

2000 BILL 10

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Fourth Session, 24th Legislature, 49 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

# **BILL 10**

**SECURITIES AMENDMENT ACT, 2000**

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MR. HLADY

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First Reading .....  
Second Reading .....  
Committee of the Whole .....  
Third Reading .....  
Royal Assent .....

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*Bill 10*  
*Mr. Hlady*

## BILL 10

2000

### SECURITIES AMENDMENT ACT, 2000

*(Assented to , 2000)*

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

Amends SA  
1981 cS-6.1

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

**2 Section 1 is amended**

**(a) by adding the following after clause (a):**

(a.02) “Alberta securities laws” means this Act, the  
regulations and any decisions made by the  
Commission or the Executive Director;

**(b) by repealing clause (a.1)(iv) and substituting the  
following:**

(iv) in the case of a person, a relative of that person,  
including

(A) the spouse of that person, or

(B) a relative of the person’s spouse

if the relative has the same home as that person;

**(c) in clause (f) by striking out “or” at the end of  
subclause (v) and by adding the following after  
subclause (v):**

(v.1) a trade or an intended trade deemed to be a  
distribution under section 116(1.1), or

## Explanatory Notes

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

**2** Section 1 presently reads in part:

*1 In this Act,*

*(a.1) “associate”, when used to indicate a relationship with a person or company, means*

*(iv) in the case of a person*

*(A) that person’s spouse or child, or*

*(B) any relative of that person or of his spouse who has the same residence as that person;*

*(f) “distribution”, when used in relation to trading in securities, means*

*(v) a distribution referred to in sections 109 to 112 or under the regulations, or*

*(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*

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

(p.1) “private issuer” means a person or company that

(i) is not a reporting issuer or a mutual fund, and

(ii) is an issuer where the issued and outstanding securities of the issuer

(A) have not been distributed to the public,

(B) are subject to restrictions on transfer that are contained in the constating documents of the issuer or one or more agreements between the issuer and the holders of its securities, and

(C) are, counting any 2 or more joint registered owners of a security as one beneficial owner, beneficially owned, directly or indirectly, by not more than 50 persons or companies exclusive of

(I) persons that are employed by the issuer or an affiliate of the issuer, or

(II) persons that beneficially owned, directly or indirectly, securities of the issuer while employed by the issuer or an affiliate of the issuer and, at all times since ceasing to be so employed, have continued to beneficially own at least one security of the issuer;

**(e) in clause (q)(ii) by striking out “this Act or the regulations” and substituting “the Alberta securities laws”;**

**(f) in clause (s.1) by adding “or the regulations” after “this Act”;**

**(g) in clause (t.1)(iii) by adding “under section 52” after “recognized”;**

**(h) in clause (u) by striking out “salesman” and substituting “salesperson”;**

- (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;*
- (q) *“private mutual fund” means*
- (ii) *a mutual fund that consists of*
- (A) *a pooled fund maintained solely to serve registered retirement savings plans, registered home ownership savings plans, retirement income funds, deferred profit sharing plans, pension plans, or other such plans registered under the Income Tax Act (Canada),*
- (B) *a common trust fund as defined by section 1(1)(g) of the Loan and Trust Corporations Act, or*
- (C) *a pooled fund maintained by a trust corporation in which money belonging to various estates and trusts in its care are commingled with the authority of the settlor, testator or trustee for the purpose of facilitating investment, if no general solicitations are made with a view to the sale of a right to participate in the pooled fund,*
- that is administered by a trust corporation and that, but for the applicability of an exemption under this Act or the regulations, would be registered as a portfolio manager, or that is administered by a trust corporation and*
- (D) *has no promoter other than a trust corporation or an affiliate of a trust corporation, and*
- (E) *has no manager other than a trust corporation, an affiliate of a trust corporation or a person or company who is a portfolio manager;*
- (s.1) *“registrant” means a person or company registered or required to be registered under this Act;*
- (t.1) *“reporting issuer” means an issuer*
- (iii) *any of whose securities have been at any time since the coming into force of this section listed and*

