

1995 BILL 31

Third Session, 23rd Legislature, 44 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 31

SECURITIES AMENDMENT ACT 1995

THE PROVINCIAL TREASURER

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 31

1995

SECURITIES AMENDMENT ACT, 1995

(Assented to _____, 1995)

HER MAJESTY, by and with the advice and consent of the
Legislative Assembly of Alberta, enacts as follows:

Amends SA
1991 cS-6.1

1 *The Securities Act is amended by this Act.*

2 *Section 1 is amended*

(a) *by repealing clause (a.01);*

(b) *by repealing clause (a.101);*

(c) *by repealing clauses (a.2) and (a.3) and substituting the following:*

(a.2) "Chair" means the Chair of the Commission;

(a.3) "clearing agency" means a person or company that,

(i) with respect to trades in securities, acts as an intermediary in paying funds or delivering securities, or both,

(ii) provides centralized facilities through which trades in securities or exchange contracts are cleared, or

(iii) provides centralized facilities as a depository of securities;

(d) *by repealing clause (d.1) and substituting the following:*

(d.1) "decision", when used in relation to the Commission or the Executive Director, means a direction, decision, order, ruling or other requirement made by the Commission or the Executive Director, as the

Explanatory Notes

1 Amends chapter S-6.1 of the Statutes of Alberta, 1981.

2 Section 1(a.01), (a.101), (a.2), (a.3), (d.1), (g.01), (g.1), (h.1), (p.1), (t), (t.1) and (t.2) read as follows:

1 In this Act,

(a.01) "Agency" means the Agency of the Alberta Securities Commission;

(a.101) "Board" means the Board of the Alberta Securities Commission;

(a.2) "Chairman" means the chairman of the Board;

(a.3) "Chief of Securities Administration" includes any Deputy Chief of Securities Administration;

(d.1) "decision", when used in relation to the Board or the Chief of Securities Administration,

(i) means a direction, decision, order or ruling made by the Board or the Chief of Securities Administration, as the case may be, under a power or right conferred by this Act or the regulations, and

(ii) includes a direction made by the Chief of Securities Administration under section 96;

(g.01) "exchange contract" means a futures contract or an option where

case may be, under a power or right conferred by this Act or the regulations;

(e) *in clause (g.01)(iv) by striking out “Board” and substituting “Commission”;*

(f) *by repealing (g.1) and substituting the following:*

(g.1) “Executive Director” means the Executive Director of the Commission and includes a Director of the Commission and any person appointed by the Commission to act in the place of the Executive Director or a Director;

(g) *by repealing clause (h.1) and substituting the following:*

(h.1) “hearing” means a hearing of a matter before the Commission or the Executive Director, as the case may be, and includes a review of a matter by the Commission or the Executive Director, as the case may be;

(h) *in clause (p.1) by striking out “and includes a company incorporated under the Company Act (British Columbia) that is not a reporting company as defined in that Act”;*

(i) *by adding the following after clause (r.1):*

(r.2) “recognized clearing agency” means a clearing agency recognized by the Commission under section 53.4;

(r.3) “recognized exchange” means an exchange recognized by the Commission under section 52;

(r.4) “recognized self-regulatory organization” means a self-regulatory organization recognized by the Commission under section 53.1;

(j) *by repealing clause (t) and substituting the following:*

(t) “regulations” means the regulations made under this Act and, unless the context otherwise indicates, includes the rules;

(k) *in clause (t.1)(iii) by striking out “Board” and substituting “Commission”;*

(l) *by repealing clause (t.2) and substituting the following:*

- (i) *its performance is guaranteed by a clearing agency, and*
 - (ii) *it is traded on an exchange pursuant to standardized terms and conditions set forth in the by-laws, rules or regulations of that exchange at a price agreed on when the futures contract or option is entered into on the exchange,*
- and includes any instrument or class of instruments that*
- (iii) *meets the requirements referred to in subclauses (i) and (ii), and*
 - (iv) *is designated as an exchange contract by an order of the Board;*
- (g.1) *"Executive Director" means the Executive Director of the Board;*
- (h.1) *"hearing" means a hearing of a matter before the Board or the Chief of Securities Administration, as the case may be;*
- (p.1) *"private company" means a company in whose constating documents*
- (i) *the right to transfer its shares is restricted,*
 - (ii) *the number of its shareholders, exclusive of*
 - (A) *persons who are in its employment or that of an affiliate, and*
 - (B) *persons who, having been formerly in its employment or that of an affiliate, were, while in that employment, shareholders of the company and have continued to be shareholders of that company after termination of that employment,*
- is limited to not more than 50 persons, 2 or more persons who are the joint registered owners of 1 or more shares being counted as 1 shareholder, and*
- (iii) *any invitation to the public to subscribe for its securities is prohibited,*
- and includes a company incorporated under the Company Act (British Columbia) that is not a reporting company as defined in that Act;*
- (t) *"Registrar" means the Registrar of the Agency;*
- (t.1) *"reporting issuer" means an issuer*
- (i) *that has issued voting securities on or after October 1, 1967 in respect of which a prospectus was filed*

(t.2) “rules” means the rules made by the Commission under section 196.1;

(m) *by adding the following after clause (u):*

(u.1) “Secretary” means the Secretary of the Commission and includes any person appointed by the Commission to act in the place of the Secretary;

(n) *by adding the following after clause (v):*

(v.1) “self-regulatory organization” means a person or company that represents registrants and is organized for the purpose of regulating the operations and the standards of practice and business conduct of its members and their representatives;

3 *Section 10(2) is repealed and the following is substituted:*

(2) The Commission is a corporation consisting of the members of the Commission appointed by the Lieutenant Governor in Council.

(3) The Commission has, for the purposes of carrying out its functions and duties under this or any other enactment, the capacity and the rights, powers and privileges of a natural person.

4 *The following is added after section 10:*

By-laws

10.1(1) The Commission may make by-laws governing the administration and management of the business and affairs of the Commission.

and a receipt for it obtained under a predecessor of this Act or in respect of which a securities exchange take-over bid circular was filed under a predecessor of this Act,

(ii) that has filed a prospectus and obtained a receipt for it under this Act or that has filed a securities exchange take-over bid circular under this Act,

(iii) any of whose securities have been at any time since the coming into force of this section listed and posted for trading on an exchange in Alberta recognized by the Board regardless of when the listing and posting for trading commenced, or

(iv) that is the company whose existence continues following the exchange of securities of a company by or for the account of that company with another company or the holders of the securities of that other company in connection with

(A) a statutory amalgamation or arrangement, or

(B) a statutory procedure under which one company takes title to the assets of the other company that in turn loses its existence by operation of law or under which one company merges with one or more other companies,

if one of the amalgamating or merged companies or the continuing company has been a reporting issuer for at least 12 months immediately prior to the amalgamation, merger or continuation;

(1.2) "review" means a review before the Board of a matter based on a record of proceedings of a hearing held before the Board or the Chief of Securities Administration, as the case may be;

3 Section 10 presently reads:

10(1) The Alberta Securities Commission is continued and is responsible for the administration of this Act and the regulations.

(2) The Commission shall be composed of

(a) the Board of the Alberta Securities Commission, and

(b) the Agency of the Alberta Securities Commission.

4 By-laws of the Commission.

(2) The *Regulations Act* does not apply to a by-law made under this section.

5 *Section 11 is repealed and the following is substituted:*

Chair and
Vice-chair

11(1) The Lieutenant Governor in Council

(a) shall designate one of the members of the Commission as the Chair of the Commission, and

(b) may designate one of the members of the Commission to be the Vice-chair of the Commission.

(2) The Chair is the chief executive officer of the Commission.

Remuneration

11.1 The remuneration payable to the Chair, Vice-chair and members of the Commission shall be set by the Commission.

5 Section 11 presently reads:

11(1) The Board shall be composed of the members appointed by the Lieutenant Governor in Council.

(2) The Lieutenant Governor in Council

(a) shall designate one of the members of the Board as the Chairman of the Board, and

(b) may designate another member to be the Vice-chairman of the Board.

(3) The Chairman shall

(a) be the chief executive officer of the Board, and

(b) devote his full time to the work of the Board.

(4) Two members of the Board constitutes a quorum.

(5) In accordance with the Public Service Act, there may be an Executive Director of the Board and those other employees as may be required to conduct the business of the Board.

(6) The Executive Director shall

(a) accept on behalf of the Board documents that are served on or filed with the Board,

(b) when required, provide the record of proceedings before the Board to the Court of Appeal, and

(c) carry out the duties assigned to him by the Chairman.

(7) The Chairman or, where authorized by the Chairman, the Executive Director may authorize an employee referred to in subsection (5) to do any act or thing required or permitted to be done by the Executive Director under

(a) this Act or the regulations, or

(b) any other Act or any regulations made under any other Act.

(8) An authorization made under subsection (7) may be

(a) general or applicable to a particular case, and

(b) conditional or unconditional.

6 *Section 12 is amended*

(a) *in subsection (1) by striking out “Board” and substituting “Commission”;*

(b) *in subsection (2)*

(i) *by striking out “Board’s duties, the Chairman” and substituting “Commission’s duties, the Chair”;*

(ii) *by striking out “Board” wherever it occurs and substituting “Commission”;*

(c) *in subsection (3) by striking out “Board” and substituting “Commission”.*

7 *Sections 13 and 14 are repealed and the following is substituted:*

Staff

13 The Commission may

(a) appoint

(i) an Executive Director of the Commission,

(ii) a Secretary of the Commission, and

(iii) any other employees that it considers necessary,

and

(b) obtain the services of persons having technical or professional knowledge required by the Commission in connection with its business.

Duties of the
Executive
Director

13.1(1) The Executive Director is the chief administrative officer of the Commission.

(2) The Executive Director may authorize an employee of the Commission to do any act or thing required or permitted to be done by the Executive Director under this Act, the regulations or any other Act.

(3) An authorization under subsection (2) may be

(a) general or applicable to a particular case, and

(b) conditional or unconditional.

6 Section 12 presently reads:

12(1) The Lieutenant Governor in Council may from time to time nominate 1 or more persons from among whom acting members of the Board may be selected.

(2) When in his opinion it is necessary or desirable for the proper and expeditious performance of the Board's duties, the Chairman may name a person nominated under subsection (1) as an acting member of the Board for a period of time, during any circumstance or for the purpose of any matter before the Board.

(3) An acting member has, during the period, under the circumstances or for the purpose for which he is named an acting member, all the powers, and may perform all duties, of a member of the Board.

7 Sections 13 and 14 presently read:

13(1) The Agency shall be composed of the Chief of Securities Administration and those other employees as may be required to conduct the business of the Agency who shall be appointed in accordance with the Public Service Act.

(2) The Chief of Securities Administration may, from among the employees referred to in subsection (1),

(a) appoint an employee as a Deputy Chief of Securities Administration, and

(b) appoint an employee as a Registrar of the Agency.

(3) The Chief of Securities Administration may authorize an employee referred to in subsection (1) to do any act or thing required or permitted to be done by the Chief of Securities Administration or a Registrar under

(a) this Act or the regulations, or

(b) any other Act or any regulations made under any other Act.

(4) An authorization made under subsection (3) may be

(a) general or applicable to a particular case, and

(b) conditional or unconditional.

(5) The Chief of Securities Administration is the chief executive officer of the Agency.

14(1) For the purposes of sections 116, 117, 123 and 184(2) of this Act and sections 50 and 103 of the Companies Act, the Chairman

(4) Notwithstanding that the Executive Director has given an authorization under this section, the Executive Director may do the act or thing in respect of which the authorization was given.

Duties of the
Secretary

13.2(1) The Secretary is responsible for carrying out the duties imposed on the Secretary by this Act, the regulations, any other Act or the Commission.

(2) The Secretary may

- (a) accept service of all notices and other documents on behalf of the Commission,
- (b) when required, provide to the Court of Appeal the record of proceedings held before the Commission, and
- (c) certify any decision made by the Commission or the Executive Director or any document, record or thing used in connection with a hearing or other proceeding.

(3) A certificate purporting to be signed by the Secretary is, without proof of the office or signature, admissible in evidence, so far as it is relevant, for all purposes in any action, hearing, prosecution or other proceeding.

Financial
matters re
Commission

13.3(1) All fees, costs, settlement money and other revenue arising with respect to the administration of this Act, the regulations or any other enactments administered by the Commission are the revenues of the Commission.

(2) All money from any source that is received by and all money that is payable to the Commission belongs to the Commission.

(3) Any income earned from the money of the Commission accrues to and belongs to the Commission.

(4) The Commission

- (a) shall open and operate bank accounts in its own name and shall deposit all money received by the Commission into those bank accounts;
- (b) shall from the money received by the Commission make disbursements and pay all of the expenditures, debts and liabilities incurred by the Commission;

may, unless the applicant requests otherwise, act as the Board and may exercise and perform the powers and duties of the Board.

(2) The Board may authorize in writing any member of the Board, including the Chairman or Vice-chairman, to do any act or thing required or permitted to be done by the Board under this Act, or the regulations other than those matters referred to in sections 23 and 28 to 35 of this Act or under any other Act.

(3) The Board may authorize in writing the Chief of Securities Administration to do any act or thing required or permitted to be done by the Board under this Act, or the regulations other than those matters referred to in sections 23 and 28 to 35 of this Act or under any other Act.

(4) A written authorization made under subsection (1), (2) or (3) may be

(a) general or applicable to a particular case, and

(b) conditional or unconditional.

(5) Notwithstanding that the Board has given an authorization under this section, it may do the act or thing in respect of which the authorization was given.

- (c) may borrow money for the purposes of carrying out its business;
- (d) may invest money for the purposes of carrying out its business;
- (e) may participate as a depositor in the Consolidated Cash Investment Trust Fund established under the *Financial Administration Act*.

Annual report

13.4(1) The Commission shall, after the end of the Commission's fiscal year, prepare and deliver to the Minister a report consisting of

- (a) a summary of the nature and number of
 - (i) filings under this Act,
 - (ii) registrations under this Act, and
 - (iii) enforcement proceedings taken under this Act,
 - (b) a general commentary on the law concerning securities and exchange contracts and on the practice and development of that law,
 - (c) information similar to that required under clause (a) in respect of other statutes administered by the Commission,
 - (d) audited financial statements, and
 - (e) other information as requested by the Minister or Lieutenant Governor in Council.
- (2)** On receiving a report delivered to the Minister under subsection (1), the Minister shall,
- (a) if the Legislative Assembly is sitting when the report is received by the Minister, lay the report before the Assembly, or
 - (b) if the Legislative Assembly is not sitting when the report is received by the Minister, lay the report before the Assembly within 15 days after the commencement of the sitting next following the receipt of the report.

Agent of the
Crown

13.5(1) The Commission is for the purposes of this Act an agent of the Crown in right of Alberta, and the powers of the Commission provided for under this Act may be exercised by the Commission only as an agent of the Crown.

(2) An action or other legal proceedings in respect of a right or obligation acquired or incurred by the Commission on behalf of the Crown in right of Alberta, whether in the name of the Commission or in the name of the Crown in right of Alberta, may be brought by or taken against the Commission in the name of the Commission in any court that would have jurisdiction if the Commission were not an agent of the Crown.

Delegation of
power

14(1) The Commission may authorize in writing any member of the Commission, including the Chair or Vice-chair, to do any act or thing required or permitted to be done by the Commission under this Act, the regulations or any other Act.

(2) Where a member of the Commission is authorized to do any act or thing under subsection (1), any decision made by that member in respect of that act or thing has the same force and effect as if the decision were made by the Commission.

(3) For the purposes of sections 116, 117, 123, 125 and 184(2) of this Act and sections 50 and 103 of the *Companies Act*, the Chair may, unless otherwise requested by the applicant, act alone in exercising and performing the powers and duties of the Commission.

(4) The Commission may authorize in writing the Executive Director to do any act or thing required or permitted to be done by the Commission under this Act, the regulations or any other Act.

(5) A written authorization made under subsection (1) or (4) may be

(a) general or applicable to a particular case, and

(b) conditional or unconditional.

(6) Notwithstanding that the Commission has given an authorization under this section, the Commission may do the act or thing in respect of which the authorization was given.

(7) Notwithstanding anything in this section, the Commission shall not make an authorization under this

section authorizing one or more members of the Commission or the Executive Director to make rules.

8 *Section 15 is amended*

- (a) *by striking out “Chairman” wherever it occurs and substituting “Chair”;*
- (b) *by striking out “Board” wherever it occurs and substituting “Commission”;*
- (c) *in subsections (1), (4) and (7) by striking out “, investigation” wherever it occurs.*

9 *The following is added after section 17:*

Evidence
taken outside
of Alberta

17.1(1) The Commission or the Executive Director may apply to the Court of Queen’s Bench for an order

- (a) appointing a person to take the evidence of a witness outside of Alberta for use in an investigation or hearing before the Commission, and
- (b) providing for the issuance of a written request directed to the judicial authorities of the jurisdiction

8 Section 15 presently reads:

15(1) The Chairman may designate 2 or more members of the Board to sit as a panel of the Board and may direct the panel to conduct any hearing, review, inquiry, investigation or other proceeding that the Board itself could conduct under this or any other Act.

(2) Two members constitute a quorum at a sitting of a panel of the Board.

(3) A decision or other action made or taken at a sitting of a panel of the Board at which a quorum is present is the decision or action of the Board and binds all members of the Board.

(4) A panel of the Board has, with respect to its duties, the same jurisdiction as that of the Board and may exercise and perform all the powers of the Board under this or any other Act with respect to a hearing, review, inquiry, investigation or other proceeding that it is directed to conduct and for that purpose any reference in this or any other Act to the Board shall be deemed to be a reference to a panel of the Board.

(5) The Chairman may designate a member of a panel of the Board to preside at any sitting of the panel at which the Chairman is not present.

(6) A panel of the Board shall conduct its sittings separately from those of another panel of the Board being conducted at the same time.

(7) Where a hearing, inquiry, investigation or other proceeding is conducted by a panel of the Board and one or more members of the panel do not for any reason attend on any day or part of a day, the remaining members present may, if they constitute a quorum of the panel, continue with the hearing, inquiry, investigation or proceeding.

9 Taking of evidence outside of the jurisdiction.

in which the witness is to be found for the issuance of any process as is necessary

(i) to compel the person to attend to give testimony on oath or otherwise before the person appointed under clause (a), and

(ii) to produce documents, records and things relevant to the subject-matter of the investigation or hearing.

(2) The practice and procedure in connection with

(a) an appointment under this section,

(b) the taking of evidence, and

(c) the certifying and return of the appointment

shall, to the extent possible, be the same as those that govern similar matters in civil proceedings in the Court of Queen's Bench in Alberta.

(3) Unless the Court otherwise provides, the making of an order under subsection (1) does not determine whether evidence obtained pursuant to the order is admissible in a hearing before the Commission.

(4) Nothing in this section shall be construed so as to limit any power that the Commission may have to obtain evidence outside of Alberta by any other means including under any other enactment or by the operation of law.

Evidence
taken in
Alberta by
other
securities
regulatory
agencies

17.2(1) Where

(a) a securities commission or other body is empowered by statute to administer or regulate securities in a jurisdiction outside of Alberta, and

(b) the Court of Queen's Bench in Alberta is satisfied that a court or tribunal of competent jurisdiction in a jurisdiction outside of Alberta has properly authorized that securities commission or other body to obtain testimony and evidence in Alberta from a witness located in Alberta,

the Court of Queen's Bench in Alberta may

(c) order the attendance of the witness for the purpose of being examined,

- (d) order the production of any record, document or thing mentioned in the order, and
- (e) give directions as to the time and place of the examination and all other matters with respect to the examination as the Court of Queen's Bench considers appropriate.

(2) In making an order under subsection (1), the Court of Queen's Bench may, insofar as the Court considers appropriate, order that the examination of the witness

- (a) be before a person appointed in accordance with the directions of, and
- (b) be carried out in the manner provided for by,

the court or tribunal of the jurisdiction outside of Alberta that authorized the obtaining of the testimony and evidence in Alberta.

