) add the amounts determined under clause (c) for each class of equity securities for which there is a published market;
- (e) for each class of equity securities not traded on a published market, determine the fair market value of the outstanding securities of that class as of the day on which the misrepresentation was made or the failure to make timely disclosure first occurred;

- (f) add the amounts determined under clause (e) for each class of equity securities not traded on a published market; and
- (g) add the amount determined under clause (d) to the amount determined under clause (f) to determine the market capitalization of the issuer.

Meaning of principal market

24

For the purposes of Part 17.01 of the Act, “principal market” means, in respect of a class of securities of a responsible issuer,

- (a) the published market in Canada on which the greatest volume of trading in securities of that class occurred during the 10 trading days before the day on which the misrepresentation was made or the failure to make timely disclosure first occurred, or
- (b) the published market on which the greatest volume of trading in securities of that class occurred during the 10 trading days before the day on which the misrepresentation was made or the failure to make timely disclosure first occurred, if securities of that class are not traded during those 10 trading days on a published market in Canada.

Meaning of trading price

25

For the purposes of Part 17.01 of the Act, “trading price” means, in respect of a security of a class of securities for which there is a published market, the amount determined under the following rules:

- (a) subject to clauses (b) and (c), the trading price of the security is the volume weighted average price of securities of that class on the published market during the period for which the trading price is to be determined;
- (b) subject to clause (c), if there was trading in the securities of that class in the published market on fewer than half of the trading days during the period for which the trading price of the securities is to be determined, the trading price of the security is determined as follows:
  - (i) calculate the sum of the average of the highest bid and lowest ask prices for each trading day in the period on which there were no trades in securities of that class in the published market,
  - (ii) divide the amount determined under subclause (i) by the number of trading days on which there were no trades in securities of that class in the published market,
  - (iii) add to the amount determined under subclause (ii) the volume weighted average price of securities of that class on the published market for those trading days on which securities of that class were traded,
  - (iv) divide by two the amount determined under subclause (iii);
- (c) if there were no trades of securities of that class in the published market during the period for which the trading price is to be determined, the trading price of the security is the fair market value of the security.

Application of Part 17.01 of the Act

- 26 (1)** Part 17.01 of the Act applies to the acquisition of an issuer’s security pursuant to an exemption from section 110 of the Act that is set out in section 2.8 of National Instrument 45-102 *Resale of Securities*, which exemption is prescribed for the purposes of section 211.02(b) of the Act.
- (2)** Part 17.01 of the Act applies to the acquisition or disposition of an issuer’s security in connection with or pursuant to a take-over bid described in section 4.1, 4.4 or 4.5 of National Instrument 62-104 *Take-Over Bids and Issuer Bids* or an issuer bid described in section 4.8, 4.10 or 4.11 of National Instrument 62-104 *Take-Over Bids and Issuer Bids*, which bids are prescribed for the purposes of section 211.02(c) of the Act.

**PART 8  
GENERAL PROVISIONS**

Filing of material filed in other jurisdictions – investment funds

- 27** An investment fund that is a reporting issuer shall file, concurrently with the Executive Director, all information not already filed with the Executive Director whether in the same or a different form, that it files with
- (a) a government of another jurisdiction,
  - (b) an agency of a government of another jurisdiction, or
  - (c) an exchange wherever situate,
- under the securities or corporation law of that jurisdiction or under the by-laws, rules, or other regulatory instruments of the exchange, if it is material to purchasers of securities notwithstanding that the information is not specifically required to be filed by the terms of the applicable statute or regulation of that jurisdiction, or of the applicable by-laws, rules or other regulatory instruments of the exchange.

Filing of material generally

- 28 (0.1)** In this section, “electronic signature” means electronic information that a person creates or adopts in order to sign a document and that is in, attached to or associated with the document.
- (1)** Except as otherwise provided under Alberta securities laws,
- (a) every document that is required or permitted to be filed with the Commission or the Executive Director by an individual and that is required to be signed or certified must comply with one of the following:
    - (i) be manually signed and include, below the signature, the name of the individual in typewritten or printed form,
    - (ii) be electronically signed, and use an electronic signature that
      - (A) together with any accompanying information, is capable of identifying the signatory,
      - (B) is unique to the signatory; and

- (C) is created using means that the signatory can maintain under the signatory's sole control,
- (b) subject to clause (c), every document that is required or permitted to be filed with the Commission or the Executive Director by a company or person, other than an individual, and that is required to be signed or certified must comply with one of the following:
- (i) be manually signed by
    - (A) an officer or director of the person or company, or an individual acting in a capacity similar to that of an officer or director, and include, below the signature, the name of the officer, director, or individual acting in a capacity similar to that of an officer or director in typewritten or printed form, or
    - (B) the attorney or agent of the person or company, and include, below the signature, the name of the attorney or agent in typewritten or printed form,
  - (ii) be electronically signed by one of the following:
    - (A) an officer or director of the person or company, or an individual acting in a capacity similar to that of an officer or director, and use an electronic signature that
      - (I) together with any accompanying information, is capable of identifying the signatory,
      - (II) is unique to the signatory, and
      - (III) is created using means that the signatory can maintain under the signatory's sole control, or
    - (B) the attorney or agent of the person or company, and use an electronic signature that
      - (I) together with any accompanying information, is capable of identifying the signatory,
      - (II) is unique to the signatory, and
      - (III) is created using means that the signatory can maintain under the signatory's sole control,
- (c) if a partner signs or certifies on behalf of a professional partnership, the partner's name is not required to be signed, but, if an individual other than a partner signs or certifies, the individual must comply with one of the following:
- (i) the individual must manually sign the individual's name, and the name of the individual must be included below the individual's signature in typewritten or printed form,
  - (ii) the individual must electronically sign the individual's name, and use an electronic signature that

- (A) together with any accompanying information, is capable of identifying the signatory,
- (B) is unique to the signatory; and
- (C) is created using means that the signatory can maintain under the signatory's sole control.

(d) [repealed]

- (2) Any document that is required or permitted to be filed with the Commission or the Executive Director and that is required to be signed or certified may be filed by electronic means if it is otherwise in accordance with the relevant requirements of this section.
- (3) Any document that is required or permitted to be filed with the Commission or the Executive Director and is not required to be signed or certified may be filed by electronic means.
- (4) Any document filed pursuant to subsections (2) or (3) is deemed to have been filed on the day upon which it was received by the Commission or the Executive Director, as the case may be.

Effective date and  
repeal

- 29** (1) These Rules come into force on July 31, 2010.
- (2) The *Alberta Securities Commission Rules*, as amended, which came into force on June 1, 1995, are repealed.

*[as amended on December 31, 2012, October 31, 2014, May 9, 2016, June 1, 2017, October 30, 2023 and October 31, 2024]*