**(i) in clause (x)(i.1) by striking out “an exchange contract” and substituting “an option that is an exchange contract”.**

**3 Section 13.3(1) is amended by striking out “this Act, the regulations” and substituting “the Alberta securities laws”.**

**4 Section 13.4(1)(a) is amended in subclauses (i), (ii) and (iii) by adding “and the regulations” after “this Act”.**

**5 Section 13.5(1) is amended by adding “and the regulations” after “this Act”.**

**6 Section 15(1) is amended by striking out “or any other Act” and substituting “Act or the regulations or any other enactments”.**

**7 Section 19(a) and (b) are amended by striking out “this Act” and substituting “this Act or the regulations”.**

*posted for trading on an exchange recognized by the Commission regardless of when the listing and posting for trading commenced,*

*(u) "salesman" means an individual who is employed by a dealer for the purpose of making trades in securities or exchange contracts on behalf of that dealer;*

*(x) "trade" includes*

*(i.1) any entering into a futures contract or an exchange contract;*

**3** Section 13.3(1) presently reads:

*13.3(1) All fees, costs, administrative penalties under section 165.1, 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.*

**4** Section 13.4(1)(a) presently reads:

*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,*

**5** Section 13.5(1) presently reads:

*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.*

**6** Section 15(1) presently reads:

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

**7** Section 19(a) and (b) presently read:

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

**8 The following is added before section 52:**

Member of  
exchanges,  
etc.

**51.1** Any reference in this Part

- (a) to a member of a exchange includes
  - (i) any holder of a security in an organization that carries on business as an exchange, and
  - (ii) any person or company that agrees to comply with the by-laws, rules, regulations, policies, procedures, interpretations and practices of the exchange and is granted trading access on or through the facilities of the exchange;
- (b) to a member of a self-regulatory organization includes any person or company carrying on business as an investment dealer that agrees to be regulated by that self-regulatory organization;
- (c) to a representative of a member of an exchange includes
  - (i) any person or company approved by the exchange as a partner, officer, director, salesperson, trader or assistant trader of the member, and
  - (ii) any employee of the member not otherwise referred to in subclause (i);
- (d) to a representative of a member of a self-regulatory organization includes
  - (i) any person or company approved by the self-regulatory organization as a partner, officer, director, salesperson, branch manager, assistant branch manager or co-branch manager of the member, and



- (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;*

**8** References to member, etc., of exchanges, etc.

- (ii) any employee of the member not otherwise referred to in subclause (i).

**9 Section 53 is amended by adding the following after subsection (2):**

(2.1) The authority of an exchange to regulate the operations and the standards of practice and business conduct of its members and their representatives under subsection (2) extends to

- (a) any former member,
- (b) any former representative of a member, and
- (c) any former representative of a former member,

with respect to that person's operations and conduct while a member of the exchange or a representative of a member of the exchange.

**10 Section 53.1 is amended by adding the following after subsection (4):**

(4.1) The authority of a self-regulatory organization to regulate the operations and the standards of practice and business conduct of its members and their representatives under subsection (4) extends to

- (a) any former member,
- (b) any former representative of a member, and
- (c) any former representative of a former member,

with respect to that person's operations and conduct while a member of the self-regulatory organization or a representative of a member of the self-regulatory organization.

**11 Section 53.2(4) is amended by striking out "this Act and the regulations" and substituting "the Alberta securities laws".**

**9** Section 53(2) presently reads:

*(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.*

**10** Section 53.1(4) presently reads:

*(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.*

**11** Section 53.2(4) presently reads:

*(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*

**12 Section 53.41 is amended by adding the following after subsection (3):**

(4) No person or company shall carry on business as a quotation and trade reporting system or facilitate transactions of securities or exchange contracts by means of an operation similar in nature to a quotation and trade reporting system unless the person or company is recognized under this section as a quotation and trade reporting system.

**13 The following is added after section 53.41:**

Powers re  
hearings, etc.