10 *Section 19 is repealed and the following is substituted:*

Conduct of
hearings

19 For the purposes of a hearing before the Commission or the Executive Director, as the case may be, the following applies:

- (a) except where otherwise provided for in this Act, notice in writing of the time, place and purpose of the hearing shall be sent to the person or company that is the subject of the hearing;
- (b) except where otherwise provided for in this Act, in addition to any other person or company to whom notice is required to be sent under clause (a), notice in writing of the time, place and purpose of the hearing shall be sent to any person or company that, in the opinion of the Commission or the Executive Director, as the case may be, is substantially affected by the hearing;
- (c) the Commission or the Executive Director, as the case may be, has the same power as is vested in the Court of Queen's Bench for the trial of civil actions
 - (i) to summon and enforce the attendance of witnesses,
 - (ii) to compel witnesses to give evidence on oath or otherwise, and

10 Section 19 presently reads:

19 For the purposes of a hearing or a review, as the case may be, before the Board or the Chief of Securities Administration, the following rules apply:

- (a) except where otherwise provided for in this Act, notice in writing of the time, place and purpose of the hearing or review shall be sent to the person or company that is the subject of the hearing or review;*
- (b) except where otherwise provided for in this Act, in addition to any other person or company to whom notice is required to be sent under clause (a), notice in writing of the time, place and purpose of the hearing or review shall be sent to any person or company that, in the opinion of the Board or the Chief of Securities Administration, as the case may be, is substantially affected by the hearing or review;*
- (c) in the case of a hearing, the Board or the Chief of Securities Administration, as the case may be, has the same power as is vested in the Court of Queen's Bench for the trial of civil actions*
 - (i) to summon and enforce the attendance of witnesses,*
 - (ii) to compel witnesses to give evidence on oath or otherwise, and*

- (iii) to compel witnesses to produce documents, records, securities, exchange contracts, contracts and things;
- (d) the failure or refusal of a person summoned as a witness under clause (c) to attend the hearing, to answer questions or to produce documents, records, securities, exchange contracts, contracts and things that are in that person's custody or possession makes that person, on application to the Court of Queen's Bench by the Commission or the Executive Director, as the case may be, liable to be committed for contempt by the Court of Queen's Bench in the same manner as if that person were in breach of an order or judgment of that Court;
- (e) the Commission or the Executive Director, as the case may be, shall receive that evidence that is relevant to the matter being heard;
- (f) the laws of evidence applicable to judicial proceedings do not apply;
- (g) all oral evidence received shall be taken down in writing or recorded by electronic means;
- (h) all the evidence taken down in writing or recorded by electronic means and all documentary evidence and things received in evidence at a hearing form the record of the proceeding;
- (i) if, in the opinion of the Commission or the Executive Director, as the case may be, the decision made after a hearing adversely affects the right of a person or company to trade in securities or exchange contracts, written reasons for the decision shall be issued;
- (j) notice of every decision together with a copy of the written reasons for it, if any, shall be promptly sent to
 - (i) the persons or companies to whom notice of the hearing was sent, and
 - (ii) any person or company that, in the opinion of the Commission or the Executive Director, as the case may be, is substantially affected by it;
- (k) a person or company appearing at a hearing may be represented by legal counsel;

- (iii) *to compel witnesses to produce documents, records, securities, exchange contracts, contracts and things;*
- (d) *the failure or refusal of a person summoned as a witness under clause (c) to attend the hearing, to answer questions or to produce documents, records, securities, exchange contracts, contracts and things that are in his custody or possession makes that person, on application to the Court of Queen's Bench by the Board or the Chief of Securities Administration, as the case may be, liable to be committed for contempt by the Court of Queen's Bench in the same manner as if that person was in breach of an order or judgment of that Court;*
- (e) *in the case of a hearing, the Board or the Chief of Securities Administration, as the case may be, shall receive that evidence that is relevant to the matter being heard;*
- (f) *in the case of a review, the Board may receive new evidence that was not available at the hearing of the matter that is the subject of the review;*
- (g) *the laws of evidence applicable to judicial proceedings do not apply;*
- (h) *all oral evidence received shall be taken down in writing or recorded by electronic means;*
- (i) *all the evidence taken down in writing or recorded by electronic means and all documentary evidence and things received in evidence at a hearing or review forms the record of the proceeding;*
- (j) *if, in the opinion of the Board or the Chief of Securities Administration, as the case may be, the decision made after a hearing or review adversely affects the right of a person or company to trade in securities or exchange contracts, written reasons for the decision shall be issued;*
- (k) *notice of every decision together with a copy of the written reasons for it, if any, shall be promptly sent to*
 - (i) *the person or company to whom notice of the hearing or review was sent, and*
 - (ii) *any person or company that, in the opinion of the Board or the Chief of Securities Administration, as the case may be, is substantially affected by it;*
- (l) *a person or company appearing at a hearing or review may be represented by legal counsel;*
- (m) *a hearing or review is open to the public unless the person presiding over the hearing or review considers it in the public interest to order otherwise;*

- (l) a hearing is open to the public unless the person presiding over the hearing considers that it is in the public interest to order otherwise;
- (m) the provisions of the *Alberta Rules of Court* compelling the attendance of witnesses, including provisions relating to the payment of conduct money, apply to matters heard under this Act.

11 Sections 20 and 21 are repealed and the following is substituted:

Decision made
without a
hearing

20 If, under this Act,

(a) a person or company

(i) was given an opportunity to have a hearing, and

(ii) declined to have a hearing,

and

(b) the Commission or the Executive Director makes a decision in respect of the matter for which the person or company was given the opportunity to have a hearing,

the Commission or the Executive Director, as the case may be, shall send a copy of the decision to that person or company and to any other person or company, that in the opinion of the Commission or the Executive Director making the decision, will likely be affected by the decision.

Interim orders

21(1) Notwithstanding anything in this Act, where

(a) this Act permits the Commission or the Executive Director to conduct a hearing or to make a decision after conducting a hearing or after giving a person or company an opportunity to have a hearing, and

(b) the Commission or the Executive Director before whom the hearing is to be held considers that the length of time required to conduct a hearing and render a decision could be prejudicial to the public interest,

the Commission or the Executive Director, as the case may be, may make an interim order at any time without conducting a hearing.

- (n) *the provisions of the Alberta Rules of Court relating to the payment of conduct money or witness fees apply to matters heard under this Act.*

11 Sections 20 and 21 presently read:

20 *If, under this Act,*

- (a) *a person or company*

- (i) *is given an opportunity to have a hearing or review,*
and

- (ii) *declines to have a hearing or review,*

and

- (b) *the Board or the Chief of Securities Administration makes a decision in respect of the matter for which the person or company was given an opportunity to have the hearing or review,*

the Board or the Chief of Securities Administration, as the case may be, shall send a copy of the decision to that person or company and to any other person or company, that in the opinion of the Board or Chief of Securities Administration making the decision, will likely be affected by the decision.

21(1) *Notwithstanding anything in this Act, where*

- (a) *this Act permits the Board or the Chief of Securities Administration to conduct a hearing or to make a decision after conducting a hearing or after giving a person or company an opportunity to have a hearing,*
and

- (b) *in the opinion of the Board or the Chief of Securities Administration before whom the hearing is to be held, the length of time required to conduct a hearing and render a decision could be prejudicial to the public interest,*

the Board or the Chief of Securities Administration, as the case may be, may make an interim order at any time without conducting a hearing.

(2) *An interim order expires 15 days from the day that it was made.*

(2) An interim order expires 15 days from the day that it was made.

(3) Notwithstanding subsection (2), if

(a) an interim order is made under subsection (1), and

(b) the Commission or the Executive Director considers that it would not be prejudicial to the public interest to do so,

the Commission or the Executive Director may, without conducting a hearing, extend the interim order until a hearing is conducted and a decision is rendered.

(4) Where the Commission or the Executive Director makes an interim order, the Commission or the Executive Director, as the case may be, shall send

(a) a copy of the interim order, and

(b) an accompanying notice of hearing,

to any person or company that, in the opinion of the Commission or the Executive Director, is substantially affected by the order.

12 Section 23 is repealed.

13 Section 24(2) is amended by striking out "section 25(5)" and substituting "section 25(4)".

14 Section 25 is repealed and the following is substituted:

Appeals to the
Board

25(1) To commence an appeal to the Commission, the appellant shall, within 30 days from the day on which the written notice of the decision is served on the appellant, serve a written notice of appeal on the Secretary either personally or by registered mail.

(2) Notwithstanding subsection (1), the Commission may, on application by the appellant during the appeal period prescribed in subsection (1), extend the appeal period if the

(3) Notwithstanding subsection (2), if

(a) an interim order is made under subsection (1), and

(b) the Board or the Chief of Securities Administration is of the opinion that it would not be prejudicial to the public interest to do so,

the Board or the Chief of Securities Administration may, without conducting a hearing, extend the interim order until a hearing is conducted and a decision is rendered.

(4) Where the Board or the Chief of Securities Administration makes an interim order, the Board or the Chief of Securities Administration, as the case may be, shall send

(a) a copy of the interim order, and

(b) an accompanying notice of hearing,

to any person or company that, in the opinion of the Board or the Chief of Securities Administration, is substantially affected by the order.

12 Section 23 presently reads:

23(1) A decision made by a member of the Board pursuant to an authorization under section 14(2) may be appealed to the Board.

(2) The person who made the decision referred to in subsection (1) shall not sit on any hearing or review by the Board concerning that decision.

13 Changes a cross-reference.

14 Section 25 presently reads:

25(1) An appeal to the Board shall, at the option of the appellant, be either

(a) a hearing into the matter being appealed, or

(b) a review of the decision.

(2) To commence an appeal, the appellant shall, within 30 days from the day on which the written notice of the decision is served on

Commission considers that it would not be prejudicial to the public interest to do so.

(3) On conducting an appeal, the Commission may, by order,

(a) make any decision that the person who heard the matter in the first instance could have made and substitute the Commission's decision for the decision of that person;

(b) confirm, vary or reject the decision;

(c) direct the person whose decision is being appealed to re-hear the matter.

(4) The Commission may, if the Commission considers that it is in the public interest to do so, permit the person whose decision is being appealed to be present and make representations at the appeal.

(5) Notwithstanding that a person or company requests an appeal, the decision under appeal takes effect immediately unless the Commission grants a stay until disposition of the appeal.

15 Section 26 is amended

(a) *in subsection (1) by striking out "Board" wherever it occurs and substituting "Commission";*

(b) *by repealing subsections (2) and (3) and substituting the following:*

(2) An appeal under this section shall be commenced by a notice of appeal filed with the Court of Appeal within 30 days from the day that the Commission sends the notice of its decision to the person or company appealing the decision.

(3) A copy of the notice of appeal and supporting documents shall be served on the Secretary within the 30-day period referred to in subsection (2).

(c) *in subsection (4)*

the appellant, serve a written notice of appeal on the Registrar either personally or by registered mail.

(2.1) Notwithstanding subsection (2), the Board may, on application by the appellant during the appeal period prescribed in subsection (2), extend the appeal period if in the opinion of the Board it would not be prejudicial to the public interest to do so.

(3) The appellant shall state in his notice of appeal whether the appeal is to be a hearing or a review.

(4) On conducting an appeal, the Board may by order,

(a) in the case of a hearing, make any decision that the person who heard the matter in the first instance could have made, and

(b) in the case of a review,

(i) confirm, vary or reject the decision,

(ii) direct the person whose decision is being appealed to re-hear the matter, or

(iii) make any decision that the person who heard the matter in the first instance could have made and substitute its decision for the decision of that person.

(5) The Board may, if it considers it in the public interest to do so, permit the person whose decision is being appealed to be present and make representations at the appeal.

(6) Notwithstanding that a person or company requests an appeal, the decision under appeal takes effect immediately unless the Board grants a stay until disposition of the appeal.

15 Section 26 presently reads:

26(1) A person or company directly affected by a decision of the Board, other than a ruling under section 116, may appeal the decision to the Court of Appeal.

(2) An appeal under this section shall be commenced by a notice of appeal within 30 days from the day that the Board sends the notice of its decision to the person or company appealing the decision.

(3) On commencing an appeal under this section the appellant shall serve the Executive Director with the notice of appeal and supporting documents.

(4) The Executive Director shall certify to the registrar of the Court of Appeal

(a) the decision that has been reviewed by the Board,

(b) the order of the Board, together with any statement of reasons for it,

- (i) *by striking out “Executive Director” and substituting “Secretary”;*
- (ii) *by striking out “Board” wherever it occurs and substituting “Commission”;*
- (d) *in subsection (6) by striking out “Board” wherever it occurs and substituting “Commission”;*
- (e) *by repealing subsection (7) and substituting the following:*

(7) The Commission is the respondent to an appeal under this section.

16 The following is added before section 28:

Production of
records, etc.
to the
Executive
Director

27.1(1) In this section, “party” means

- (a) a registrant;
- (b) a person or company that is exempted by an order made under section 116 from the requirement to be registered under section 54;
- (c) a reporting issuer;
- (d) a manager or custodian of assets, shares or units of a mutual fund;
- (e) a general partner of a person or company referred to in clause (a), (b), (c), (f) or (i);
- (f) a person or company purporting to distribute securities in reliance on an exemption
 - (i) described in section 107(1), or
 - (ii) in an order issued under section 116;
- (g) a transfer agent or registrar for securities of a reporting issuer;
- (h) a director or officer of a reporting issuer;
- (i) a promoter or control person of a reporting issuer;
- (j) the Canadian Investor Protection Fund.

- (c) the record of the proceedings before the Board, and*
- (d) all written submissions to the Board and other material, if any, that is relevant to the appeal.*
- (5) The practice and procedure in the Court of Appeal in respect of an appeal shall be the same as on an appeal from a judgment of the Court of Queen's Bench in an action.*
- (6) The Court of Appeal may*
 - (a) confirm, vary or reject the decision of the Board,*
 - (b) direct the Board to re-hear the matter, or*
 - (c) make any decision that the Board could have made and substitute its decision for that of the Board.*
- (7) Neither the Chief of Securities Administration nor a Registrar may commence an appeal under this section.*

16 Production of records and information to the Executive Director.

(2) For any purposes related to the administration of this Act or the regulations, the Executive Director may, by an order that is applicable generally or that is directed to one or more parties, require a party to provide to the Executive Director the information, documents or records as set out in the order within the time prescribed in the order.

(3) The Executive Director may require verification by affidavit that the party has produced to the Executive Director all of the information, documents and records required pursuant to an order made under subsection (2).

17 Section 28 is amended

(a) in subsections (1), (2) and (3) by striking out "Chief of Securities Administration" wherever it occurs and substituting "Executive Director";

(b) in subsection (4)(b) by adding "trades," after "negotiations,";

(c) by adding the following after subsection (4):

(5) For the purposes of an investigation under this section, a person appointed to make the investigation may examine any documents, records or other things, whether they are in the possession or control of the person or company in respect of which the investigation is ordered or of any other person or company.

17 Section 28 presently reads:

28(1) The Chief of Securities Administration may, by order, appoint a person to make any investigation that the Chief of Securities Administration considers necessary in respect of the following:

- (a) the administration of this Act and the regulations;*
- (b) any matter relating to trading in securities or exchange contracts in Alberta;*
- (c) any matter in Alberta relating to trading in securities or exchange contracts in any other jurisdiction.*

(2) If an individual alleges under oath that a person or company has contravened this Act or the regulations, the Chief of Securities Administration may, by order, appoint a person to make an investigation in respect of the allegation.

(3) In an order made under subsection (1) or (2), the Chief of Securities Administration shall prescribe the scope of the investigation that is to be carried out under the order.

(4) For the purposes of an investigation ordered under this section, the person appointed to make the investigation may with respect to the person or company that is the subject of the investigation, investigate, inquire into and examine

- (a) the affairs of that person or company,*
- (b) documents, records, correspondence, communications, negotiations, transactions, investigations, loans, borrowings and payments to, by, on behalf of or in relation to or connected with that person or company,*
- (c) the property, assets or things owned, acquired or alienated in whole or in part by that person or company or by any person or company acting on behalf of or as agent for that person or company.*

18 *Section 29 is amended*

(a) by adding the following after subsection (1):

(1.1) A person appointed to make an investigation under section 28 may make copies or cause copies to be made of any documents, records, securities, exchange contracts, contracts or things produced pursuant to subsection (1).

(b) in subsection (8) by striking out “Chief of Securities Administration” and substituting “Executive Director”.

- (d) the assets at any time held by, the liabilities, debts, undertakings and obligations at any time existing and the financial or other conditions at any time prevailing in respect of that person or company, and*
- (e) the relationship that may at any time exist or have existed between that person or company and any other person or company by reason of*
 - (i) investments,*
 - (ii) commissions promised, secured or paid,*
 - (iii) interests held or acquired,*
 - (iv) the loaning or borrowing of money, securities or other property,*
 - (v) the transfer, negotiation or holding of securities or exchange contracts,*
 - (vi) interlocking directorates,*
 - (vii) common control,*
 - (viii) undue influence or control, or*
 - (ix) any other matter not referred to in clauses (i) to (viii).*

18 Section 29(1) and (8) presently read:

29(1) The person appointed to make an investigation under section 28 has the same power as is vested in the Court of Queen's Bench for the trial of civil actions

- (a) to summon and enforce the attendance of witnesses,*
- (b) to compel witnesses to give evidence on oath or otherwise, and*
- (c) to compel witnesses to produce documents, records, securities, exchange contracts, contracts and things.*

(8) Where

- (a) documents, records, securities, exchange contracts, contracts or things are seized under subsection (5)(b), and*
- (b) the matter for which the documents, records, securities, exchange contracts, contracts or things were seized is concluded,*

the Chief of Securities Administration shall return those documents, records, securities, exchange contracts, contracts or things to the person from whom they were seized within 60 days from the day that the matter is concluded.

19 *Section 31 is amended*

- (a) *by renumbering it as section 31(1);*
- (b) *in subsection (1) by striking out “Chief of Securities Administration” wherever it occurs and substituting “Executive Director”;*
- (c) *by adding the following after subsection (1):*

(2) A report that is provided to the Executive Director under subsection (1) is absolutely privileged and is not admissible in evidence in any action, proceeding or prosecution.

(3) None of the following persons are compellable to give evidence in any court or in a proceeding of a judicial nature concerning any information that comes to the knowledge of that person in the exercise of the powers, the performance of the duties or the carrying out of the functions of that person pursuant to this Part:

- (a) a person appointed to make an investigation under section 28;
- (b) the Commission;
- (c) a member of the Commission;
- (d) the Executive Director;
- (e) the Secretary;
- (f) an employee of the Commission;
- (g) a person referred to in section 13(b).

(4) Notwithstanding subsections (2) and (3), where the Executive Director considers that it is in the public interest to do so, the Executive Director may by order at any time authorize the disclosure of any information, testimony, record, document, report or thing obtained pursuant to this Part subject to those terms and conditions that the Executive Director may impose.

20 *Sections 32 and 33 are repealed.*

19 Section 31 presently reads:

31 Every person appointed under section 28(1) or (2) shall provide the Chief of Securities Administration with

- (a) a full and complete report of the investigation including all transcripts of evidence and material in his possession relating to the investigation, and*
- (b) interim reports as requested by the Chief of Securities Administration.*

20 Sections 32 and 33 presently read:

32 If, on a report made under section 31, it appears to the Chief of Securities Administration that a person or company may have contravened this Act or the regulations, the Chief of Securities

Investigation
to be
confidential

21 *Section 34 is repealed and the following is substituted:*

34 Anything acquired and all information or evidence obtained pursuant to an investigation under this Part is confidential and shall not be divulged except

- (a) in the case of an order made under section 27.1, with the consent of the Executive Director,

Administration shall send the following to the Minister and the Minister of Justice and Attorney General:

- (a) a report of the investigation, including the report made to the Chief of Securities Administration by the person carrying out the investigation;*
- (b) all transcripts of evidence taken in respect of the investigation;*
- (c) all material in the possession of the Chief of Securities Administration that relates to the matter being investigated.*

33(1) Notwithstanding section 28, the Minister may, by order, appoint a person to make any investigation that the Minister considers necessary in respect of the following:

- (a) the administration of this Act and the regulations;*
- (b) any matter relating to trading in securities or exchange contracts in Alberta;*
- (c) any matter in Alberta relating to trading in securities or exchange contracts in any other jurisdiction.*

(2) A person appointed under subsection (1) has for the purposes of the investigation the same authority, powers, rights and privileges as a person appointed under section 28.

