

ASC NOTICE OF IMPLEMENTATION
ALBERTA SECURITIES COMMISSION
RULE 46-503
REVOCATION OF PURCHASE

January 11, 2024

Introduction

The Alberta Securities Commission (**ASC** or **we**) is adopting Alberta Securities Commission Rule 46-503 *Revocation of Purchase* (the **ASC Local Rule**).

The text of the ASC Local Rule is attached as Annex A to this Notice and will be available on ASC's website at: www.asc.ca.

Substance and Purpose

The purpose of the ASC Local Rule is to set out the timeline in which an agreement to purchase securities offered in a subscription to which subsection 110(1) of the *Securities Act* (Alberta) (the **Act**) applies, or an agreement to purchase another prescribed security, is not binding on the purchaser when the issuer chooses not to provide access in accordance with section 129 of the Act. Additionally, the ASC Local Rule states when access is provided in accordance with section 129 of the Act, which rules must be followed with respect to the timeline for the revocation of a purchase.

Background

On April 7, 2022 the Canadian Securities Administrators (the **CSA**), published CSA Notice and Request for Comment *Proposed Amendments and Proposed Changes to Implement an Access Equals Delivery Model for Non-Investment Fund Reporting Issuers* (the **2022 Notice**). The 2022 Notice outlines the proposed amendments to National Instrument 41-101 *General Prospectus Requirements*, National Instrument 44-101 *Short Form Prospectus Distributions*, National Instrument 44-102 *Shelf Distributions* and National Instrument 44-103 *Post-Receipt Pricing* to implement an access model for non-investment fund prospectuses (the **Prospectus Access Model**). In addition, the 2022 Notice advised market participants that certain jurisdictions would require related changes to local securities laws in order to implement the Prospectus Access Model.

The ASC has determined that amendments to section 129 and subsection 130(1) of the Act are required in order to implement the Prospectus Access Model (the **Act Amendments**) in Alberta. On March 23, 2023, the Alberta Legislature passed the Act Amendments which will come into force on proclamation. The Act Amendments will allow for delivery of a prospectus by providing access, subject to the regulations (section 129) and move the revocation period timelines (subsection 130(1)) into a regulation. Moving the revocation timeline into the ASC Local Rule provides the ASC with flexibility to ensure consistent revocation periods regardless of the method

of delivery. In addition, the Act Amendments will align with the Prospectus Access Model to ensure a harmonized Prospectus Access Model across the CSA.

Publication for Comment

On September 28, 2023 we published the ASC Local Rule for a 30 comment period. During the comment period, which ended on October 28, 2023 we did not receive any comments or written submissions.

Effective Date

The ASC Local Rule will be effective as of April 16, 2024.

Annexes

This Notice contains the following Annex:

- Annex A – Alberta Securities Commission Rule 46-503 *Revocation of Purchase*

Questions

Questions respecting the adoption or application of the ASC Local Rule can be directed to the following persons:

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Annex A

ALBERTA SECURITIES COMMISSION RULE 46-503 *REVOCATION OF PURCHASE*

Definitions

1. In this Rule

“business day” has the same meaning as in National Instrument 41-101 *General Prospectus Requirements*.

Revocation of purchase – General

2. Subject to section 3, pursuant to subsection 130(1) of the *Securities Act*, an agreement to purchase securities offered in a subscription to which subsection 110(1) of the Act applies, or an agreement to purchase another prescribed security, is not binding on the purchaser if
- (a) the dealer receives notice in writing that the purchaser does not intend to be bound by the agreement to purchase, and
 - (b) the notice in (a) is provided not later than 2 business days after receipt by the purchaser of the latest prospectus, any amendment to the prospectus, another prescribed document, or any amendment to the prescribed document.

Revocation of purchase – Access

3. Despite section 2, if access is provided in accordance with section 129 of the *Securities Act*, an agreement to purchase securities offered in a subscription to which subsection 110(1) of the Act applies, or an agreement to purchase another prescribed security, is not binding on the purchaser if the dealer receives notice as set out in any one of the following:
- (a) Part 2A: Access to a Prospectus of National Instrument 41-101 *General Prospectus Requirements*;
 - (b) Part 6A Access to Shelf Prospectus Supplements and Base Shelf Prospectuses of National Instrument 44-102 *Shelf Distributions*;
 - (c) Part 2A Access to Supplemented PREP Prospectuses of National Instrument 44-103 *Post-Receipt Pricing*.

Exemption by Commission or Executive Director

4. The Commission or the Executive Director may grant an exemption to this Rule, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

Effective date

5. This Rule comes into force on April 16, 2024.