**53.42(1)** Where a recognized exchange, a recognized self-regulatory organization or a recognized quotation and trade reporting system is empowered under the by-laws or rules of the exchange, self-regulatory organization or quotation and trade reporting system, as the case may be, to conduct hearings, the following applies for the purposes of a hearing:

- (a) a person conducting a hearing 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;

*or ancillary body established under this section by that recognized exchange or recognized self-regulatory organization.*

**12** Section 53.41 presently reads:

*53.41(1) The Commission may, on the application of a quotation and trade reporting system, recognize the quotation and trade reporting system if the Commission considers that it would not be prejudicial to the public interest to do so.*

*(2) The recognition of a quotation and trade reporting system 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 quotation and trade reporting system the opportunity to be heard, may*

*(a) suspend or cancel its recognition as a recognized quotation and trade reporting system, or*

*(b) remove, vary or replace any terms or conditions that were previously imposed on its recognition as a recognized quotation and trade reporting system,*

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

**13** Section 53.42 authorizes certain powers to be exercised when exchanges, etc. conduct hearings. Section 53.43 provides for the appointment of receivers, etc. Section 53.44 imposes restrictions respecting carrying on business as an exchange without being recognized as an exchange.

- (b) the failure or refusal of a person summoned as a witness under clause (a) to attend a 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 person conducting the hearing, 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;
- (c) a person conducting a hearing may take evidence under oath;
- (d) a person conducting a hearing or a person authorized by a person conducting a hearing may administer oaths for the purpose of taking evidence;
- (e) the exchange, self-regulatory organization or quotation and trade reporting system may, on behalf of a person conducting a hearing,
  - (i) summon and enforce the attendance of witnesses, and
  - (ii) make applications to the Court of Queen's Bench under clause (b);
- (f) the provisions of the *Alberta Rules of Court* compelling the attendance of witnesses, including provisions relating to the payment of conduct money, apply in respect of the conduct of hearings referred to in this section.

(2) Where an exchange, a self-regulatory organization or a quotation and trade reporting system referred to in subsection (1) has made a decision after conducting a hearing, the exchange, self-regulatory organization or quotation and trade reporting system, as the case may be, may at any time file a certified copy of that decision with the clerk of the Court of Queen's Bench, and on being filed with the clerk of the Court of Queen's Bench that decision has the same force and effect as if it were a judgment of the Court of Queen's Bench.



Appointment  
of receivers,  
managers,  
trustees or  
liquidators

**53.43(1)** A recognized exchange or a recognized self-regulatory organization may apply to the Court of Queen's Bench for the appointment of a receiver, receiver and manager, trustee or liquidator for all or part of the undertaking and affairs of a member of that exchange or self-regulatory organization.

**(2)** On an application being made under this section, the Court may appoint a receiver, receiver and manager, trustee or liquidator of all or any part of the property of the member if the Court is satisfied that it is in the best interests of

- (a) the recognized exchange or recognized self-regulatory organization;
- (b) the public;
- (c) persons or companies whose property is in the possession or under the control of the member;
- (d) the security holders or partners of the member;
- (e) the creditors of the member.

**(3)** An application under subsection (1) may be made ex parte if the Court considers it proper to do so in the circumstances.

**(4)** If an application under this section is made ex parte, the Court may make an order appointing a receiver, receiver and manager, trustee or liquidator for a period not exceeding 15 days.

**(5)** A receiver, receiver and manager, trustee or liquidator of the property of a member appointed under this section shall be the receiver, receiver and manager, trustee or liquidator of all or part of the property

- (a) owned by the member, or
- (b) held by the member on behalf of or in trust for any other person or company.

**(6)** The receiver, receiver and manager, trustee or liquidator shall, if so directed by the Court,

- (a) have authority to wind up or manage the business and affairs of the member, and





- (b) exercise those powers that are necessary or incidental to the winding-up or management of the business and affairs of the member.