(3) If an investigation is ordered under subsection (1), the Minister may appoint persons having special technical or other knowledge or skills to assist and be responsible to the person appointed under subsection (1).

(4) A person appointed under subsection (3) shall

- (a) examine documents, records, securities, exchange contracts, contracts and things of the person or company whose affairs are being investigated, and*
- (b) perform other duties,*

as required by the person carrying out the investigation.

(5) A person giving evidence at an investigation under this section may be represented by legal counsel.

21 Section 34 presently reads:

34 Anything acquired and all information or evidence obtained pursuant to an investigation under this Part is confidential and shall not be divulged except

- (a) in the case of an investigation under section 28, with the consent of the Chief of Securities Administration,*

- (b) in the case of an investigation under section 28, with the consent of the Executive Director, or
- (c) as otherwise permitted by this Act or the regulations.

22 *Section 35 is amended*

- (a) *by striking out “Chief of Securities Administration” wherever it occurs and substituting “Executive Director”;*
- (b) *by striking out “considers it in” and substituting “considers that it is in”.*

23 *Section 36 is repealed.*

24 *Part 3 is repealed and the following is substituted:*

PART 3

AUDITS

Review and
examination

48(1) Notwithstanding anything in section 49 or 50, the Executive Director may in writing appoint a person to examine the financial affairs, books and records of the following:

- (a) a registrant;
- (b) a reporting issuer;
- (c) a recognized exchange;

- (b) *in the case of an investigation under section 33, with the consent of the Minister, or*
- (c) *as otherwise permitted by this Act or the regulations.*

22 Section 35 presently reads:

35 Where the Chief of Securities Administration considers it in the public interest to do so, the Chief of Securities Administration may by order at any time authorize, on any terms or conditions that the Chief of Securities Administration considers appropriate in the circumstances, the release of information, testimony, records, documents or things obtained under this Act, or copies thereof, to

- (a) *any person or company, or*
- (b) *any government, government agency or regulatory organization that is empowered by the laws of a jurisdiction to administer or regulate trading in securities or exchange contracts.*

23 Section 36 presently reads:

36 If an investigation has been made

- (a) *under section 28, the Chief of Securities Administration may, or*
- (b) *under section 33, the person making the investigation shall,*

report the result of it, including the evidence, findings, comments and recommendations to the Minister, and the Minister may cause the report to be published in whole or in part in a manner that he considers proper.

24 Part 3 presently reads:

PART 3

AUDITS

48(1) Notwithstanding anything in sections 49, 50, 51, 181 and 182, the Chief of Securities Administration may in writing appoint a person to examine

- (a) *the financial affairs of a registrant or a reporting issuer, or*
- (b) *the books and records of*
 - (i) *a custodian of assets of a mutual fund, or*

- (d) a recognized self-regulatory organization;
- (e) a recognized clearing agency;
- (f) a custodian of assets, shares or units of a mutual fund.

(2) Where a person carries out an examination under subsection (1), that person shall prepare those financial or other statements and reports as may be required by the Executive Director.

(3) A person carrying out an examination under this section may

- (a) enter into business premises during business hours,
- (b) inquire into and examine all records, securities, exchange contracts, cash, documents, bank accounts, vouchers and correspondence of the person or company whose financial affairs are being examined, and
- (c) make copies of any item referred to in clause (b).

(4) No person or company that is the subject of an examination under this section shall withhold, destroy, conceal or refuse to give any information or thing reasonably required for the purpose of the examination.

(5) A person or company that is the subject of an examination under this section shall pay those fees as may be prescribed by regulation.

Recognized
exchanges,
and self-
regulatory
organizations

49(1) Every recognized exchange shall appoint an auditor for the exchange.

(2) Where the Executive Director considers it appropriate, a recognized self-regulatory organization shall appoint an auditor for the self-regulatory organization.

(3) Every recognized exchange and every recognized self-regulatory organization shall select a panel of auditing firms for their members.

(4) Every recognized exchange and every recognized self-regulatory organization shall require each of its members to appoint an auditor chosen from the panel of auditing firms selected under subsection (3).

(5) The auditor of a member shall

- (ii) *a custodian of shares or units of a mutual fund under a custodial agreement or other arrangement with a person or company engaged in the distribution of shares or units of the mutual fund,*

and prepare those financial or other statements and reports that may be required by the Chief of Securities Administration.

(2) The person making an examination under this section may at any reasonable hour

- (a) enter into business premises, and*
- (b) inquire into and examine all records, securities, exchange contracts, cash, documents, bank accounts, vouchers and correspondence*

of the person or company whose financial affairs are being examined.

(3) No person or company that is the subject of an examination under this section shall withhold, destroy, conceal or refuse to give any information or thing reasonably required for the purpose of the examination.

(4) The Chief of Securities Administration may charge those fees as may be prescribed by regulation for any examination made under this section.

49(1) The Alberta District of the Investment Dealers' Association of Canada shall

- (a) select a panel of auditors, each of whom shall have practised as an auditor in Canada for not less than 5 years and shall be known as a "members' auditor", and*
- (b) employ a district association auditor*
 - (i) the appointment of whom is subject to the prior approval of the Chief of Securities Administration, and*
 - (ii) who shall have practised as an auditor in Canada for not less than 10 years.*

(2) Each exchange in Alberta recognized by the Board shall

- (a) select a panel of auditors, each of whom shall have practised as an auditor in Canada for not less than 5 years and shall be known as a "panel auditor", and*
- (b) employ an exchange auditor*
 - (i) the appointment of whom is subject to the prior approval of the Chief of Securities Administration, and*

- (a) in accordance with generally accepted auditing standards, make an examination of the annual financial statements and regulatory filings of the member as provided for by the by-laws, rules, regulations, policies, procedures, interpretations or practices, as the case may be, that are applicable to the member, and
- (b) report on the financial affairs of the member to the recognized exchange or recognized self-regulatory organization, as the case may be, in accordance with professional reporting standards.

Registrants

50(1) Every registrant whose financial affairs are not subject to examination under section 49 shall keep those books and records that are necessary for the proper recording of the registrant's business transactions and financial affairs.

(2) A registrant shall appoint an auditor who satisfies those requirements as may be established by the Executive Director.

(3) The auditor of a registrant shall

- (a) in accordance with generally accepted auditing standards, make an examination of the annual financial statements and other regulatory filings of the registrant, and
- (b) prepare a report on the financial affairs of the registrant in accordance with professional reporting standards.

(4) Subject to the regulations, a registrant shall file the report referred to in subsection (3) with the Executive Director together with

- (a) the registrant's annual financial statements prepared in accordance with generally accepted accounting principles, and
- (b) the registrant's other regulatory filings.

(5) The annual financial statements and regulatory filings shall be certified by the registrant or an officer or partner of the registrant.

(6) A registrant shall file with the Executive Director any other information as the Executive Director may require in a form that is acceptable to the Executive Director.

- (ii) *who shall have practised as an auditor in Canada for not less than 10 years.*

50(1) The Alberta District of the Investment Dealers' Association of Canada shall for the purposes of subsection (2) require those of its members as the Chief of Securities Administration may designate in writing to appoint a members' auditor from the panel of auditors selected under section 49(1)(a).

(2) A members' auditor shall

- (a) make the examination of the financial affairs of the member as called for by the by-laws, rules or regulations applicable to the member, and*
- (b) report on the examination to the district association auditor.*

(3) Each exchange in Alberta recognized by the Board shall for the purposes of subsection (4) require those of its members as the Chief of Securities Administration may designate in writing to appoint a panel auditor from the panel of auditors selected under section 49(2)(a).

(4) A panel auditor shall

- (a) make the examination of the financial affairs of the member as called for by the by-laws, rules or regulations applicable to the member, and*
- (b) report on the examination to the exchange auditor.*

(5) The Alberta District of the Investment Dealers' Association of Canada shall, to the satisfaction of the Chief of Securities Administration, prepare by-laws, rules or regulations governing the practice and procedure respecting examinations made under subsection (2).

(6) Each exchange in Alberta recognized by the Board shall, to the satisfaction of the Chief of Securities Administration, prepare by-laws, rules or regulations governing the practice and procedure respecting examinations made under subsection (4).

(7) The examinations made under subsections (2) and (4) shall be conducted to the satisfaction of the Chief of Securities Administration.

51 Every registrant whose financial affairs are not subject to examination under section 50 shall

- (a) keep those books and records necessary for the proper recording of his business transactions and financial affairs, and*
- (b) file with the Chief of Securities Administration annually and at those other times that the Chief of Securities Administration may require*

25 *Part 4 is repealed and the following is substituted:*

PART 4

EXCHANGES, SELF-REGULATORY ORGANIZATIONS AND CLEARING AGENCIES

Recognition of
exchange

52(1) No person or company shall carry on business as an exchange in Alberta unless the person or company is recognized by the Commission as an exchange.

(2) The Commission may, on the application of a person or company proposing to carry on business as an exchange in Alberta, recognize the person or company as an exchange if the Commission considers that it would not be prejudicial to the public interest to do so.

(3) The recognition of an exchange under this section shall be made in writing and is subject to any terms and conditions that the Commission may impose.

Operation of
recognized
exchange

53(1) The Commission, after giving a recognized exchange an opportunity to be heard, may

(a) suspend or cancel its recognition as a recognized exchange, or

(b) remove, vary or replace any terms or conditions that were previously imposed on its recognition as a recognized exchange,

if the Commission considers that it is in the public interest to do so.

(2) A recognized exchange shall regulate the operations and the standards of practice and business conduct of its members and their representatives in accordance with the by-laws, rules, regulations, policies, procedures, interpretations and practices of the exchange.

(3) The Commission may, if the Commission considers that it is in the public interest to do so, make any decision

(a) that the Commission considers is necessary to ensure that issuers whose securities are listed and

- (i) *a financial statement that is satisfactory to the Chief of Securities Administration as to the registrant's financial position, certified by the registrant or an officer or partner of the registrant and reported upon by the auditors of the registrant, and*
- (ii) *any other information as the Chief of Securities Administration may require in a form that it may prescribe.*

25 Part 4 presently reads:

PART 4

EXCHANGES

52(1) *No person or company shall carry on business as an exchange in Alberta unless it is recognized in writing by the Board as an exchange.*

(2) *The Board may, if it appears to be in the public interest, make any decision*

- (a) *that it considers is necessary to ensure that issuers whose securities are listed and posted for trading on an exchange comply with this Act and the regulations;*
- (b) *respecting the manner in which an exchange carries on business;*
- (c) *respecting any by-law, ruling, instruction or regulation of an exchange;*
- (d) *respecting the trading on or through the facilities of an exchange;*
- (e) *respecting any security that is listed and posted for trading on an exchange;*
- (f) *respecting any exchange contract that is trading on an exchange.*

(3) *A person or company directly affected by any direction, order or decision made under a by-law, rule or regulation of an exchange may appeal the direction, order or decision to the Board.*

(4) *Section 25 applies to an appeal made under subsection (3).*

53 *Every exchange shall*

- (a) *keep a record showing the time at which each transaction on the exchange took place, and*
- (b) *supply to any customer of any member of the exchange, on production of a written confirmation of any transaction with the member, particulars of the time at which the transaction took place and verification or otherwise of the matters set forth in the confirmation.*

posted for trading on a recognized exchange comply with this Act and the regulations;

- (b) respecting the manner in which a recognized exchange carries on business;
 - (c) respecting any by-law, rule, regulation, policy, procedure, interpretation or practice of a recognized exchange;
 - (d) respecting trading on or through the facilities of a recognized exchange;
 - (e) respecting any security that is listed and posted for trading on a recognized exchange;
 - (f) respecting any exchange contract that is trading on a recognized exchange.
- (4) Every recognized exchange shall
- (a) keep a record showing the time at which each transaction on the exchange took place, and
 - (b) supply to any customer of any member of the exchange, on production of a written confirmation of any transaction with the member, particulars of the time at which the transaction took place and verification or otherwise of the matters set out in the confirmation.

Recognized
self-regulatory
organization

53.1(1) The Commission may, on the application of a self-regulatory organization, recognize the self-regulatory organization if the Commission considers that it would not be prejudicial to the public interest to do so.

(2) The recognition of a self-regulatory organization under this section shall be made in writing and is subject to any terms and conditions as the Commission may impose.

(3) The Commission, after giving a recognized self-regulatory organization an opportunity to be heard, may

- (a) suspend or cancel its recognition as a recognized self-regulatory organization, or
- (b) remove, vary or replace any terms or conditions that were previously imposed on its recognition as a recognized self-regulatory organization,

if the Commission considers that it is in the public interest to do so.

(4) A recognized self-regulatory organization shall regulate the operations and the standards of practice and business conduct of its members and their representatives in accordance with the by-laws, rules, regulations, policies, procedures, interpretations and practices of the self-regulatory organization.

(5) The Commission may, if the Commission considers that it is in the public interest to do so, make any decision with respect to any by-law, rule, regulation, policy, procedure, interpretation or practice of a recognized self-regulatory organization.

Councils,
committees,
etc.

53.2(1) A recognized exchange or a recognized self-regulatory organization may,

- (a) with the prior approval of the Commission, and
- (b) subject to any terms and conditions that the Commission may determine to be necessary or appropriate in the public interest,

establish a council, committee or other ancillary body.

(2) A recognized exchange or a recognized self-regulatory organization may authorize the council, committee or other ancillary body to administer regulatory or self-regulatory powers or responsibilities or both.

(3) Where an exchange or self-regulatory organization establishes a council, committee or other ancillary body to administer regulatory or self-regulatory powers or responsibilities,

- (a) that council, committee or ancillary body
 - (i) is included in the recognition of the recognized exchange or recognized self-regulatory organization, and
 - (ii) is subject to the same terms or conditions, if any, that are imposed by the Commission on the recognized exchange or recognized self-regulatory organization,

and

(b) the recognition of that council, committee or ancillary body is, unless otherwise directed by the Commission, suspended, restricted or cancelled, as the case may be, when the recognition of the recognized exchange or recognized self-regulatory organization is suspended, restricted or cancelled.

(4) The provisions of this Act and the regulations that apply to a recognized exchange or a recognized self-regulatory organization also apply with any necessary modifications to a council, committee or ancillary body established under this section by that recognized exchange or recognized self-regulatory organization.

Assignment of
duties of the
Commission
or Executive
Director

53.3(1) The Commission may by order, subject to any terms and conditions that the Commission may impose, authorize a recognized exchange or recognized self-regulatory organization to do any act or thing required or permitted to be done by the Commission under Part 5 or the regulations made in respect of that Part.

(2) The Executive Director, with the approval of the Commission, may, subject to any terms or conditions as the Executive Director may impose, by order authorize a recognized exchange or recognized self-regulatory organization to do any act or thing required or permitted to be done by the Executive Director under Part 5 or the regulations made in respect of that Part.

(3) Notwithstanding that the Commission or the Executive Director has given an authorization under this section, the Commission or the Executive Director may do the act or thing in respect of which the authorization was given.

(4) The Commission or, with the approval of the Commission, the Executive Director may at any time revoke or vary, in whole or in part, an authorization made under this section.

(5) Neither the Commission nor the Executive Director shall revoke or vary an authorization made under this section without giving the recognized exchange or recognized self-regulatory organization an opportunity to have a hearing before the Commission.

Recognized
clearing
agency

53.4(1) The Commission may, on the application of a clearing agency, recognize the clearing agency if the Commission considers that it would not be prejudicial to the public interest to do so.

(2) The recognition of a clearing agency under this section shall be made in writing and is subject to any terms and conditions that the Commission may impose.

(3) The Commission, after giving a recognized clearing agency an opportunity to be heard, may

(a) suspend or cancel its recognition as a recognized clearing agency, or

(b) remove, vary or replace any terms or conditions that were previously imposed on its recognition as a recognized clearing agency,

where the Commission considers that it is in the public interest to do so.

(4) The Commission may, if the Commission considers that it is in the public interest to do so, make any decision with respect to any by-law, rule, regulation, policy, procedure, interpretation or practice of a recognized clearing agency.

Voluntary
surrender of
recognition

53.5 On application by a recognized exchange, a recognized self-regulatory organization or a recognized clearing agency, the Commission may accept, subject to any terms and conditions that the Commission may impose, the voluntary surrender of the recognition of the exchange, self-regulatory organization or clearing agency if the Commission considers that it would not be prejudicial to the public interest to accept the surrender of the recognition.

Review

53.6(1) A person or company directly affected by, or by the administration of, a direction, decision, order or ruling made under a by-law, rule, regulation, policy, procedure, interpretation or practice of a recognized exchange, recognized self-regulatory organization or recognized clearing agency may appeal that direction, decision, order or ruling to the Commission.

(2) Section 25 applies to an appeal made under this section.

Keeping and
production of
records, etc.

53.7 Every recognized exchange, recognized self-regulatory organization and recognized clearing agency shall

(a) maintain

(i) the books and records that are necessary to record properly its business transactions and financial affairs and the transactions that it executes on behalf of others, and

(ii) any other books and records that may be required under this Act and the regulations,

and

(b) deliver to the Commission or the Executive Director any books and records or other information that the Commission or the Executive Director may require.

26 *Section 54 is amended*

(a) *in subsections (1), (4) and (5) by striking out "Chief of Securities Administration" wherever it occurs and substituting "Executive Director";*

(b) *by repealing subsection (2) and substituting the following:*

(2) A person or company applying for registration under this section shall not trade in a security or exchange contract or act as an underwriter or adviser until registration has been granted.

(c) *in subsection (3) by striking out "Registrar" wherever it occurs and substituting "Executive Director".*

26 Section 54 presently reads:

54(1) No person or company shall

(a) trade in a security or an exchange contract unless the person or company is registered with the Chief of Securities Administration as

(i) a dealer,

(ii) a salesman, or

(iii) a partner or officer of a registered dealer that acts on behalf of the dealer,

(b) act as an underwriter unless the person or company is registered with the Chief of Securities Administration as an underwriter, or

(c) act as an adviser unless the person or company is registered with the Chief of Securities Administration as

(i) an adviser, or

(ii) a partner or officer of a registered adviser that acts on behalf of the adviser.

(2) Registration under this section does not take effect until the person or company being registered has received written notice from the Registrar of the registration.

(3) The termination of the employment of a salesman with a registered dealer shall operate as a suspension of the registration of the salesman until

(a) notice in writing has been received by the Registrar from another registered dealer of the employment of the salesman by that other registered dealer, and

(b) the reinstatement of the registration has been approved by the Registrar.

27 *Section 57 is repealed and the following is substituted:*

Voluntary
surrender

57 Notwithstanding section 56, the Executive Director may, on application by a registrant, accept, subject to those terms or conditions that the Executive Director may impose, the voluntary surrender of the registration of the registrant if the Executive Director

- (a) is satisfied that the financial obligations of the registrant to its clients have been discharged, and
- (b) considers that it would not be prejudicial to the public interest to accept the surrender of the registration.

28 *Section 59 is repealed and the following is substituted:*

Application

59 An application for registration or renewal or reinstatement of registration or for an amendment to registration shall

- (a) be made in writing in the form required by the regulations, and
- (b) be accompanied by the fee prescribed by the regulations.

29 *Section 63 is amended*

(a) *by striking out "Registrar" wherever it occurs and substituting "Executive Director";*

(b) *by striking out "Chief of Securities Administration" wherever it occurs and substituting "Executive Director";*

(c) *by repealing subsection (4) and substituting the following:*

(4) The Executive Director may, on an application by a registrant that is a reporting issuer, make an order exempting the registrant from the requirement of subsection (1)(d) or (2)(d) if the Executive Director considers that it would not be prejudicial to the public interest to do so.

(4) The Chief of Securities Administration may designate as "non-trading" any employee or class of employees of a registered dealer that does not usually trade in securities or exchange contracts.

(5) A designation made under subsection (4) may be cancelled as to any employee or class of employees if the Chief of Securities Administration is satisfied that the employee or any member of the class of employees should be registered under this Part.