(7) Sections 39 to 45, with any necessary modifications, apply in respect of a receiver, receiver and manager, trustee or liquidator, as the case may be, appointed under this section.

Acting as an  
exchange  
when not so  
recognized

**53.44(1)** If a person or company is not carrying on business as an exchange but is carrying on business as a quotation and trade reporting system or is otherwise facilitating transactions of securities or exchange contracts, the Commission may, if it considers it to be in the public interest to do so, make an order

- (a) declaring that the person or company is carrying on the business of an exchange, and
- (b) directing the person or company, as the case may be,
  - (i) to cease carrying on business as a quotation and trade reporting system or otherwise facilitating transactions of securities or exchange contracts,
  - (ii) not to carry on business as a quotation and trade reporting system unless the person or company is recognized under section 53.41 as a quotation and trade reporting system, and
  - (iii) not to carry on business as an exchange unless the person or company is recognized under section 52 as an exchange.

(2) The Commission may make an order under this section on its own motion or on the application of an interested person or company.

(3) While a person or company is subject to an order made under subsection (1), that person or company shall not carry out any functions or duties in any manner that

- (a) contravenes that order, or
- (b) is not in compliance with that order.



**14 Section 53.6 is amended by adding the following after subsection (2):**

(3) Notwithstanding section 25(4), where there is an appeal to the Commission of a direction, decision, order or ruling made by a recognized exchange, recognized self-regulatory organization or recognized quotation and trade reporting system, that exchange, self-regulatory organization or quotation and trade reporting system may be present and make representations at the appeal.

**15 Section 54 is amended**

**(a) in subsection (1)(a)(ii) by striking out “salesman” and substituting “salesperson”;**

**(b) by adding the following after subsection (1):**

(1.1) While a person’s or company’s registration under this section is subject to any terms or conditions, that person or company shall not carry out any functions or duties for which the person or company is registered in any manner that

(a) contravenes any of those terms or conditions, or

(b) is not in compliance with those terms or conditions.

(1.2) A registration of a person or company under this section does not take effect until

(a) application for registration has been made in writing accompanied by the fee prescribed by the regulations,

(b) the registration has been made in accordance with the Alberta securities laws, and

(c) the person or company has received written notice of the registration from the Executive Director.

**(c) in subsection (3) by striking out “salesman” wherever it occurs and substituting “salesperson”.**

**14** Section 53.6 presently reads:

*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, recognized clearing agency or recognized quotation and trade reporting system may appeal that direction, decision, order or ruling to the Commission.*

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

**15** Section 54 presently reads in part:

*54(1) No person or company shall*

*(a) trade in a security or an exchange contract or act as an underwriter unless the person or company is registered with the Executive Director as*

*(i) a dealer,*

*(ii) a salesman, or*

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

*or*

*(b) act as an adviser unless the person or company is registered with the Executive Director as*

*(i) an adviser, or*

*(ii) a partner, an advising employee or an officer of a registered adviser that acts on behalf of the adviser.*

*(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.*

*(3) The termination of the employment of a salesman with a registered dealer or the employment of an advising employee with a registered adviser shall operate as a suspension of the registration of the salesman or advising employee until*

*(a) notice in writing has been received by the Executive Director from another registered dealer or another registered adviser of the employment of the salesman or advising employee by that other registered dealer or registered adviser, and*

**16 Section 56(1) is amended by striking out** “this Act, the regulations or a decision of the Commission or the Executive Director” **and substituting** “the Alberta securities laws”.

**17 Section 59 is amended by striking out** “application for registration or” **and substituting** “application for”.

**18 Section 63 is amended**

- (a) in subsection (1)(e) by striking out** “salesman” **and substituting** “salesperson”;
- (b) in subsection (2)**
  - (i) by striking out** “and underwriter”;
  - (ii) by striking out** “or underwriter” **wherever it occurs**;
- (c) in subsection (3) by striking out** “salesman” **wherever it occurs and substituting** “salesperson”;
- (d) in subsection (3)(a) by striking out** “salesman’s” **and substituting** “salesperson’s”.

**19 Section 65 is amended**

- (a) in subsection (1)**
  - (i) in clause (v)(iv) by striking out** “statutory declaration” **and substituting** “written acknowledgment”;

*(b) the reinstatement of the registration has been approved by the Executive Director.*

**16** Section 56(1) presently reads:

*56(1) If after a hearing before the Commission, the Commission is of the opinion that a registrant has failed to comply with this Act, the regulations or a decision of the Commission or the Executive Director or has failed to act in the public interest, the Commission may by order*

*(a) suspend, cancel, restrict or impose terms or conditions or both on the registration of the registrant, or*

*(b) reprimand the registrant.*

**17** Section 59 presently reads:

*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.*

**18** Replaces references to “salesman” and “salesman’s” with references to “salesperson” and “salesperson’s” respectively. Removes the references to “underwriter”.

**19** Section 65(1)(v)(iv), (v.1)(iv) and (2)(c) presently read:

*65(1) Subject to the regulations, registration is not required in respect of the following trades in securities:*

*(v) a trade made by an issuer with a view to the sale of securities of its own issue if*

(ii) in clause (v.1)(iv) by striking out “statutory declaration” and substituting “written acknowledgment”;

(b) in subsection (2)(c) by striking out “this Act or the regulations” and substituting “the Alberta securities laws”.

**20 Section 66(j) is amended by striking out “private company” and substituting “private issuer”.**

**21 Section 70(3) is amended by striking out “or” at the end of clause (a), by adding “or” at the end of clause (b) and by adding the following after clause (b):**

(c) make a statement that the person or company knows or ought reasonably to know is a misrepresentation.



*(iv) the issuer obtains from each purchaser a statutory declaration to the effect that the purchaser*

*(A) purchases as principal, and*

*(B) is a sophisticated purchaser as defined in the regulations,*

*(v.1) a trade made by an issuer with a view to the sale of securities of its own issue if*

*(iv) the issuer obtains from each purchaser a statutory declaration to the effect that the purchaser*

*(A) purchases as principal, and*

*(B) is a sophisticated purchaser as defined in the regulations,*

*(2) For the purposes of subsection (1) the following are deemed to be acting as principal when trading for accounts fully managed by them:*

*(c) a person or company trading as an agent that, except for an exemption under this Act or the regulations, is required to be registered as a portfolio manager.*

**20** Section 66(j) presently reads:

*66 Subject to the regulations, registration is not required to trade in the following securities:*

*(j) securities of a private company if they are not offered for sale to the public;*

**21** Section 70(3) presently reads:

*(3) Subject to the regulations, no person or company, with the intention of effecting a trade in a security or exchange contract, shall*

*(a) give any undertaking relating to the future value or price of the security or exchange contract, or*

*(b) except with the written permission of the Executive Director, make any representation*

*(i) that the security will be listed on any exchange or quoted on any quotation and trade reporting system, or*

*(ii) that application has been or will be made to list the security on any exchange or quote the security on any quotation and trade reporting system,*

*(A) unless*

**22 Section 107 is amended**

**(a) in subsection (1)**

**(i) in clause (p)(iv) by striking out “statutory declaration” and substituting “written acknowledgment”;**

**(ii) in clause (q)(iv) by striking out “statutory declaration” and substituting “written acknowledgment”;**

**(b) in subsection (2)(c) by striking out “this Act or the regulations” and substituting “the Alberta securities laws”.**

**23 Section 110.2 is repealed and the following is substituted:**

*(I) the securities being traded, and*

*(II) securities of the same issuer,*

*are currently listed on an exchange or quoted on a quotation and trade reporting system, or*

*(B) unless the exchange or quotation and trade reporting system has granted approval to the listing or quoting of the securities, conditional or otherwise, or has consented to, or indicated that it does not object to, the representation.*

**22** Section 107(1)(p)(iv), (q)(iv) and (2)(c) presently read:

*107(1) Subject to the regulations, sections 81 and 97 do not apply to a distribution where*