27 Section 57 presently reads:

57 Notwithstanding section 56, the Chief of Securities Administration may, on application by a registrant, accept, subject to those terms or conditions as the Chief of Securities Administration may impose, the voluntary surrender of the registration of the registrant if the Chief of Securities Administration is satisfied that

(a) the financial obligations of the registrant to its clients have been discharged, and

(b) the surrender of the registration would not be prejudicial to the public interest.

28 Section 59 presently reads:

59 An application for registration shall

(a) be made in writing on a form prescribed by the regulations, and

(b) be accompanied by the fee in the amount prescribed by the regulations.

29 Section 63 presently reads:

63(1) Subject to the regulations, every registered dealer shall, within 5 business days of the event, notify the Registrar of the following:

(a) any change in the address for service in Alberta of the registered dealer;

(b) any change in a business address of the registered dealer;

(c) any change in the directors or officers of the registered dealer and, if required by the Chief of Securities Administration, the reason for any resignation, dismissal, severance or termination of employment or office;

(d) any change in the holders of the voting securities of the registered dealer;

30 *The following is added after section 75:*

Holding out

75.1 A person or company shall not, either directly or indirectly, hold himself, herself or itself out as being registered under this Act unless the person or company is registered under this Act.

- (e) the commencement and termination of employment of every registered salesman and, if required by the Chief of Securities Administration, the reason for the termination of employment;*
- (f) the opening or closing of any branch office in Alberta and, in the case of the opening of any branch office in Alberta, the name and address of the person in charge of it;*
- (g) any change in the name or address of the person in charge of any branch office in Alberta.*

(2) Subject to the regulations, every registered adviser and underwriter shall, within 5 business days of the event, notify the Registrar of the following:

- (a) any change in the address for service in Alberta of the registered adviser or underwriter;*
- (b) any change in a business address of the registered adviser or underwriter;*
- (c) any change in the directors or officers of the registered adviser or underwriter and, if required by the Chief of Securities Administration, the reason for any resignation, dismissal, severance or termination of employment or office;*
- (d) any change in the holders of the voting securities of the registered adviser or underwriter.*

(3) Subject to the regulations, every registered salesman shall, within 5 business days of the event, notify the Registrar of the following:

- (a) any change in his address for service in Alberta;*
- (b) any change in his business address;*
- (c) every commencement of his employment with a registered dealer;*
- (d) every termination of his employment with a registered dealer.*

(4) The Chief of Securities Administration may, on an application by a registrant that is a reporting issuer, make an order exempting the registrant from the requirement of subsection (1)(d) or (2)(d) if in the opinion of the Chief of Securities Administration it would not be prejudicial to the public interest to do so.

30 Prohibition against holding oneself out as being registered.

Representations

31 Section 76 is repealed and the following is substituted:

76 No person or company shall make any representation that the Commission, a member of the Commission, the Executive Director, the Secretary or any person employed by the Commission has in any manner expressed an opinion or passed judgment on

(a) the financial standing, fitness or conduct of a registrant, or

(b) the merits of a security, exchange contract or issuer.

32 Section 80.4 is amended

(a) by striking out "Board" wherever it occurs and substituting "Commission";

(b) by striking out "Board's" and substituting "Commission's".

33 Section 89 is amended by repealing subsections (3) and (4) and substituting the following:

(3) The Executive Director may issue a receipt for an amendment filed under subsection (1) unless the Executive Director considers that it is not in the public interest to do so.

(4) The Executive Director shall not issue a receipt for an amendment filed under subsection (1) if it appears to the Executive Director that any of the circumstances set out in section 96(2) are present.

34 Section 90 is amended

(a) in subsections (1), (3), (5) and (7) by striking out "Chief of Securities Administration" wherever it occurs and substituting "Executive Director";

31 Section 76 presently reads:

76 No person or company shall make any representation that the Commission, the Board, a member of the Board, the Executive Director, a person employed for the Board, the Agency, the Chief of Securities Administration, a Deputy Chief of Securities Administration, a Registrar or a person employed for the Agency has in any manner expressed an opinion or passed judgment on

*(a) the financial standing, fitness or conduct of a registrant,
or*

(b) the merits of a security, exchange contract or issuer.

32 Section 80.4 presently reads:

80.4(1) For the purposes of section 80.3 the Board, on application by an exchange or on the Board's own motion, may by order recognize an exchange located outside of Alberta.

(2) The Board shall not refuse to recognize an exchange under subsection (1) without giving the applicant an opportunity to have a hearing before the Board.

33 Section 89 presently reads:

89(1) If a material change occurs after a receipt for a prospectus is issued but prior to the completion of the distribution under that prospectus, an amendment to the prospectus shall be filed within 10 days from the day that the change has occurred.

(2) Repealed 1984 c64 s18.

(3) The Chief of Securities Administration may direct the Registrar to issue a receipt for an amendment filed under subsection (1) unless it appears to him that it is not in the public interest to do so.

(4) The Chief of Securities Administration shall direct the Registrar not to issue a receipt for an amendment filed under subsection (1) if it appears to the Chief of Securities Administration that any of the circumstances contained in section 96(2) are present.

(5) An amendment to a prospectus filed under subsection (1) shall, immediately on a receipt being issued for the filing, form part of the prospectus.

34 Section 90 presently reads:

90(1) A preliminary prospectus, a prospectus and an amendment to a prospectus filed with the Chief of Securities Administration shall contain a certificate signed

(b) by repealing subsection (6) and substituting the following:

(6) Where a certificate is to be signed under this section, the Executive Director may require any person or company that was a promoter of the issuer within the 2 preceding years to sign that certificate.

- (a) *in the case of a company, by*
 - (i) *the chief executive officer,*
 - (ii) *the chief financial officer, and*
 - (iii) *any 2 directors, other than those persons referred to in subclauses (i) and (ii), who are duly authorized by the board of directors to sign on behalf of the board of directors.*
- (b) *in the case of an issuer other than a company, by the persons who perform the functions for the issuer that are similar to the functions performed by the persons referred to in clause (a),*
- (c) *by the person or company who is a promoter of the issuer, if any, and*
- (d) *by any other person as the Chief of Securities Administration requires.*

(2) *A certificate referred to in subsection (1) that is contained in a preliminary prospectus or a prospectus shall state the following:*

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 8 of the Securities Act and the regulations under it.

(2.1) *A certificate referred to in subsection (1) that is contained in an amendment to a prospectus shall state the following:*

The foregoing, together with the prospectus dated _____, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus as required by Part 8 of the Securities Act and the regulations under it.

(3) *A prospectus filed under section 81(2) shall contain a certificate signed*

- (a) *in the case of a company, by*
 - (i) *the chief executive officer,*
 - (ii) *the chief financial officer, and*
 - (iii) *any 2 directors, other than those persons referred to in subclauses (i) and (ii), who are duly authorized by the board of directors to sign on behalf of the board of directors,*
- (b) *in the case of an issuer other than a company, by the persons who perform the functions for the issuer that are similar to the functions performed by the persons referred to in clause (a),*

35 *Sections 93, 93.1, 94 and 95 are repealed.*

(c) *by the person or company who is a promoter of the issuer, if any, and*

(d) *by any other person as the Chief of Securities Administration requires.*

(4) *A certificate referred to in subsection (3) shall state the following:*

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the issuer as required by Part 8 of the Securities Act and the regulations under it.

(5) *Notwithstanding subsection (1) or (3), if the Chief of Securities Administration is satisfied that*

(a) *subsection (1) or (3) can not be complied with, and*

(b) *the preliminary prospectus, prospectus or amendment to a prospectus, as the case may be, meets all other requirements for filing,*

he may waive the requirements of subsection (1) or (3), as the case may be, and prescribe specific signing requirements in respect of that preliminary prospectus, prospectus or amendment to a prospectus.

(6) *The Chief of Securities Administration may make an order requiring any person or company who was a promoter of the issuer within the 2 preceding years to sign the certificates required under this section.*

(7) *Notwithstanding subsection (1) or (3), the Chief of Securities Administration may*

(a) *exempt a promoter from the signing requirements of this section, or*

(b) *authorize an agent of the promoter duly appointed in writing by the promoter for the purpose to sign the certificate on behalf of the promoter.*

35 Sections 93, 93.1, 94 and 95 presently read:

93(1) *A person or company may, if permitted by the regulations, file a summary statement as a separate document in the prescribed form together with a prospectus filed under section 81 or 97.*

(2) *When a summary statement is filed with a prospectus, the Chief of Securities Administration shall direct the Registrar not to issue a receipt for the prospectus if it appears to the Chief of Securities Administration that the summary statement does not comply with the regulations applicable to the summary statement.*

(3) *A summary statement filed with a prospectus for which a receipt has been issued may be sent by a dealer to a purchaser of securities instead of a prospectus as required in section 105.*

(4) If a dealer elects to send a summary statement to a purchaser of securities instead of a prospectus, sections 105, 106 and 168 apply to the summary statement as well as to the prospectus.

(5) Every summary statement sent to a purchaser shall contain a statement informing the purchaser that a copy of the prospectus that was filed with the summary statement will be provided to the purchaser on request.

(6) Each person or company who signs or causes to be signed, as the case may be, a certificate contained in the prospectus shall ensure compliance with a request made by a purchaser under subsection (5).

(7) For the purposes of sections 90(2) and 91(1), if

(a) a summary statement is filed concurrently with a prospectus, and

(b) the financial statements as required by this Act or the regulations are filed but not included in the prospectus or summary statement,

then the financial statements shall be deemed to be included in the prospectus or summary statement and a statement to this effect shall be included in the certificate required by sections 90(2) and 91(1).

93.1 If a summary statement is filed with a prospectus, the certificates required by sections 90(2) and 91(1) shall also contain the following:

The summary statement filed concurrently with this prospectus contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

94 If, during the distribution of a security pursuant to a prospectus,

(a) an order is made to cease trading in the security,

(b) the receipt issued by the Registrar for the prospectus is revoked,

(c) the prospectus lapses, or

(d) the use of a prospectus is otherwise prohibited by the Act, the regulations or by a decision of the Board or an order of a court,

a summary statement filed with the prospectus shall no longer be used for the purposes of section 105 unless the Chief of Securities Administration otherwise orders.

95 For the purposes of section 168, if a misrepresentation is contained in a summary statement filed with a prospectus, the misrepresentation is deemed to be contained in the prospectus.

36 Section 96 is amended

(a) by repealing subsection (1) and substituting the following:

Receipts for
prospectuses
and referrals

96(1) The Executive Director may issue a receipt for a prospectus filed under this Part unless the Executive Director considers that it is not in the public interest to do so.

(b) in subsection (2) by striking out “On the filing of a prospectus the Chief of Securities Administration shall direct the Registrar not to issue a receipt under subsection (1) if it appears to the Chief of Securities Administration” and substituting “The Executive Director shall not issue a receipt under subsection (1) if it appears to the Executive Director”;

(c) in subsections (2)(f), (g) and (i), (3) and (4) by striking out “Chief of Securities Administration” wherever it occurs and substituting “Executive Director”;

(d) in subsection (4) by striking out “Board” wherever it occurs and substituting “Commission”;

(e) in subsection (5)

(i) by striking out “Board, the Chief of Securities Administration shall submit to the Board” and substituting “Commission, the Executive Director shall submit to the Commission”;

(ii) in clause (c) by striking out “Chief of Securities Administration” and substituting “Executive Director” and by striking out “Board” and substituting “Commission”;

(f) in subsections (6) and (7) by striking out “Board” wherever it occurs and substituting “Commission”;

(g) in subsection (8) by striking out “Board on the question is binding on the Chief of Securities Administration” and substituting “Commission on the question is binding on the Executive Director”.

36 Section 96 presently reads:

96(1) The Chief of Securities Administration may direct the Registrar to issue a receipt for a prospectus filed under this Part unless it appears to the Chief of Securities Administration that it is not in the public interest to do so.

(2) On the filing of a prospectus the Chief of Securities Administration shall direct the Registrar not to issue a receipt under subsection (1) if it appears to the Chief of Securities Administration that

- (a) the prospectus or any document required to be filed with it*
 - (i) fails to comply in any substantial respect with any of the requirements of this Part or the regulations,*
 - (ii) contains any statement, promise, estimate or forecast that is misleading, false or deceptive, or*
 - (iii) contains a misrepresentation,*
- (b) an unconscionable consideration has been paid or given or is intended to be paid or given for promotional purposes or for the acquisition of property,*
- (c) the proceeds from the sale of the securities to which the prospectus relates that are to be paid into the treasury of the issuer, together with other resources of the issuer are insufficient to accomplish the purpose of the issue stated in the prospectus,*
- (d) having regard to the financial condition of the issuer or an officer, director, promoter or a person or company or combination of persons or companies holding sufficient of the securities of the issuer to affect materially the control of the issuer, the issuer cannot reasonably be expected to be financially responsible in the conduct of its business,*
- (e) the past conduct of the issuer or an officer, director, promoter or a person or company or combination of persons or companies holding sufficient of the securities of the issuer to affect materially the control of the issuer affords reasonable grounds for belief that the business of the issuer will not be conducted with integrity and in the best interests of its security holders,*
- (f) an escrow or pooling agreement that the Chief of Securities Administration considers necessary or advisable with respect to securities has not been entered into,*

(g) *an agreement that the Chief of Securities Administration considers necessary or advisable to accomplish the objects indicated in the prospectus for the holding in trust of the proceeds payable to the issuer from the sale of the securities pending the distribution of the securities has not been entered into,*

(h) *in the case of a prospectus filed by a finance company*

(i) *the plan of distribution of the securities offered is not in the public interest,*

(ii) *the securities offered are not secured in a manner, on those terms and by those means as are required by the regulations, or*

(iii) *the finance company does not meet those financial and other requirements and conditions that are specified in the regulations,*

or

(i) *a person or company that*

(i) *has prepared or certified any part of the prospectus,*
or

(ii) *is named as having prepared or certified a report or valuation used in or in connection with a prospectus*

is not acceptable to the Chief of Securities Administration.

(3) *No person or company filing a prospectus shall be refused a receipt for that prospectus without an opportunity to have a hearing before the Chief of Securities Administration.*

(4) *If in the opinion of the Chief of Securities Administration a preliminary prospectus, pro forma prospectus or prospectus raises*

(a) *a material question involving the public interest, or*

(b) *a question of interpretation respecting a provision of subsection (2) not previously considered by the Board,*

that might result in the Chief of Securities Administration refusing to direct the issue of a receipt, the Chief of Securities Administration may refer the question to the Board for determination.

(5) *For the purpose of referring a question to the Board, the Chief of Securities Administration shall submit to the Board*

(a) *a written statement setting forth the question,*

(b) *a written statement of the facts on which the question is based, and*

(c) *any additional material*

37 Section 97 is amended

- (a) in subsections (2) and (5) by striking out "Registrar" and substituting "Executive Director";*
- (b) in subsections (3) and (4) by striking out "Chief of Securities Administration" and substituting "Executive Director";*
- (c) by repealing subsection (5.1);*
- (d) in subsections (6) and (7) by striking out "or (5.1)" wherever it occurs;*
- (e) by repealing subsection (8) and substituting the following:*
 - (8)** The Commission may, on an application of a reporting issuer, extend the time limits prescribed under subsection (5) if the Commission considers that it would not be prejudicial to the public interest to do so.

(i) that the Chief of Securities Administration considers necessary for the determination of the question, or

(ii) that is requested by the Board.

(6) On receipt by the Board of the question, the statement of the facts and any additional material submitted under subsection (5), the Board shall promptly serve on those persons or companies that in the opinion of the Board should be served,

(a) a copy of the question, and

(b) any other material that the Board considers necessary.

(7) The Board after hearing the matter shall decide the question.

(8) Subject to any order of the Court of Appeal made under section 26, the decision of the Board on the question is binding on the Chief of Securities Administration.

37 Section 97 presently reads:

97(1) In this section, "lapse date" means

(a) in the case of a prospectus, the date on which a prospectus ceases to be valid for the distribution of securities for which the prospectus was filed, and

(b) in the case of a summary statement, the date on which a summary statement ceases to be valid for the distribution of securities for which the summary statement was filed.

(2) Subject to subsection (5), a distribution of a security to which section 81(1) applies shall not continue after the lapse date of the prospectus that relates to that security unless a new prospectus that complies with this Part is filed and the Registrar has issued a receipt for it.

(2.1) For the purposes of subsection (2), the lapse date of a prospectus is the first anniversary of the date of the prospectus.

(3) Notwithstanding subsection (2), the Chief of Securities Administration may by order restrict the period of time to less than 12 months within which securities may be distributed pursuant to a prospectus.

(4) If the Chief of Securities Administration has made an order under subsection (3), he may extend the period of time stated in the order to a period of time that is not greater than that allowed under subsection (2).

(5) A distribution may be continued for a further 12 months beyond the lapse date of a prospectus if

(a) a pro forma prospectus prepared in accordance with the regulations is filed not less than 30 days prior to the lapse date of the prospectus,

38 *Section 113 is amended*

(a) in subsection (1)

- (i) by striking out “any requirement of this Act or the regulations” and substituting “filing financial statements required by this Act or the regulations or paying the prescribed fees and charges”;*
- (ii) in clause (a) by striking out “Chief of Securities Administration” and substituting “Executive Director”;*

(b) in subsection (2)

- (i) by striking out “any requirement of this Act or the regulations” and substituting “filing financial statements required by this Act or the regulations or paying the prescribed fees and charges”;*
- (ii) in clauses (a) and (b) by striking out “Board” wherever it occurs and substituting “Commission”.*

(b) a new prospectus is filed within 10 days following the lapse date of the prospectus, and

(c) a receipt for the new prospectus referred to in clause (b) is issued by the Registrar within the 20 days following the lapse date of the prospectus.

(5.1) A distribution may be continued beyond the lapse date of a summary statement if a new summary statement is filed concurrently with the filing of a pro forma prospectus and a new prospectus pursuant to subsection (5).

(6) Subject to any extension granted under subsection (8), all trades completed in reliance upon subsection (5) or (5.1) after the lapse date may be cancelled at the option of the purchaser if any of the conditions to the continuation of a distribution under subsection (5) or (5.1) are not complied with.

(7) A purchaser must exercise his option under subsection (6) within 90 days from the day on which he became aware that a condition under subsection (5) or (5.1) was not complied with.

(8) The Board may, on an application of a reporting issuer, extend the time limits prescribed under subsection (5) or (5.1) if in its opinion it would not be prejudicial to the public interest to do so.

38 Section 113 presently reads:

113(1) Subject to subsection (3), for the purpose of determining whether an issuer is a reporting issuer and, if so, whether the reporting issuer is not in default of any requirement of this Act or the regulations, a person or company is entitled

(a) to apply to the Chief of Securities Administration for a certificate issued for this purpose in accordance with section 189, and

(b) subject to subsection (3), to rely on the certificate so issued.

(2) Subject to subsection (3), for the purpose of determining whether a reporting issuer is not in default of any requirement of this Act or the regulations, a person or company is entitled to rely on a list of defaulting reporting issuers that is

(a) maintained by the Board for public inspection, and

(b) open to inspection at the office of the Board during its normal business hours.

(3) No person or company that knows or ought reasonably to know that a reporting issuer is in default may rely on the certificate referred to in subsection (1) or on the list referred to in subsection (2).

39 *Section 115 is repealed and the following is substituted:*

Exemptions of
securities from
prospectus
requirements

115 Sections 81 and 97 do not apply to a distribution of securities

- (a) referred to in section 66, except for those referred to in clauses (l) and (n) of that section,
- (b) that are options to sell or purchase securities known as puts and calls or any combination of them that provide that the holder of them may sell to or purchase from the writer of the option a specified amount of securities at a specific price on or prior to a specified date or the occurrence of a specified event, if
 - (i) the option has been written by a member of an exchange recognized by the Commission for that purpose or the performance under the option is guaranteed by a member of an exchange recognized by the Commission for that purpose,
 - (ii) the securities that are the subject of the option are listed and posted for trading on an exchange recognized by the Commission for that purpose, and
 - (iii) the option is in the form prescribed by the regulations,

or

- (c) that are exempted by the regulations.

39 Section 115 presently reads:

115(1) Sections 81 and 97 do not apply to a distribution of securities

- (a) referred to in section 66, except for those referred to in clauses (l) and (n) of that section,*
- (b) that are listed and posted for trading on any exchange recognized for the purpose of this section by the Board if*
 - (i) the securities are distributed through the facilities of the exchange pursuant to the rules of the exchange and the requirements of the Board, and*
 - (ii) a statement of material facts, that complies as to form and content with the regulations, is filed with and is accepted by the exchange and the Board,*
- (c) that are options to sell or purchase securities known as puts and calls or any combination of them that provide that the holder of them may sell to or purchase from the writer of the option a specified amount of securities at a specific price, on or prior to a specified date or the occurrence of a specified event, if*
 - (i) the option has been written by a member of an exchange recognized by the Board for that purpose or the performance under the option is guaranteed by a member of an exchange recognized by the Board for that purpose,*
 - (ii) the securities that are the subject of the option are listed and posted for trading on an exchange recognized by the Board for that purpose, and*
 - (iii) the option is in the form prescribed by the regulations,*

or

- (d) that are exempted by the regulations.*

(2) Sections 105, 106 and 168 apply to a distribution under subsection (1)(b),

- (a) as if sections 81 and 97 were applicable to the distribution, and*
- (b) the statement of material facts referred to in subsection (1)(b) is deemed to be a prospectus for the purposes of sections 105, 106 and 168.*

40 Section 116 is amended

(a) by repealing subsections (1) and (2) and substituting the following:

Discretionary
exemptions

116(1) The Commission may, if the Commission considers that it would not be prejudicial to the public interest to do so, make an order exempting a trade from section 54 or 81.

(2) The Commission may, if the Commission considers that it would not be prejudicial to the public interest to do so, make an order declaring whether a distribution has been concluded or is still in progress.

(b) in subsections (3), (4) and (5) by striking out “Board” and substituting “Commission”.

41 Section 117 is amended

(a) by repealing subsection (1) and substituting the following:

Reporting
issuer by
declaration

117(1) On

(a) the application of an issuer, or

(b) the motion of the Executive Director,

the Commission may, if the Commission considers that it would not be prejudicial to the public interest to do so, make an order declaring that a person or company is a reporting issuer for the purposes of this Act and the regulations.

(b) in subsection (2) by striking out “Board” wherever it occurs and substituting “Commission”.

42 Section 123 is repealed and the following is substituted:

(3) A statement of material facts referred to in subsection (1)(b) shall contain a statement of

(a) the rights given to a purchaser by sections 106 and 168, and

(b) the limits on the time within which an action to enforce a right under section 168 may be commenced.

40 Section 116 presently reads:

116(1) The Board may, if it is satisfied that to do so would not be prejudicial to the public interest, make an order exempting a trade from section 54 or 81.

(2) The Board may, if it is satisfied that to do so would not be prejudicial to the public interest, make an order declaring whether a distribution has been concluded or is still in progress.

(3) An order under subsection (1) or (2) may be made by the Board on its own motion or on an application of a person or company directly affected by the trade in respect of which the application is being made.

(4) An order made under subsection (1) may, at the direction of the Board, come into force on a date prior to the date on which the order is made.

(5) A decision of the Board under this section is final and there is no appeal from it.

41 Section 117 presently reads:

117(1) On

(a) the application of an issuer, or

(b) the motion of the Chief of Securities Administration,

the Board may, if in the opinion of the Board to do so would not be prejudicial to the public interest, make an order declaring that a person or company is a reporting issuer for the purposes of this Act and the regulations.

(2) An order under subsection (1)

(a) shall not be made without giving the person or company in respect of which the order is made an opportunity to have a hearing before the Board, and

(b) may, at the direction of the Board, come into force on a date prior to the day on which the order is made.

42 Section 123 presently reads:

123 On the application of a reporting issuer or on the motion of the Chief of Securities Administration, the Board may, if in its opinion

Exemptions
for reporting
issuers

123 On the application of a reporting issuer or on the motion of the Executive Director, the Commission may, where the Commission considers that it would not be prejudicial to the public interest to do so, make an order exempting, in whole or in part, any reporting issuer or class of reporting issuers from a requirement of this Part or the regulations relating to a requirement of this Part if

- (a) the requirement conflicts with a requirement of the laws of the jurisdiction under which the reporting issuer or class of reporting issuers is incorporated, organized or continued,
- (b) the reporting issuer or class of reporting issuers ordinarily distributes financial information to holders of its securities in a different form or at different times from those required by this Part, or
- (c) the Commission is otherwise satisfied in the circumstances of the particular case that there is adequate justification for so doing.

43 *Section 125 is repealed and the following is substituted:*

Declaration as
to non-
reporting
issuer status

125 On the application of

- (a) a reporting issuer that has fewer than 15 security holders whose latest addresses as shown on the books of the reporting issuer are in Alberta, or
- (b) an issuer that is a reporting issuer by virtue of having filed a prospectus and having obtained a receipt for it under this Act, but that has not made a distribution of any of the securities offered by that prospectus as of the lapse date of that prospectus as defined in section 97(1),

the Commission may by order declare that the reporting issuer is no longer a reporting issuer if the Commission

to do so would not be prejudicial to the public interest, make an order

(a) permitting the omission from the financial statements required to be filed under this Part of one or more of the following:

(i) comparative financial statements for particular periods of time;

(ii) sales or gross operating revenue if the Board is satisfied that the disclosure of the information would be unduly detrimental to the interests of the reporting issuer;

(iii) basic earnings per share or fully diluted earnings per share,

or

(b) exempting, in whole or in part, any reporting issuer or class of reporting issuers from a requirement of this Part or the regulations relating to a requirement of this Part, if

(i) the requirement conflicts with a requirement of the laws of the jurisdiction under which the reporting issuer or class of reporting issuers is incorporated, organized or continued,

(ii) the reporting issuer or class of reporting issuers ordinarily distributes financial information to holders of its securities in a different form or at different times from those required by this Part, or

(iii) it is otherwise satisfied in the circumstances of the particular case that there is adequate justification for so doing.

43 Section 125 presently reads:

125 On the application of

(a) a reporting issuer that has fewer than 15 security holders whose latest addresses as shown on the books of the reporting issuer are in Alberta, or

(b) an issuer that is a reporting issuer by virtue of having filed a prospectus and having obtained a receipt for it under this Act, but that has not made a distribution of any of the securities offered by that prospectus as of the lapse date of that prospectus as defined in section 97(1),

the Board may by order declare that the reporting issuer is no longer a reporting issuer if it is satisfied that to do so would not be prejudicial to the public interest.

considers that it would not be prejudicial to the public interest to do so.

44 *Section 126(b) is amended by striking out “but does not include,” and substituting “but do not include”.*

45 *Section 130 is repealed and the following is substituted:*

Security
holders
meeting

130 A reporting issuer, other than a corporation or a mutual fund, shall hold an annual meeting of its security holders not later than 15 months from the day that the issuer becomes a reporting issuer and thereafter within 15 months after its last annual meeting.

46 *Section 144 is amended*

(a) *in subsection (1) by striking out “Board” and substituting “Commission”;*

(b) *in subsection (2)*

(i) *by striking out “Board” and substituting “Commission”;*

44 Section 126(b) presently reads:

126 In this Part,

- (b) "solicit" and "solicitation" include*
 - (i) any request for a proxy whether or not accompanied by or included in a form of proxy,*
 - (ii) any request to execute or not to execute a form of proxy or to revoke a proxy,*
 - (iii) the sending or delivery of a form of proxy or other communication to a security holder under circumstances reasonably calculated to result in the procurement, withholding or revocation of a proxy, or*
 - (iv) the sending or delivery of a form of proxy to a security holder under section 127,*
- but does not include,*
- (v) the sending or delivery of a form of proxy to a security holder in response to an unsolicited request made by him or on his behalf, or*
- (vi) the performance by any person or company of administrative or professional services on behalf of a person or company soliciting a proxy.*

45 Section 130 presently reads:

130 A reporting issuer shall hold a meeting of its security holders in each calendar year and the meeting shall take place within 15 months of its last meeting.

46 Section 144 presently reads:

144(1) On application of an interested person, the Board may, where it is of the opinion that a person or company has not complied or is not complying with this Part or the regulations made in respect of this Part, by order do one or more of the following:

- (a) restrain the distribution of any document or any advertisement used or issued in connection with a bid;*

(ii) by repealing clause (c) and substituting the following:

- (c) exempt any person or company from any requirement of this Part or the regulations made in respect of this Part if the Commission considers that it would not be prejudicial to the public interest to do so.

47 Section 147 is amended

(a) by repealing subsection (1) and substituting the following:

Reports of
insider

147(1) Subject to the regulations, a person or company who becomes an insider of a reporting issuer shall file a report with the Executive Director disclosing any direct or indirect beneficial ownership of or control or direction over securities of the reporting issuer.

(b) in subsection (2)

- (i) by striking out “An insider” and substituting “Subject to the regulations, an insider”;*

(b) require

- (i) an amendment or correction to or variation of any document or advertisement used or issued in connection with a bid, and*
- (ii) the distribution of any amended, varied or corrected document or advertisement referred to in subclause (i);*
- (c) direct any person or company to comply with this Part or the regulations made in respect of this Part;*
- (d) restrain any person or company from contravening this Part or the regulations made in respect of this Part;*
- (e) direct the directors and senior officers of the person or company to cause the person or company to comply with or to cease contravening this Part or the regulations made in respect of this Part.*

(2) On an application by any interested person, the Board may by order do one or more of the following:

- (a) notwithstanding section 136(2), permit an agreement, commitment or understanding to be entered into or made with a selling security holder on determining that the agreement, commitment or understanding is being made for reasons other than to increase the value of the consideration to be paid to the selling security holder for his securities;*
- (b) vary the time periods set out in this Part and the regulations made in respect of this Part;*
- (c) exempt any person or company from any requirement of this Part or the regulations made in respect of this Part where it is satisfied that to do so would not be prejudicial to the public interest.*

(3) An order made under subsection (2)(c) shall be retroactive in effect if the order so provides.

47 Section 147 presently reads:

147(1) A person or company who becomes an insider of a reporting issuer, other than a mutual fund, shall, within 10 days from the day that he or it becomes an insider file with the Chief of Securities Administration a report as of the day on which the person or company became an insider, disclosing any direct or indirect beneficial ownership of or control or direction over securities of the reporting issuer as may be required by the regulations.

(2) An insider

- (a) who has filed or is required to file a report under this section or any predecessor of it, and*

(ii) *by striking out* “Chief of Securities Administration, within 10 days from the day within which the change takes place” *and substituting* “Executive Director”;

(c) *by repealing subsection (3) and substituting the following:*

(3) Subject to the regulations, a person or company that becomes an insider of a reporting issuer by reason of section 8 shall file with the Executive Director the reports required by subsections (1) and (2) of this section for the previous 6 months or such shorter period that the person or company was a director or senior officer of the reporting issuer.

48 *Section 156 is amended*

(a) *in subsection (1) by striking out* “Chief of Securities Administration” *and substituting* “Executive Director”;

(b) *by repealing subsection (2) and substituting the following:*

(2) The Commission may

(a) on the application of a mutual fund, and

(b) if the Commission considers that it would not be prejudicial to the public interest to do so,

order that subsection (1) does not apply to the mutual fund.

49 *Section 157 is amended by renumbering it as section 157(1) and by adding the following after subsection (1):*

(2) For the purposes of subsection (1), a person or company is deemed to be responsible for the management of a mutual fund if

(a) the person or company has a legal power or right to control the mutual fund, or

- (b) *whose direct or indirect beneficial ownership of or control or direction over securities of the reporting issuer changes from that shown or required to be shown in the report or in the latest report filed by him under this section or any predecessor of it,*

shall file with the Chief of Securities Administration, within 10 days from the day within which the change takes place a report of the following:

- (c) *his direct or indirect beneficial ownership of or his control or direction over securities of the reporting issuer;*
- (d) *the transfer, if any, of his securities of the reporting issuer into the name of an agent, nominee or custodian other than giving collateral for a bona fide debt;*
- (e) *the change or changes in the report or latest report, as the case may be, setting forth those details of each transaction that are required by the regulations.*

(3) A person or company that becomes an insider of a reporting issuer by reason of section 8 shall file with the Chief of Securities Administration, within 10 days from the day that the issuer became a reporting issuer or an insider of a reporting issuer, the reports required by subsections (1) and (2) of this section for the previous 6 months or such shorter period that he was a director or senior officer of the reporting issuer.

48 Section 156 presently reads:

156(1) No mutual fund shall make an investment in consequence of which a related person or company of the mutual fund will receive a fee or other compensation except fees paid pursuant to a contract that is disclosed in a preliminary prospectus or prospectus that is filed by the mutual fund and is accepted by the Chief of Securities Administration.

(2) The Board may,

- (a) on the application of a mutual fund, and*
- (b) if it is satisfied that it would not be prejudicial to the public interest to do so,*

order that subsection (1) does not apply to the mutual fund.

49 Section 157 presently reads:

157 In addition to any other obligation imposed by law, every person or company responsible for the management of a mutual fund shall, with respect to the mutual fund,

- (a) exercise the powers and perform the duties of its office honestly, in good faith and in the best interests of the mutual fund, and*

- (b) the person or company is in fact able to control the mutual fund.

50 Section 161 is amended

(a) in subsection (1)

- (i) by striking out “is guilty of” and substituting “commits”;
- (ii) in clause (a) by striking out “Board, its representative, the Chief of Securities Administration” and substituting “Commission, its representative, the Executive Director”;
- (iii) in clause (c) by striking out “Board or Chief of Securities Administration” and substituting “Commission or the Executive Director”;
- (iv) in clause (c.2) by striking out “Board or the Chief of Securities Administration” and substituting “Commission or the Executive Director”;
- (v) in clause (d) by adding “made under section 196 or the rules made under section 196.1” after “of the regulations”;
- (vi) in clause (e)

(A) by striking out “section 48(3);” and substituting the following:

section 34;
section 48(4);

(B) by striking out “section 53;” and substituting the following:

section 53(4);
section 53.7;

(C) by striking out “section 75;” and substituting the following:

section 75;
section 75.1;

- (b) *exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.*

50 Section 161 presently reads:

161(1) Any person or company that does one or more of the following is guilty of an offence:

- (a) *makes a misrepresentation in respect of any material submitted or given under this Act or the regulations to the Board, its representative, the Chief of Securities Administration or any person appointed to make an investigation or audit under this Act;*
- (b) *makes a misrepresentation in any document required to be filed or furnished under this Act or the regulations;*
- (c) *fails to comply with any decision of the Board or Chief of Securities Administration made under this Act;*
 - (c.1) *fails*
 - (i) *to file under this Act or the regulations, or*
 - (ii) *to file under this Act or the regulations within the time limits prescribed by this Act or the regulations,*
- any document, record or report required to be filed under this Act or the regulations;*
- (c.2) *fails to comply with or is in contravention of a written undertaking made by that person or company to the Board or the Chief of Securities Administration;*
- (d) *contravenes those provisions of the regulations that are specified by regulation to be an offence if contravened;*
- (e) *contravenes the following provisions of this Act:*
 - section 48(3);*
 - section 52(1);*
 - section 53;*
 - section 54(1);*
 - section 63(1), (2) or (3);*
 - section 68;*
 - section 70;*
 - section 70.1;*
 - section 71(1) or (2);*
 - section 72(1) or (2);*
 - section 73;*
 - section 74(1) or (2);*
 - section 74.1;*
 - section 75;*

(D) by striking out the following:

section 93(5) or (6);
section 93.1;

(b) in subsection (2) by striking out “is guilty of” and substituting “commits”;

(c) by repealing subsections (4) and (5) and substituting the following:

(4) If a company commits an offence under this section, whether or not in respect of that offence a charge has been laid, a finding of guilt has been made or a plea of guilty has been entered with respect to that company,

(a) every director and every senior officer of the company who authorized, permitted or acquiesced in the offence, and

(b) every person, other than a director or senior officer of the company, who authorized or permitted the offence,

also commits the offence and is liable to a fine of not more than \$1 000 000 or to imprisonment for a term of not more than 5 years less one day or to both fine and imprisonment.

(5) If a person other than an individual commits an offence under this section, whether or not in respect of that offence a charge has been laid, a finding of guilt has been made or a plea of guilty has been entered with respect to that person, every person who authorized, permitted or acquiesced in the offence also commits the offence and is liable to a fine of not more than \$1 000 000 or to imprisonment for a term of not more than 5 years less one day or to both fine and imprisonment.

(d) by adding the following after subsection (6):

(7) If a person or company is guilty of an offence under this section, the court

(a) may make an order requiring the person or company to compensate or make restitution to an aggrieved person or company, and

(b) may make any other order that the court considers appropriate in the circumstances.

section 76;
section 78;
section 79(1), (2), (5) or (6);
section 80.1;
section 80.3;
section 81;
section 82(1);
section 84(1) or (2);
section 85(2);
section 93(5) or (6);
section 93.1;
section 97(2);
section 100;
section 101;
section 103;
section 105;
section 106(3);
section 118(1) or (4);
section 119(2), (3) or (4);
section 122;
section 127;
section 128(1);
section 129(2);
Part 13;
section 147;
section 152;
section 153(1);
section 156(1);
section 159(2);
section 160.

(2) Where a person or company is guilty of an offence, that person or company is liable,

(a) in the case of a person or company other than an individual, to a fine of not more than \$1 000 000, and

(b) in the case of an individual, to

(i) a fine of not more than \$1 000 000, or

(ii) imprisonment for a term of not more than 5 years less one day,

or to both fine and imprisonment.

(3) No person or company is guilty of an offence under subsection (1)(a) or (b) if he or it, as the case may be, did not know, and in the exercise of reasonable diligence could not have known, that a misrepresentation was made.

(4) If a company is guilty of an offence under subsection (1),

(a) every director and every senior officer of the company who authorized, permitted or acquiesced in the offence, and

51 Section 163(1) is amended by striking out “whose jurisdiction” and substituting “whose jurisdiction”.

52 Sections 165, 166 and 166.1 are repealed and the following is substituted:

Cease trading
order, etc.

165(1) Where the Commission considers that it is in the public interest to do so, the Commission may order one or more of the following:

- (a) that trading cease in respect of any security or exchange contract as specified in the order;
- (b) that a person or company cease trading in securities, exchange contracts, specified securities or a class of securities or exchange contracts as specified in the order;
- (c) that any or all of the exemptions contained in sections 65, 66, 66.1, 107, 115, 116, 132 and 133 or in the regulations do not apply to the person or company named in the order;

(b) every person, other than a director or senior officer of the company, who authorized or permitted the offence,

is also guilty of the offence and liable to a fine of not more than \$1 000 000 or to imprisonment for a term of not more than 5 years less one day or to both fine and imprisonment.

(5) If a person other than an individual is guilty of an offence under subsection (1), every person who authorized, permitted or acquiesced in the offence is also guilty of the offence and liable to a fine of not more than \$1 000 000 or to imprisonment for a term of not more than 5 years less one day or to both fine and imprisonment.

(6) Notwithstanding subsection (2)(a) or (b)(i), if a person or company

(a) has contravened section 119(2), (3) or (4), and

(b) has made a profit by reason of the contravention,

the fine to which the person or company is liable shall be

(c) not less than the profit made by the person or company by reason of the contravention, and

(d) not more than

(i) \$1 000 000, or

(ii) an amount equal to 3 times the profit made by the person or company by reason of the contravention,

whichever is the greater amount.

51 Corrects a typographical error.

52 Sections 165, 166 and 166.1 presently read:

165(1) The Board may order one or both of the following:

(a) that trading cease in respect of any security or exchange contract as is specified in the order;

(b) that a person or company cease trading in securities, exchange contracts, specified securities or a class of securities or exchange contracts as is specified in the order.

(2) The Board shall not make an order under subsection (1) without conducting a hearing.

(3) Where the Board is to conduct a hearing under this section it shall give to the Chief of Securities Administration

(a) prior notice of the hearing, and

- (d) that a person resign one or more positions that the person holds as a director or officer of an issuer;
 - (e) that a person is prohibited from becoming or acting as a director or officer or as both a director and an officer of any issuer;
 - (f) that a person or company is prohibited from disseminating to the public, or authorizing the dissemination to the public of, any information, document, record or other material of any kind that is described in the order;
 - (g) that a person or company disseminate to the public, by the method, if any, described in the order, the information, document, record or other material relating to the affairs of the registrant or issuer that the Commission considers must be disseminated;
 - (h) that a person or company amend, in the manner specified in the order, any information or record of any kind disseminated to the public as described in the order.
- (2) An order under subsection (1) is subject to any terms and conditions that the Commission may impose.
- (3) The Commission shall not make an order under subsection (1) without conducting a hearing.

53 *Section 167.1 is amended*

- (a) *by repealing subsections (1) and (2) and substituting the following:*

Payment of costs

167.1(1) If, in respect of a person or company whose affairs were the subject of an investigation, the Commission or the Executive Director

- (a) is satisfied that the person or company has not complied with, or is not complying with, any provision of this Act or the regulations, or
- (b) considers that the person or company has not acted in the public interest,

the Commission or the Executive Director, as the case may be, may, after conducting a hearing, order the person or company to pay, subject to the regulations, the costs of the investigation, including any costs incurred in respect of

(b) a copy of any order made arising out of the hearing.

166(1) The Board may order that any or all of the exemptions contained in sections 65, 66, 66.1, 107, 115, 116, 132 and 133 or in the regulations do not apply to the person or company named in the order.

(2) The Board shall not make an order under subsection (1) without conducting a hearing.

(3) Where the Board is to conduct a hearing under this section it shall give to the Chief of Securities Administration

(a) prior notice of the hearing, and

(b) a copy of any order made arising out of the hearing.

166.1(1) The Board may order one or both of the following:

(a) that a person resign one or more positions that the person holds as a director or officer of an issuer;

(b) that a person be prohibited from becoming or acting as a director or officer or as both a director and an officer of any issuer.

(2) The Board shall not make an order under subsection (1) without conducting a hearing.

(3) Where the Board is to conduct a hearing under this section it shall give to the Chief of Securities Administration

(a) prior notice of the hearing, and

(b) a copy of any order made arising out of the hearing.

53 Section 167.1 presently reads:

167.1(1) If the Board or the Chief of Securities Administration, as the case may be, is satisfied that a person or company whose affairs were the subject of an investigation has not complied with, or is not complying with, any provision of this Act or the regulations, the Board or the Chief of Securities Administration, as the case may be, may, after conducting a hearing, order the person or company to pay, subject to the regulations, the costs of the investigation, including any costs incurred in respect of services provided by persons appointed or engaged under section 18, 28, 30 or 33 and the appearance of any witnesses under this Act.

(2) If after conducting a hearing the Board or the Chief of Securities Administration, as the case may be, is satisfied that a person or company whose affairs were the subject of the hearing has not complied with any provision of this Act or the regulations, the Board or the Chief of Securities Administration, as the case may be, may order the person or company to pay, subject to the regulations, the costs of or related to the hearing that are incurred by or on behalf of the Board or the Chief of Securities Administration, including any

(c) services provided by persons appointed or engaged under section 18, 28 or 30, or

(d) the appearance of any witnesses under this Act.

(2) If, in respect of a person or company whose affairs were the subject of a hearing, the Commission or the Executive Director, as the case may be, after conducting the hearing

(a) is satisfied that the person or company has not complied with, or is not complying with, any provision of this Act or the regulations, or

(b) considers that the person or company has not acted in the public interest,

the Commission or the Executive Director, as the case may be, may order the person or company to pay, subject to the regulations, the costs of or related to the hearing that are incurred by or on behalf of the Commission or the Executive Director, including any costs incurred in respect of

(c) services provided by persons appointed or engaged under section 18, 28 or 30, or

(d) the appearance of any witnesses under this Act.

(b) in subsection (3)

(i) by striking out "Chief of Securities Administration" and substituting "Executive Director";

(ii) by striking out ", 30 or 33" and substituting "or 30";

(c) in subsection (4) by striking out "Chief of Securities Administration" and substituting "Executive Director";

(d) in subsection (6) by striking out "Rules of Court" and substituting "Alberta Rules of Court".

54 *Part 17 is repealed.*

costs incurred in respect of services provided by persons appointed or engaged under section 18, 28, 30 or 33 and the appearance of any witnesses under this Act.

(3) Where a person or company is guilty of an offence under this Act or the regulations, the Chief of Securities Administration may order the person or company to pay, subject to the regulations, the costs of any investigation carried out in respect of that offence, including any costs incurred in respect of services provided by persons appointed or engaged under section 18, 28, 30 or 33 and the appearance of any witnesses under this Act.

(4) The Chief of Securities Administration may prepare and file with the clerk of the Court of Queen's Bench a certificate certifying the amount of the costs that the person or company is required to pay under subsection (1), (2) or (3).

(5) A certificate filed under subsection (4) with the clerk of the Court of Queen's Bench has the same force and effect as if it were a judgment of the Court of Queen's Bench for the recovery of debt in the amount specified in the certificate together with costs of filing.

(6) The Rules of Court with respect to costs and the taxation of costs do not apply to costs referred to in this section.

54 Part 17 presently reads:

PART 17

SELF-REGULATING BODIES

176 In this Part "self-regulating body" means an association or organization recognized by the Board under this Part as a self-regulating body.

177 The Board may in writing recognize an association or organization representing registrants, whether incorporated or unincorporated, as a self-regulating body, if it is satisfied

- (a) that to do so would not be prejudicial to the public interest, and*
- (b) that the association or organization has satisfied or can satisfy all conditions with respect to self-regulating bodies prescribed under the regulations.*

178 A self-regulating body shall, subject to this Act and the regulations and any decision made by the Board, regulate the standards and business conduct of its members.

179 The Board may, if it appears to it to be in the public interest, make any decision with respect to

- (a) a by-law, rule or regulation or proposed by-law, rule or regulation of a self-regulating body,*
- (b) a direction, decision, order or ruling made under a by-law, rule or regulation of a self-regulating body, or*
- (c) any practice of a self-regulating body.*

180(1) A person or company directly affected by a direction, decision, order or ruling made under a by-law, rule or regulation of a self-regulating body recognized under section 177 may appeal that direction, decision, order or ruling to the Board.

(2) Section 25 applies to an appeal made under this section.

181 Every self-regulating body shall

- (a) select a panel of auditors, each of whom shall have practised as an auditor in Canada for not less than 5 years and who shall be known as a "members' auditor", and*
- (b) employ a general association auditor*
 - (i) the appointment of whom is subject to the prior approval of the Chief of Securities Administration, and*
 - (ii) who shall have practised as an auditor in Canada for not less than 10 years.*

182(1) Every self-regulating body shall require for the purposes of subsection (2) those of its members as the Chief of Securities Administration may designate in writing to appoint a members' auditor from the panel of auditors selected under section 181(a).

(2) A members' auditor shall

(a) make an examination of the financial affairs of the member as called for by the by-laws, rules or regulations applicable to the member, and

(b) report on the examination to the general association auditor.

(3) Every self-regulating body shall, to the satisfaction of the Chief of Securities Administration, prepare by-laws, rules or regulations governing the practice and procedure respecting examinations made under subsection (2).

(4) The examinations made under subsection (2) shall be conducted to the satisfaction of the Chief of Securities Administration.

183(1) The Board on the application of a self-regulating body may by order authorize the self-regulating body to administer this Act and the regulations or any provision of them as they relate to the members of the self-regulating body.

(2) The Board shall not revoke or vary an order made under subsection (1) without giving the self-regulating body an opportunity to have a hearing before the Board.

(3) A self-regulatory body in respect of which an order is made under subsection (1) shall provide to the Board those reports and that information concerning the administration of this Act or the regulations as the Board may prescribe.

(4) Notwithstanding that an order is made under subsection (1), nothing in this section shall be construed as to restrict the Board, the Chief of Securities Administration or a Registrar in the administration of this Act or the regulations as they relate to the members of the self-regulating body.

(5) Where a self-regulating body is authorized under subsection (1) to administer this Act and the regulations or any provision of them, the Chief of Securities Administration may enter into an agreement with that self-regulating body governing one or more of the following:

(a) the administration of this Act or the regulations or any provision of them;

(b) the collecting of fees under this Act or the regulations;

(c) the retention by the self-regulating body of the fees referred to in clause (b) or a portion of them as compensation for administering this Act and the regulations or any provision of them;

(d) the imposition of fees by the self-regulating body for services provided by the self-regulating body;

(e) the fixing of fees referred to in clause (d) and the remission to the Government of a portion of those fees;

55 *Section 184 is amended*

(a) in subsection (1)

(i) by striking out “Board” and substituting “Commission”;

(ii) by striking out “Chief of Securities Administration” and substituting “Executive Director”;

(b) by repealing subsection (2) and substituting the following:

(2) The Commission may, if the Commission considers that it would not be prejudicial to the public interest to do so, make an order exempting in whole or in part

(a) a person or company or a class of them, or

(b) a transaction or a class of them,

from the requirements of section 124, Part 12 or Part 14 of this Act or the requirements of the regulations.

56 *Sections 185 and 186 are repealed and the following is substituted:*

General
exemption

185 The Commission may by order exempt

(a) any person, company, trade or distribution, or

(b) any class or classes of persons, companies, trades or distributions

from all or any provision of this Act or the regulations.

Revoke or
vary decisions

186(1) The Commission may, if the Commission considers that it would not be prejudicial to the public interest to do so, make an order revoking or varying any decisions made by the Commission under this Act or the regulations or any former Securities Act or regulations.

(2) With respect to a decision made by the Chair under this Act or the regulations or any former Securities Act or regulations, the Chair may,

- (f) *the compensation, if any, to be paid by the Government to the self-regulating body for the administration of this Act and the regulations or any provision of them.*

55 Section 184 presently reads:

184(1) Unless otherwise provided by this Act or ordered by the Board a person or company that has complied with the requirements of the laws of the jurisdiction in which

- (a) *in the case of a person, he carries on the substantial part of his business, or*
(b) *in the case of a company, it is incorporated, organized or continued,*

is deemed to have complied with requirements of this Act if

- (c) *the requirements of that jurisdiction and this Act are substantially the same, and*
(d) *the documents that are filed in that jurisdiction are also promptly filed with the Chief of Securities Administration.*

(2) The Board may, if it is satisfied that to do so would not be prejudicial to the public interest, make an order exempting in whole or in part

- (a) *a person or company or a class thereof, or*
(b) *a transaction or a class thereof,*

from the requirements of section 124, Part 12 or Part 14 of this Act or the requirements of the regulations.

56 Sections 185 and 186 presently read:

185 The Board may by order exempt any person, company, trade or distribution from all or any provision of this Act or the regulations.

186(1) The Board may, if in its opinion to do so would not be prejudicial to the public interest, make an order revoking or varying any decisions made by it under this Act or the regulations or any former Securities Act or regulations.

(2) With respect to a decision made by him under this Act or the regulations or any former Securities Act or regulations, the Chairman may,

- (a) *if he has acted alone in making the decision, and*
(b) *if he is of the opinion that to do so would not be prejudicial to the public interest,*

make an order revoking or varying that decision.

- (a) if the Chair has acted alone in making the decision, and
 - (b) if the Chair considers that it would not be prejudicial to the public interest to do so,
- make an order revoking or varying that decision.

57 *Section 189 is repealed and the following is substituted:*

Admissibility of
certified
statements

189 A statement

- (a) as to the registration or non-registration of any person or company,
- (b) as to the filing or non-filing of any document or material required or permitted to be filed, or
- (c) setting out
 - (i) the substance of any decision of the Commission or of the Executive Director, or
 - (ii) information from any books, records, documents or files of the Commission in the form of an extract or description,

purporting to be certified by the Commission, a member of the Commission, the Executive Director or the Secretary is, without proof of the office or signature of the person certifying the statement, admissible in evidence in any action, proceeding or prosecution.

58 *Sections 191 and 192 are repealed and the following is substituted:*

Service on
Commission

191 Service of any document on the Commission may be effected by serving the document on the Secretary.

Filing and
confidentiality

192(1) When this Act or the regulations require that material be filed

- (a) with the Commission, the filing shall be effected by depositing the material or causing it to be deposited with the Secretary, or
- (b) with the Executive Director, the filing shall be effected by depositing the material or causing it to be deposited with the Executive Director.

57 Section 189 presently reads:

189 A statement as to

- (a) the registration or non-registration of any person or company,*
- (b) the filing or non-filing of any document or material required or permitted to be filed,*
- (c) a matter other than one referred to in clause (a) or (b) pertaining to the registration, non-registration, filing or non-filing or to any person, company, document or material, or*
- (d) the day the facts on which any proceedings are to be based first came to the knowledge of the Board, the Chief of Securities Administration or a Registrar,*

purporting to be certified by the Board, a member of the Board, the Chief of Securities Administration or the Registrar is, without proof of the office or signature of the person certifying the statement, admissible in evidence for all purposes in any action, proceeding or prosecution.

58 Sections 191 and 192 presently read:

191 Service of a document may be effected

- (a) in the case of a document to be served on the Board, by serving the document on the Executive Director;*
- (b) in the case of a document to be served on the Agency, the Chief of Securities Administration or any person employed for the Agency, by serving the document on a Registrar.*

192(1) When this Act or the regulations require that material be filed

(2) When this Act or the regulations

- (a) require that material be filed, and
- (b) do not specify as to where or with whom the material is to be filed,

the filing shall be effected by depositing the material or causing it to be deposited with the Executive Director unless the Commission by order directs otherwise.

(3) Subject to subsections (4) and (5), all material filed under subsection (1) or (2) shall be made available for public inspection at the Commission offices during the normal business hours of the Commission.

(4) With respect to material deposited

- (a) with the Secretary, the Commission may hold the material in confidence if the Commission considers that it would not be prejudicial to the public interest to do so, or
- (b) with the Executive Director, the Executive Director may hold the material in confidence if the Executive Director considers that it would not be prejudicial to the public interest to do so.

(5) The Commission may,

- (a) on the application of an interested person or company or the Executive Director, and
- (b) on giving the interested person or company and the Executive Director the opportunity to have a hearing,

make an order directing that any material or class of material deposited with the Secretary or the Executive Director be held in confidence if the Commission considers that it would not be prejudicial to the public interest to grant the order.

(6) Where the Executive Director decides to hold material in confidence or not to hold material in confidence, an interested person or company may appeal the decision to the Commission.

(7) An order of the Commission made pursuant to subsections (5) and (6) is final and there is no appeal from that order.

- (a) *with the Board, the filing shall be effected by depositing the material or causing it to be deposited with the Executive Director;*
- (b) *with the Agency or the Chief of Securities Administration, the filing shall be effected by depositing the material or causing it to be deposited with the Chief of Securities Administration;*
- (c) *with a Registrar, the filing shall be effected by depositing the material or causing it to be deposited with the Registrar.*

(1.1) When this Act or the regulations

- (a) *require that material be filed, and*
- (b) *do not specify as to where or with whom the material is to be filed,*

the filing shall be effected by depositing the material or causing it to be deposited with the Chief of Securities Administration unless the Board by order directs otherwise.

(2) Subject to subsections (3) and (4), all material filed under subsection (1) or (1.1) shall,

- (a) *in the case of material deposited with the Executive Director, be made available by the Executive Director for public inspection at the office of the Board, and*
- (b) *in the case of material deposited with the Chief of Securities Administration or a Registrar, be made available by the Chief of Securities Administration or the Registrar, as the case may be, for public inspection at the office of the Agency,*

during the normal business hours of the Board or the Agency, as the case may be.

(3) With respect to material deposited

- (a) *with the Executive Director, the Board may hold the material in confidence if the Board is of the opinion that to do so is not prejudicial to the public interest, or*
- (b) *with the Chief of Securities Administration or a Registrar, the Chief of Securities Administration may hold the material in confidence if he is of the opinion that to do so is not prejudicial to the public interest.*

(4) The Board may

- (a) *on the application of*
 - (i) *an interested person or company, or*
 - (ii) *the Chief of Securities Administration,*

59 *Section 193 is amended*

(a) by repealing subsection (1) and substituting the following:

Immunities

193(1) No action or other proceeding for damages may be instituted against the Commission, a member of the Commission, the Executive Director, the Secretary, a person employed by the Commission or a person appointed under this Act or the regulations to perform a function or duty of or for the Commission, the Executive Director or the Secretary

(a) for any act done in good faith

(i) in the performance or intended performance of any function or duty, or

(ii) in the exercise or intended exercise of any power,

or

and

(b) on giving

(i) the interested person or company, and

(ii) the Chief of Securities Administration,

the opportunity to have a hearing,

make an order directing that any material or class of material deposited with the Executive Director, the Chief of Securities Administration or a Registrar be held in confidence if, in the opinion of the Board, the granting of the order would not be prejudicial to the public interest.

(5) Where

(a) the Board decides to hold material in confidence or not to hold material in confidence, or

(b) the Chief of Securities Administration decides to hold material in confidence or not to hold material in confidence,

an interested person or company or the Chief of Securities Administration in the case of a decision referred to in clause (a), or an interested person or company in the case of a decision referred to in clause (b), may apply to the Board to have that decision reviewed.

(6) An order of the Board arising out of a review referred to in subsection (5) is final and there is no appeal from it.

59 Section 193 presently reads:

193(1) No action or other proceeding for damages shall be instituted against the Commission, the Board, a member of the Board, the Executive Director, a person employed for the Board, the Agency, the Chief of Securities Administration, a Deputy Chief of Securities Administration, a Registrar, a person employed for the Agency or a person appointed under this Act or the regulations to perform a function or duty for the Board, the Agency, the Chief of Securities Administration or the Registrar

(a) for any act done in good faith

(i) in the performance or intended performance of any duty, or

(ii) in the exercise or the intended exercise of any power under this Act or the regulations,

or

(b) for any neglect or default in the performance or exercise in good faith of the duty or power.

(b) for any neglect, omission or default in the performance or exercise in good faith of any function, duty or power.

(b) in subsection (3) by striking out “, the Board, the Agency”.

60 Section 195 is repealed.

61 Section 196 is repealed and the following is substituted:

Lieutenant
Governor in
Council
regulations

196 The Lieutenant Governor in Council may make regulations

(a) governing trades and, without limiting the generality of the foregoing,

(2) No person or company has any rights or remedies and no proceedings lie or shall be brought against any person or company for any act or omission of the last-mentioned person or company done or omitted in compliance with this Act, the regulations or any decision made or given under this Act or the regulations.

(3) Subsection (1) of this section does not, by reason of section 5(2) and (3) of the Proceedings Against the Crown Act, relieve the Crown of liability in respect of a tort committed by the Commission, the Board, the Agency or any person referred to in subsection (1) of this section to which the Crown would otherwise be subject and the Crown is liable under that Act for the tort in a like manner as if subsection (1) of this section had not been enacted.

60 Section 195 presently reads:

195(1) The Board and the Chief of Securities Administration shall, after the end of the Commission's fiscal year, prepare and deliver to the Minister a general report consisting of

- (a) a summary of the nature and number of
 - (i) filings under this Act,*
 - (ii) registrations under this Act, and*
 - (iii) enforcement proceedings taken under the Act,**
- (b) a general commentary on the law concerning securities and exchange contracts and on the practice and development of that law,*
- (c) information similar to that required under clause (a) in respect of other statutes administered by the Commission, and*
- (d) that other information as requested by the Minister or the Lieutenant Governor in Council.*

(2) On receiving a report delivered to him under subsection (1), the Minister shall

- (a) if the Legislative Assembly is sitting when the report is received by him, lay the report before the Assembly, or*
- (b) if the Legislative Assembly is not sitting when the report is received by him, lay the report before the Assembly within 15 days after the commencement of the sitting next following the receipt of the report.*

61 Section 196 presently reads:

196 The Lieutenant Governor in Council may make regulations

- (a) defining for the purposes of this Act terms used in this Act that are not defined in this Act;*

- (i) respecting the listing and trading of securities;
- (ii) respecting the trading in exchange contracts;
- (iii) respecting advertising relating to trading in securities and exchange contracts;
- (iv) establishing the principles for determining the market value, the market price or the closing price of a security and authorizing the Commission to make that determination;
- (v) prescribing which distributions and trading in relation to the distributions are distributions and trading outside of Alberta;
- (b) requiring any information, documents, records or other materials to be filed, furnished or delivered;
- (c) requiring the inclusion or permitting the exclusion of any information, documents, records or other materials that may be required to be filed, furnished or delivered;
- (d) prescribing terms and conditions of an escrow or pooling agreement;
- (e) prescribing categories of issuers for the purposes of the prospectus requirements and classifying issuers into categories;
- (f) governing commodity pools and, without limiting the generality of the foregoing, prescribing requirements respecting commodity pools and prohibiting or restricting the payment of commissions or compensation;
- (g) governing derivatives and, without limiting the generality of the foregoing, providing exemptions and prescribing requirements in respect of derivatives;
- (h) respecting any matter necessary or advisable to facilitate distributions and compliance with this Act and the regulations by foreign issuers;
- (i) prescribing requirements in respect of reverse take-overs and investment contracts;
- (j) governing registration and, without limiting the generality of the foregoing,

- (a.1) prescribing categories for persons and companies and the manner of allocating persons and companies to categories;*
- (b) prescribing the form and content of either of them of prospectuses, preliminary prospectuses, pro forma prospectuses, short form prospectuses, pro forma short form prospectuses, exchange offering prospectuses, summary statements and statements of material facts to be filed under this Act;*
- (b.1) governing the use of prospectuses, preliminary prospectuses, pro forma prospectuses, short form prospectuses, pro forma short form prospectuses, exchange offering prospectuses, summary statements and statements of material facts to be filed under this Act;*
- (c) governing certificates to be used in pro forma prospectuses, preliminary prospectuses, short form prospectuses, pro forma short form prospectuses, exchange offering prospectuses and prospectuses;*
- (c.1) governing certificates to be used in summary statements and statements of material facts;*
- (c.2) permitting the filing of prospectuses not referred to in clause (b);*
- (c.3) prescribing the form and content of either of them of prospectuses referred to in clause (c.2);*
- (c.4) governing the use of prospectuses referred to in clause (c.2);*
- (c.5) governing certificates to be used in prospectuses referred to in clause (c.2);*
- (d) permitting the Chief of Securities Administration to make the allocations referred to in clause (a.1);*
- (d.1) designating mutual funds or a class or classes of them as private mutual funds;*
- (d.2) permitting the Chief of Securities Administration to require that any documents, certificates, reports, releases, statements, agreements or other information be filed, furnished or delivered;*
- (d.3) permitting the Chief of Securities Administration to require the inclusion or permit the exclusion of any matter from any documents, certificates, reports, releases, statements, agreements or other information which may be required to be filed, furnished or delivered under this Act or the regulations;*
- (e) designating banking transactions for the purposes of section 1(y)(vi);*

- (i) prescribing requirements in respect of applications for registration and the renewal, amendment, expiration or surrender of registration;
- (ii) respecting the suspension, cancellation and reinstatement of registration;
- (iii) prescribing categories or sub-categories of registrants;
- (iv) classifying registrants into categories or sub-categories;
- (v) prescribing the conditions of registration or other requirements for registrants or any category or sub-category of registrants, including
 - (A) standards of practice and business conduct of registrants in dealing with their customers and clients and prospective customers and clients;
 - (B) requirements governing ownership or control of the registrants;
 - (C) requirements in respect of membership in a self-regulatory organization;
- (vi) prescribing requirements in respect of the disclosure or furnishing of information to the public or the Commission by registrants;
- (vii) prescribing requirements in respect of the books, records and other documents required to be kept by registrants;
- (viii) respecting conflicts of interest;
- (ix) respecting bonds and bonding;
- (x) respecting compensation funds or contingency trust funds;
- (k) governing annual information forms, annual reports, preliminary prospectuses, prospectuses, pro forma prospectuses, short form prospectuses, pro forma short form prospectuses, exchange offering prospectuses, simplified prospectuses, risk disclosure statements, offering memorandums or any other

- (e.1) governing the form and content or either of them of financial statements and interim financial statements required to be filed under this Act;*
- (f) governing the form and content or either of them of comparative financial statements to be filed under this Act;*
- (f.1) governing the audit requirements with respect to the comparative financial statements referred to in clause (f);*
- (g) prescribing requirements respecting applications for registration and renewal of registration;*
- (g.1) providing for the expiration of registrations;*
- (h) classifying registrants into categories and prescribing the terms and conditions of registration of registrants in each category but no registrant shall be included in a category designated as*
 - (i) investment dealer, unless he is a member of the Alberta District of the Investment Dealers' Association of Canada, or*
 - (ii) broker, unless he is a member of an exchange in Alberta recognized by the Board;*
- (h.1) regulating the listing and trading of securities;*
- (h.2) regulating the trading in exchange contracts;*
 - (i) prescribing records to be maintained with respect to the listing and trading of securities and the trading of exchange contracts;*
- (i.1) governing the furnishing of information to the public or to the Board, the Agency, the Chief of Securities Administration or a Registrar by a registrant in connection with securities, exchange contracts, trades in securities and trades in exchange contracts;*
- (j) governing the furnishing of information by a registrant or class of registrant to a person or company recognized by the Board and the payment of fees with respect thereto;*
- (j.1) governing the form and content of the financial statements to be provided to the customer of a registered dealer;*
- (j.2) governing bonds, bonding and the form and content of bonds;*
- (k) regulating the trading of securities and exchange contracts other than on an exchange recognized by the Board;*

disclosure documents and, without limiting the generality of the foregoing, prescribing procedures and requirements with respect to

- (i) the use, form and contents of those documents;
 - (ii) the preparation, filing, delivery or dissemination of those documents;
 - (iii) the issuance of receipts;
 - (iv) the incorporation of other documents by reference;
- (l) providing for and governing exemptions from the registration or prospectus requirements and, without limiting the generality of the foregoing,
- (i) prescribing trades, distributions, securities and exchange contracts in respect of which registration is not required;
 - (ii) prescribing trades, distributions and securities in respect of which the filing of a prospectus is not required;
 - (iii) respecting the modification or variation of those exemptions;
 - (iv) respecting the restriction or removal of those exemptions;
- (m) governing mutual funds and non-redeemable investment funds and the advertising, distribution and trading of the securities of the funds and, without limiting the generality of the foregoing,
- (i) designating funds or a class or classes of them as private funds;
 - (ii) respecting sales charges imposed by a distribution company or contractual plan service company under a contractual plan on purchasers of shares or units of a fund;
 - (iii) prescribing a penalty for the early redemption of shares or units of a fund;
 - (iv) prescribing the form and contents of reports to be filed by the management company or distributors of a fund;

- (k.1) prescribing requirements, other than those set out in this Act, that must be met by auditors appointed under this Act;*
- (l) governing*
 - (i) the keeping of accounts and records,*
 - (ii) the preparation and filing of financial statements of the affairs of the security issuers, and*
 - (iii) the audit requirements with respect to the financial statements referred to in subclause (ii);*
- (l.1) respecting fees payable by an issuer to a management company as consideration for investment advice, alone or together with administrative or management services, provided by the management company to the mutual fund;*
- (m) respecting*
 - (i) sales charges imposed by a distribution company or contractual plan service company under a contractual plan on purchasers of shares or units of a mutual fund, and*
 - (ii) commissions to be paid to salesmen of shares of units of a mutual fund;*
- (m.1) repealed 1994 c23 s43;*
- (n) designating any person or company or any class of persons or companies who are not required to obtain registration as an adviser;*
- (n.1) governing fees payable to the Board, the Agency, the Chief of Securities Administration or a Registrar and the provision of any service or function performed in respect of those fees;*
- (o) governing costs in respect of matters heard before the Board or the Chief of Securities Administration;*
- (o.01) governing costs in respect of investigations;*
- (o.02) governing costs in respect of services provided by persons appointed or engaged under section 18, 28, 30 or 33 and the appearance of witnesses under this Act;*
- (o.1) governing documents, certificates, reports, releases, statements, agreements and other information that are to be filed, furnished, delivered or published under this Act and the regulations;*
- (p) prescribing the practice and procedure of investigations under sections 28 and 33;*

- (v) respecting
 - (A) the custodianship of assets of any fund;
 - (B) the minimum initial capital requirements for any fund making a distribution and prohibiting or restricting the reimbursement of costs associated with the organization of a fund;
 - (C) any matters affecting any fund that require the approval of security holders of the fund, the Commission or the Executive Director;
 - (D) the contents and use of sales literature, sales communications and advertising relating to any fund or securities of any fund;
- (vi) permitting or restricting investment policy and practices in connection with any fund;
- (n) governing documents filed under Parts 11 and 12 and, without limiting the generality of the foregoing, providing for
 - (i) the use of and form and contents of those documents;
 - (ii) the preparation, audit, filing, delivery and dissemination of those documents;
 - (iii) exemptions from the requirements of Parts 11 and 12;
- (o) governing insider trading and self-dealing and, without limiting the generality of the foregoing,
 - (i) prescribing the form, contents and filing requirements of the reports to be filed under Part 14;
 - (ii) respecting self-dealing and conflicts of interest;
 - (iii) modifying, varying or restricting any requirement under Part 14;
 - (iv) exempting any person or company from any requirement under Part 14;

- (p.1) prescribing rules of practice and procedure for hearings and reviews held under this Act;*
- (q) prescribing the forms for use under this Act and the regulations;*
- (q.1) designating persons or companies for the purposes of section 64(a);*
- (q.2) respecting the rules and procedures as to the maintenance of a list of defaulting reporting issuers;*
- (r) prescribing rules and procedures governing public inspection of certain documents, certificates, statements, reports, and other information maintained by the Board, the Agency, the Chief of Securities Administration or a Registrar;*
- (r.01) prescribing the number of purchasers and monetary amounts where required for the purposes of section 65(1);*
- (r.1) prescribing trades, securities and exchange contracts, in addition to the trades, securities and exchange contracts referred to in sections 65, 66 and 66.1, in respect of which registration is not required;*
- (s) prescribing the practice and procedure by which the Board recognizes an exempt trade, exempt security or exempt exchange contract pursuant to section 65, 66 or 66.1;*
- (s.1) prescribing trades, securities and exchange contracts referred to in section 65, 66 or 66.1 in respect of which there shall cease to be exemption from registration;*
- (s.2) governing confirmations of transactions that are to be provided under section 68;*
- (s.3) prescribing the number of purchasers and monetary amounts where required for the purposes of section 107(1);*
- (s.4) determining for the purposes of section 70.1 what constitutes a false or misleading appearance of trading activity in a security or an exchange contract or an artificial price for a security or an exchange contract;*
- (s.5) governing risk disclosure statements;*
- (t) prescribing trades or securities, in addition to the trades and securities referred to in sections 107 to 115, in respect of which section 81 does not apply;*
- (t.1) prescribing exempt trades or exempt distribution of securities in addition to the exempt trades or exempt distribution of securities referred to in sections 107 to*

- (p) governing take-over bids, issuer bids, insider bids and going private transactions and, without limiting the generality of the foregoing,
 - (i) respecting the use, form and contents and filing requirements of any information, documents, records or other materials required to be prepared, filed, delivered or disseminated;
 - (ii) respecting requirements for disclosure, valuations, review by independent committees of boards of directors and approval by minority security holders;
 - (iii) respecting defensive tactics in connection with take-over bids;
 - (iv) providing for exemptions from Part 13;
- (q) governing the format, preparation, form, contents, execution, certification, dissemination and other use, filing, review and public inspection of all information, documents, records or other materials required under or governed by this Act and the regulations and, without restricting the generality of the foregoing,
 - (i) respecting applications for registration and other purposes;
 - (ii) respecting preliminary prospectuses and prospectuses;
 - (iii) respecting interim financial statements and financial statements;
 - (iv) respecting proxies and information circulars;
 - (v) respecting take-over bid circulars, issuer bid circulars, directors' circulars and offering memorandums;
 - (vi) establishing procedures and requirements in respect of the use of any electronic or computer-based system for the filing, delivery or deposit of information, documents, records or materials;
 - (vii) varying or modifying the application of this Act to facilitate the use of an electronic or computer-based system for the filing, delivery or

115, in respect of which sections 81 and 97 do not apply;

(u) prescribing the practice and procedure whereby the Board recognizes an exempt trade or exempt distribution of securities under section 107 or 115;

(u.1) prescribing trades or securities in respect of which sections 81 and 97 are applicable notwithstanding sections 107 to 115;

(u.2) exempting any seller or class of sellers from the requirements of section 112(1)(d)(i) and (ii);

(v) prescribing terms and conditions that shall be contained in an escrow or pooling agreement;

(v.1) prescribing the practice and procedure by which the Board recognizes exempt purchasers under sections 65(1)(d) and 107(1)(c);

(w) exempting any category of registered advisers from the provisions of section 72 and prescribing terms and conditions, if any, to the exemption, as they apply to any category of registered advisers;

(w.1) prescribing the information required or permitted to be distributed under section 99;

(x) respecting the matters referred to in section 96(2)(h);

(x.01) respecting matters referred to in section 118(1);

(x.1) respecting the content and distribution of material that may be distributed or used by a person or company with respect to a security whether in the course of distribution or otherwise;

(x.2) prescribing the form and content of the reports to be filed under Part 14;

(x.3) repealed 1989 c19 s17;

(y) respecting any other matters necessary or advisable to carry out effectively the intent and purpose of Part 13 including, without restricting the generality of the foregoing,

(i) providing for exemptions in addition to those set out in sections 132(1) and 133,

(ii) providing for exemptions from sections 134 and 134.1,

(iii) restricting any exemptions set out in sections 132(1), 133, 134 or 134.1,

deposit of information, documents, records or materials;

- (viii) prescribing the circumstances in which persons or companies will be deemed to have signed or certified information, documents, records or materials on an electronic or computer-based system for any purposes of this Act;
- (r) governing exchanges, self-regulatory organizations and clearing agencies and, without limiting the generality of the foregoing,
 - (i) respecting the recognition of exchanges, self-regulatory organizations and clearing agencies;
 - (ii) prescribing requirements in respect of the review or approval by the Commission of any by-law, rule, regulations, policy, procedure, interpretation or practice of recognized exchanges, recognized self-regulatory organizations and recognized clearing agencies;
 - (iii) providing for the collection and remission by recognized exchanges, recognized self-regulatory organizations and recognized clearing agencies of fees payable to the Commission;
 - (iv) prescribing requirements in respect of the books and records to be maintained by recognized exchanges, recognized self-regulatory organizations and recognized clearing agencies;
- (s) governing the requirements, practice and procedure for investigations, hearings, reviews and appeals and, without limiting the generality of the foregoing, providing for
 - (i) costs in respect of matters heard before the Commission or the Executive Director;
 - (ii) costs in respect of investigations;
 - (iii) costs in respect of services provided by persons appointed or engaged and the appearance of witnesses;

- (iv) *prescribing rules in addition to those set out in sections 135 to 140,*
- (v) *varying rules set out in sections 135 to 140, and*
- (vi) *governing the form and contents, or either of them, of any circular, report, news release or other document required to be sent or filed under Part 13;*
- (y.1) *repealed 1989 c19 s17;*
- (y.2) *prescribing a penalty for the early redemption of shares or units of a mutual fund;*
- (y.3) *prescribing the form and content of reports to be filed by the management company of a mutual fund;*
- (y.4) *governing undertakings referred to in section 164 and agreements between the Chief of Securities Administration and any person or company;*
- (y.5) *providing for the payment of money by a person or company pursuant to an undertaking referred to in section 164 or an agreement with the Chief of Securities Administration;*
- (y.6) *governing the administration and disposition of money received pursuant to an undertaking referred to in section 164 or an agreement referred to in clause (y.5);*
- (z) *prescribing the form and content of proxies, information circulars and reports required by Parts 11 and 12;*
- (z.1) *governing the use of proxies, information circulars and reports required under Parts 11 and 12;*
- (z.11) *respecting any matter necessary or advisable to carry out effectively the intent and purpose of sections 119 and 171, including, without restricting the generality of the foregoing,*
 - (i) *exempting any class or classes of persons, companies, trades or securities*
 - (A) *from any of the requirements of section 119, and*
 - (B) *from liability under section 171;*
 - (ii) *prescribing standards for determining when a material fact or material change has been generally disclosed;*
 - (iii) *requiring that a person or company establish one or more methods, arrangements or policies respecting, restricting or prohibiting the communication of a material fact or a material change;*

- (t) governing undertakings and agreements between the Commission or Executive Director and any person or company;
- (u) providing for and governing the payment of money by a person or company pursuant to an undertaking or agreement with the Commission or Executive Director;
- (v) governing the administration and disposition of money received pursuant to an undertaking or an agreement;
- (w) determining what constitutes a false or misleading appearance of trading activity in a security or an exchange contract or an artificial price for a security or an exchange contract;
- (x) respecting any matter necessary or advisable to carry out effectively the intent and purpose of sections 119 and 171 and, without limiting the generality of the foregoing,
 - (i) providing for exemptions;
 - (ii) prescribing standards or criteria for determining when a material fact or material change has been generally disclosed;
- (y) prescribing the form of endorsement for the purposes of extra-provincial warrants;
- (z) providing for and governing fees payable to the Commission and the provision of any service or function performed in respect of those fees;
- (aa) defining for the purposes of this Act terms used in this Act that are not defined in this Act;
- (bb) governing the procedure to be followed by the Commission with respect to making or repealing rules under section 196.1;
- (cc) governing any other matter related to the carrying out of this Act or the conduct of the business and affairs of the Commission.

Commission
rules

196.1(1) The Commission may, subject to this section and the regulations referred to in section 196(bb), make rules in respect of any of the matters in respect of which the

(iv) governing the methods, arrangements and policies to be established by a person or company respecting, restricting or prohibiting the communication of a material fact or a material change;

(z.12) governing self dealing and conflicts of interest;

(z.2) permitting the Board or the Chief of Securities Administration to exempt any person or company from the regulations or any part of them or vary the regulations as they apply to any person or company;

(z.3) governing self-regulating bodies;

(z.4) prescribing the form of endorsements for the purposes of section 163;

(z.5) specifying those provisions of the regulations that are an offence if contravened.

Lieutenant Governor in Council may make regulations under section 196.

(2) Notwithstanding subsection (1), the Commission shall not make rules in respect of matters referred to in section 196(z) and (bb).

(3) Notwithstanding that the Commission may make rules,

(a) where the provisions of a regulation made under section 196 and a rule made under this section conflict, the regulation prevails, and

(b) the Lieutenant Governor in Council may amend or repeal any rule made by the Commission under this section.

(4) A rule made by the Commission under this section has the same force and effect as a regulation made by the Lieutenant Governor in Council under section 196.

(5) The *Regulations Act* does not apply to a rule made by the Commission under subsection (1).

Publication of
rules

196.2(1) Where a rule is made under section 196.1 the Commission shall publish the rule in *The Alberta Gazette*.

(2) A rule that is not published in accordance with subsection (1) is not valid against a person or company who has not had actual notice of the rule.

(3) On publication of a rule in *The Alberta Gazette*,

(a) every person or company is deemed to have notice of the rule, and

(b) the rule is deemed to be valid notwithstanding any irregularity or any defect in the rule-making process.

Evidence re
rule

196.3 For the purposes of the *Alberta Evidence Act* a rule made under section 196.1 shall be treated in the same manner as if it were a regulation.

Application of
regulations
and rules

196.4 A regulation or a rule may be of general or specific application.

Incorporation
by reference

196.5 A regulation or rule may incorporate by reference, in whole or in part, any standard, procedure or guideline and may require compliance with any standard, procedure or guideline adopted.

Exemption
from a
regulation or
rule

196.6 A regulation or rule may authorize the Commission or the Executive Director to grant an exemption to the regulation or rule

(a) in whole or in part, and

(b) subject to conditions or restrictions.

Offence

196.7 The Lieutenant Governor in Council may by regulation specify those provisions of the regulations and the rules the contravention of which is an offence.

62(1) The following provisions are amended by striking out "Board" wherever it occurs and substituting "Commission":

section 16;	section 65;	section 132;
section 17;	section 80.1;	section 133;
section 18;	section 80.2;	section 133.1;
section 19.1;	section 80.3;	section 154;
section 22;	section 104;	section 158;
section 24;	section 107;	section 164;
section 27;	section 109;	section 166.2;
section 37;	section 110.1;	section 167;
section 38;	section 112;	section 188.
section 56;	section 114;	
section 64;	section 131;	

(2) The following provisions are amended by striking out "Chief of Securities Administration" wherever it occurs and substituting "Executive Director":

section 16;	section 66;	section 121;
section 17;	section 66.1;	section 131;
section 18;	section 68;	section 132;
section 19.1;	section 69;	section 133;
section 22;	section 70;	section 134;
section 24;	section 74;	section 140;
section 30(1);	section 80;	section 141;
section 37;	section 91;	section 142;
section 38;	section 98;	section 150;
section 46;	section 102;	section 164;
section 47(5);	section 103;	section 168;
section 55;	section 107;	section 169;
section 56;	section 108.1;	section 172;
section 58;	section 110;	section 188.
section 61;	section 112;	
section 62;	section 118;	
section 65;	section 120;	

62 Changes references from “Board” to “Commission”, from “Chief of Securities Administration” to “Executive Director”, from “Registrar” to “Executive Director” and deletes a cross-reference.

(3) The following provisions are amended by striking out "Registrar" wherever it occurs and substituting "Executive Director":

section 81;
section 83;
section 103;
section 104.

(4) The following provisions are amended by striking out "or 33" wherever it occurs:

section 37(1)(b);
section 38(1)(b).

63(1) The Alberta Stock Savings Plan Act is amended by this section.

(2) Section 1(1) is amended by repealing clauses (a), (a.2) and (i.1).

(3) Section 23(2)(b) is amended by striking out ", the Board, the Chief of Securities Administration or a Registrar" and substituting "or to the Executive Director or the Secretary of the Alberta Securities Commission, as defined or otherwise provided for under the Securities Act,".

64(1) The Business Corporations Act is amended by this section.

(2) Section 1 is amended

(a) by repealing clauses (a.2) and (d.2);

(b) by repealing clause (e.2) and substituting the following:

(e.2) "Commission" means the Alberta Securities Commission;

(c) by repealing clause (i.01) and substituting the following:

(i.01) "Executive Director" means the Executive Director of the Commission as defined or otherwise provided for under the Securities Act;

(3) Section 155(5) is amended by striking out "satisfied that" and substituting "satisfied that".

(4) Section 237 is repealed and the following is substituted:

63 Amends chapter A-37.7 of the Statutes of Alberta, 1986.

64 Amends chapter B-15 of the Statutes of Alberta, 1981.

Court order for
directions

237 The Executive Director may apply to the Court for directions in respect of any matter concerning the Executive Director's duties under this Act, and on the application the Court may give any directions and make any further order as it thinks fit.

(5) *Section 247.1 is repealed and the following is substituted:*

Notice to and
service on the
Commission

247.1(1) A notice or document that is required or permitted to be sent to or filed

(a) with the Commission may be sent or filed

(i) by being left with the Secretary of the Commission during the normal office hours of the Commission, or

(ii) by being mailed by registered mail addressed to an office of the Commission,

or

(b) with the Executive Director may be sent or filed

(i) by being left with the Executive Director during the normal office hours of the Commission, or

(ii) by being mailed by registered mail addressed to an office of the Commission.

(2) Where a notice or document referred to in subsection (1) is sent or filed by registered mail, it is deemed to have been received in the office of the Commission at the time that the notice or document would be delivered in the ordinary course of mail unless there are reasonable grounds for believing that the notice or document did not arrive in the office of the Commission.

(6) *Section 251 is repealed and the following is substituted:*

Copies

251 If a notice or document is required under this Act to be filed with or sent to

(a) the Commission or the Executive Director, or

(b) a Registrar,

the Commission, the Executive Director or the Registrar, as the case may be, may accept a photocopied or photographic copy of the notice or document.

(7) The following provisions are amended by striking out “Board” wherever it occurs and substituting “Commission”:

section 3(3);
section 145(a);
section 150(2);
section 165(3);
section 239(2).

(8) The following provisions are amended by striking out “Chief of Securities Administration” wherever it occurs and substituting “Executive Director”:

section 35(1)(b);
section 113(2);
section 127(3);
section 138(1);
section 144(3);
section 148;
section 154;
section 161(1);
section 162(6)(b);
section 165(9)(b);
section 186(8);
section 236(2);
section 243(1).

65(1) The Companies Act is amended by this section.

(2) Section 1 is amended

(a) by repealing clauses (a) and (a.02);

(b) by repealing clause (c.1) and substituting the following:

(c.1) “Commission” means the Alberta Securities Commission;

(c) by adding the following after clause (h):

(h.01) “Executive Director” means the Executive Director of the Commission as defined or otherwise provided for under the Securities Act;

(3) Section 98 is amended

(a) by striking out “Chief of Securities Administration” and substituting “Executive Director”;

65 Amends chapter C-20 of the Revised Statutes of Alberta 1980.

(b) by striking out “Agency” wherever it occurs and substituting “Commission”.

(4) The following provisions are amended by striking out “Board” wherever it occurs and substituting “Commission”:

section 50;
section 103(1);
section 173(6)(d) and (10).

(5) The following provisions are amended by striking out “Chief of Securities Administration” wherever it occurs and substituting “Executive Director”:

section 48(1)(d);
section 51;
section 96;
section 97;
section 99(4) and (5);
section 101;
section 108(1) and (2);
section 137(4);
section 154(3).

66(1) The Conflicts of Interest Act is amended by this section.

(2) Part 3 of the Schedule is amended

(a) by striking out “Alberta Racing Commission” and substituting the following:

Alberta Racing Commission
Alberta Securities Commission

(b) by striking out “Board of the Alberta Securities Commission”.

67(1) The Credit Union Act is amended by this section.

(2) Section 16(3)(b)(i) is amended by striking out “Chief of Securities Administration” and substituting “Executive Director of the Alberta Securities Commission as defined or otherwise provided for under the Securities Act”.

68(1) The Franchises Act is amended by this section.

(2) Section 1(1) is amended

66 Amends chapter C-22.1 of the Statutes of Alberta, 1991.

67 Amends chapter C-31.1 of the Statutes of Alberta, 1989.

68 Amends chapter F-17 of the Revised Statutes of Alberta 1980.

- (a) by repealing clauses (a) and (b.1);*
- (b) by repealing clause (b.2) and substituting the following:*
 - (b.2) "Commission" means the Alberta Securities Commission;*
- (c) by repealing clause (e) and substituting the following:*
 - (e) "Executive Director" means the Executive Director of the Commission as defined or otherwise provided for under the Securities Act;*
- (d) by repealing clause (p);*
- (e) by adding the following after clause (q):*
 - (q.1) "Secretary" means the Secretary of the Commission as defined or otherwise provided for under the Securities Act;*
- (3) Section 10 is amended*
 - (a) in subsections (1), (2) and (7) by striking out "Chief of Securities Administration" wherever it occurs and substituting "Executive Director";*
 - (b) in subsection (6) by striking out "Chief of Securities Administration may direct the Registrar not" and substituting "Executive Director may refuse".*
- (4) Section 12 is amended*
 - (a) in subsection (1)*
 - (i) by striking out "Chief of Securities Administration may in his discretion direct the Registrar to" and substituting "Executive Director may";*
 - (ii) by striking out "to the Chief of Securities Administration" and substituting "to the Executive Director";*
 - (b) in subsection (2) by striking out "Chief of Securities Administration" and substituting "Executive Director".*
- (5) Section 14 is amended*
 - (a) by striking out "Chief of Securities Administration" wherever it occurs and substituting "Executive Director";*

(b) *by striking out “Board” and substituting “Commission”.*

(6) *Section 23 is amended*

(a) *in subsections (1), (2) and (3) by striking out “Chief of Securities Administration” wherever it occurs and substituting “Executive Director”;*

(b) *in subsection (4)*

(i) *by striking out “Chief of Securities Administration” wherever it occurs and substituting “Executive Director”;*

(ii) *by striking out “Board” and substituting “Commission”.*

(7) *Section 32 is repealed and the following is substituted:*

Prohibition

32 No person shall make any representation, written or oral, that the Commission, a member of the Commission, the Executive Director, the Secretary or a person employed for the Commission has in any way passed judgment on

(a) the financial standing, fitness or conduct of any registrant,

(b) the quality of any franchise, or

(c) the results to be expected by a franchisee operating under the terms of the franchise.

(8) *Section 34(1)(a) is amended by striking out “Board, a member of the Board, the Executive Director of the Board, a person employed for the Board, the Agency, the Chief of Securities Administration, a Registrar or a person employed for the Agency” and substituting “Commission, a member of the Commission, the Executive Director, the Secretary or a person employed for the Commission”.*

(9) *Section 39(1) is amended*

(a) *by striking out “Registrar” and substituting “Executive Director”;*

(b) *in clause (a) by striking out “Chief of Securities Administration” wherever it occurs and substituting “Executive Director”.*

(10) *Section 40 is amended*

(a) *in subsection (1) by striking out “Board, the Executive Director of the Board, a person employed for the Board, the Chief of Securities Administration, a Registrar or a person employed for the Agency” and substituting “Commission, the Executive Director, the Secretary or a person employed for the Commission”;*

(b) *in subsection (2) by repealing clause (a) and substituting the following:*

(a) a requirement, order or direction under this Act of

(i) the Commission,

(ii) a member of the Commission,

(iii) the Executive Director, the Secretary or a person employed for the Commission,

(iv) any person appointed by order of the Minister,

(v) the Minister, or

(vi) any representative of the Minister, the Commission, the Executive Director or the Secretary or of any person appointed by the Minister,

(11) *Section 50 is amended*

(a) *in subsection (1)*

(i) *by striking out “Chief of Securities Administration” and substituting “Executive Director”;*

(ii) *by striking out “Registrar” and substituting “Secretary”;*

(b) *in subsections (1) and (2) by striking out “Board” wherever it occurs and substituting “Commission”.*

(12) *Section 51 is amended*

(a) *in subsection (1) by striking out “Board” and substituting “Commission”;*

(b) *in subsection (2) by striking out “Registrar” and substituting “Secretary”;*

(c) *in subsection (3)*

- (i) *by striking out “Executive Director of the Board” and substituting “Secretary of the Commission”;*
 - (ii) *by striking out “Board” wherever it occurs and substituting “Commission”;*
 - (d) *in subsection (4) by striking out “Chief of Securities Administration” and substituting “Executive Director”;*
 - (e) *in subsections (5) and (6) by striking out “Board” wherever it occurs and substituting “Commission”;*
 - (f) *by repealing subsection (7) and substituting the following:*
 - (7) The Executive Director shall not commence an appeal under this section.
- (13) *Section 52 is amended*
- (a) *by striking out “before the Board or the Chief of Securities Administration” and substituting “before the Commission or the Executive Director”;*
 - (b) *in clause (a) by striking out “Board or the Chief of Securities Administration” wherever it occurs and substituting “Commission or the Executive Director”;*
 - (c) *in clause (d) by striking out “Board” wherever it occurs and substituting “Commission”;*
 - (d) *in clause (f) by striking out “Board or the Chief of Securities Administration” wherever it occurs and substituting “Commission or the Executive Director”.*
- (14) *Section 53 is amended*
- (a) *in clause (b) by striking out “Board or the Chief of Securities Administration” and substituting “Commission or the Executive Director”;*
 - (b) *by striking out “Board, a member of the Board, the Chief of Securities Administration or a Registrar” and substituting “Commission, a member of the Commission, the Executive Director or the Secretary”.*
- (15) *Section 57 is amended*
- (a) *in clause (a) by striking out “Chief of Securities Administration” and substituting “Executive Director”;*
 - (b) *by repealing clause (d) and substituting the following:*

- (d) governing the furnishing of information to the public or to the Commission, the Executive Director or the Secretary by a registrant in connection with franchises or trades in them;

(c) by repealing clause (f) and substituting the following:

- (f) prescribing the fees payable to the Commission, the Executive Director or the Secretary, including fees for filing, fees on applications for registration, fees in respect of audits made by the Commission, the Executive Director or the Secretary and other fees in connection with the administration of this Act and the regulations;

(16) The following provisions are amended by striking out "Board" wherever it occurs and substituting "Commission":

section 16(1) and (2);
section 24(2).

(17) The following provisions are amended by striking out "Chief of Securities Administration" wherever it occurs and substituting "Executive Director":

section 3;	section 20;	section 41;
section 4;	section 22;	section 42;
section 6;	section 24;	section 43;
section 7;	section 26;	section 44;
section 8;	section 27;	section 46;
section 11;	section 28;	section 47;
section 13;	section 29;	section 48;
section 17;	section 35;	section 49;
section 18;	section 36;	section 55;
section 19;	section 37;	section 56(5) and (7).

(18) The following provisions are amended by striking out "Registrar" wherever it occurs and substituting "Executive Director":

section 6;
section 16;
section 17;
section 20;
section 56(2).

69(1) The Insurance Act is amended by this section.

(2) Section 1 is amended

Amends chapter I-5 of the Revised Statutes of Alberta 1980.

(a) by repealing clause (b.01);

(b) by repealing clause (e.101) and substituting the following:

(e.101) "Commission" means the Alberta Securities Commission;

(c) by adding the following after clause (g.1):

(g.11) "Executive Director" means the Executive Director of the Commission as defined or otherwise provided for under the Securities Act;

(3) Section 169 is amended

(a) by striking out "Chief of Securities Administration" and substituting "Executive Director";

(b) by striking out "Agency" wherever it occurs and substituting "Commission".

(4) The following provisions are amended by striking out "Chief of Securities Administration" wherever it occurs and substituting "Executive Director":

*section 161(4);
section 167;
section 168(2) and (3);
section 170(4) and (5);
section 172.*

70(1) The Loan and Trust Corporations Act is amended by this section.

(2) Section 1(1) is amended

(a) by repealing clause (f);

(b) by adding the following after clause (n):

(n.1) "Executive Director" means the Executive Director of the Alberta Securities Commission as defined or otherwise provided for under the Securities Act;

(3) The following provisions are amended by striking out "Chief of Securities Administration" wherever it occurs and substituting "Executive Director":

*section 66;
section 83(6);*

Amends chapter L-26.5 of the Statutes of Alberta, 1991.

section 131(2);
section 148;
section 257(3)(b)(i);
section 278(3);
section 319.

71(1) The Trust Companies Act is amended by this section.

(2) Section 1(1) is amended

(a) by repealing clause (a);

(b) by repealing clause (b.2) and substituting the following:

(b.2) “Commission” means the Alberta Securities Commission;

(c) by adding the following after clause (e.1):

(e.2) “Executive Director” means the Executive Director of the Commission as defined or otherwise provided for under the Securities Act;

(3) Section 75 is amended

(a) by striking out “Chief of Securities Administration” and substituting “Executive Director”;

(b) by striking out “Agency” wherever it occurs and substituting “Commission”.

(4) The following provisions are amended by striking out “Chief of Securities Administration” wherever it occurs and substituting “Executive Director”:

section 25(2);
section 73;
section 74(2) and (3);
section 76(4) and (5);
section 78.

72(1) The Trustee Act is amended by this section.

(2) Section 4 is amended

(a) in subsections (3) and (4) by striking out “Chief of Securities Administration” wherever it occurs and substituting “Executive Director”;

Amends chapter T-9 of the Revised Statutes of Alberta 1980.

Amends chapter T-10 of the Revised Statutes of Alberta 1980.

(b) by repealing subsection (5) and substituting the following:

(5) In this section, "Executive Director" means the Executive Director as defined or otherwise provided for under the *Securities Act*.

73(1) In this section,

- (a) "amended Act" means the Securities Act as amended by this Act;*
- (b) "Board" means the Board as defined in the former Act;*
- (c) "Chief of Securities Administration" means the Chief of Securities Administration as defined in the former Act;*
- (d) "Commission" means the Commission as defined in the amended Act;*
- (e) "decision" means decision as defined in the amended Act;*
- (f) "Executive Director" means the Executive Director as defined in or otherwise provided for under the amended Act;*
- (g) "former Act" means the Securities Act as it read immediately before the coming into force of this Act;*
- (h) "Registrar of the Agency" means Registrar as defined in the former Act;*
- (i) "Secretary" means the Secretary as defined in or otherwise provided for under the amended Act.*

(2) Any proceeding, application or other matter commenced before the Board under the former Act and not completed on the coming into force of this section may be continued and completed by the Commission under the amended Act.

(3) Any agreement or arrangement that was entered into by the Board under the former Act and that has not been fully performed or carried out on the coming into force of this section may be performed or carried out, as the case may be, under the amended Act

- (a) by the Commission unless the amended Act otherwise provides, or*
- (b) subject to clause (a), by the Executive Director where the Commission by order so directs.*

3 Transitional.

(4) Any

(a) proceeding, application or other matter that was commenced, or

(b) agreement or arrangement that was entered into,

by the Chief of Securities Administration under the former Act and that has not been fully performed or carried out on the coming into force of this section may be performed or carried out, as the case may be, by the Executive Director under the amended Act.

(5) Any matter that was commenced by the Registrar under the former Act and that has not been fully performed or carried out on the coming into force of this section may be performed or carried out, as the case may be, by the Executive Director.

(6) Any appeal or application to a court from or relating to a decision of the Board that was commenced under the former Act but not completed before the coming into force of this section is deemed to be an appeal from or an application relating to a decision of the Commission under the amended Act.

(7) Any reference in any enactment, agreement, document, regulation or order to the Board is deemed to be a reference

(a) to the Commission, or

(b) to the Executive Director where the Commission by order so directs.

(8) Any decision made under the former Act

(a) by the Board is deemed to be a decision made by the Commission;

(b) by the Chief of Securities Administration is deemed to be a decision made by the Executive Director;

(c) by the Registrar is deemed to be a decision made by the Executive Director.

(9) Any reference in any enactment, agreement, document, regulation or order to the Chief of Securities Administration is deemed to be a reference to the Executive Director.

(10) Any reference in any enactment, agreement, document, regulation or order to the Registrar is deemed to be a reference to the Executive Director.

(11) Notwithstanding subsection (9) or (10), where in any enactment, agreement, document, regulation or order the Chief of Securities Administration or a Registrar is required to perform some function in respect of a matter that under the amended Act comes under the responsibility of the Commission, any reference in that enactment, agreement, document, regulation or order to the Chief of Securities Administration or a Registrar with respect to the carrying out of that function is deemed to be a reference to the Commission.

(12) For the purposes of section 193 of the amended Act, a reference to

(a) the Commission is deemed to include a reference to the Board and to the Agency, and

(b) the Executive Director is deemed to include a reference to the Chief of Securities Administration and to the Registrar.

(13) The Lieutenant Governor in Council may designate one or more Ministers to enter into agreements with the Commission respecting

(a) the employment by or secondment to the Commission of persons employed by the Crown;

(b) the terms and conditions of employment or secondment of persons referred to in clause (a);

(c) the transfer of property from the Crown to the Commission;

(d) the assumption of obligations and liabilities by the Commission from the Crown;

(e) any other matter that relates to the Commission's becoming a corporation and the carrying out of the Commission's responsibilities as a corporation.

74(1) On the coming into force of section 196.1 of the Securities Act, the provisions of the Securities Regulation (Alta. Reg. 46/87), other than sections 190, 198, 199 and 200 and Schedule 1, are repealed and are deemed to be re-enacted as rules made by the Commission under section 196.1 of the Securities Act with the name "Alberta Securities Commission Rules".

(2) The publication of the Securities Regulation (Alta. Reg. 46/87) in the Alberta Gazette that took place from time to time prior to the coming into force of this section is deemed to be publication of the

Transitional re regulations and rules.

Alberta Securities Commission Rules in The Alberta Gazette for the purposes of section 196.2 of the Securities Act.

75 This Act comes into force on Proclamation.

Coming into force.