*(p) the trade is made by an issuer with a view to the sale of securities of its own issue if*

*(iv) the issuer obtains from each purchaser a statutory declaration to the effect that the purchaser*

*(A) purchases as principal, and*

*(B) is a sophisticated purchaser as defined in the regulations,*

*(q) the trade is made by an issuer with a view to the sale of securities of its own issue if*

*(iv) the issuer obtains from each purchaser a statutory declaration to the effect that the purchaser*

*(A) purchases as principal, and*

*(B) is a sophisticated purchaser as defined in the regulations,*

*(2) For the purpose of subsection (1) the following are deemed to be acting as principal when trading for accounts fully managed by them:*

*(c) a person or company trading as an agent that, except for an exemption under this Act or the regulations, is required to be registered as a portfolio manager.*

**23** Section 110.2 presently reads:

*110.2 Notwithstanding section 110, the first trade in securities previously acquired under a distribution exempted by section 107(1)(j) or (k) is not a distribution if,*

*(a) at the time that exemption was relied on, a securities exchange take-over bid circular or securities exchange*

Exception  
from deemed  
distribution

**110.2** Notwithstanding section 110, the first trade in securities previously acquired under a distribution exempted by section 107(1)(j) or (k) is not a distribution if,

- (a) at the time that exemption was relied on, a securities exchange take-over bid circular or securities exchange issuer bid circular in respect of the securities was filed by the offeror, and
- (b) the issuer of the securities was a reporting issuer at the time that the securities exchange take-over bid circular or securities exchange issuer bid circular was filed.

**24 Section 161(1)(e) is amended by striking out**

section 53(4);  
section 53.7;  
section 54(1);

**and substituting**

section 53(4);  
section 53.44(3);  
section 53.7;  
section 54(1) or (1.1);

**25 Section 164 is amended**

- (a) **in subsection (1) by striking out** “this Act or the regulations or has failed to comply with a decision of the Commission or the Executive Director” **and substituting** “the Alberta securities laws”;
- (b) **in subsection (2) by striking out** “this Act or the regulations or has failed to comply with a decision of the Commission or the Executive Director” **and substituting** “the Alberta securities laws”;
- (c) **in subsection (4)(k) by striking out** “with any provision of this Act or the regulations” **and substituting** “with any provision of the Alberta securities laws”.

*issuer bid circular made in compliance with the regulations in respect of the securities was filed by the offeror, and*

- (b) in a case where a vendor of the securities in respect of the trade is in a special relationship with the reporting issuer, the vendor has no reasonable grounds to believe that the reporting issuer is in default of any requirement of this Act or the regulations.*

**24** Section 161(1)(e) presently reads in part:

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

- (e) contravenes the following provisions of this Act:*

*section 53(4);  
section 53.7;  
section 54(1);*

**25** Section 164(1), (2) and (4)(k) presently read:

*164(1) The Executive Director, in addition to any other rights that the Executive Director or Commission may have, may, where the Executive Director considers it to be in the public interest to do so, apply to the Court of Queen's Bench for a declaration that a person or company has not complied with or is not complying with any provision of this Act or the regulations or has failed to comply with a decision of the Commission or the Executive Director.*

*(2) Neither the Executive Director nor the Commission is required, before making an application under subsection (1), to hold a hearing to determine whether the person or company has not complied with or is not complying with any provision of this Act or the regulations or has failed to comply with a decision of the Commission or the Executive Director.*

*(4) Without limiting the generality of subsection (3), an order made under subsection (3) may include one or more of the following:*

- (k) an order requiring the person or company to pay to the Provincial Treasurer any amounts obtained as a result*

**26 Section 165(1)(c) is amended by striking out “sections 65, 66, 66.1, 107, 115, 116, 132 and 133 or in the regulations” and substituting “the Alberta securities laws”.**

**27 Section 165.1(1)(a) is repealed and the following is substituted:**

- (a) determines that a person or company has contravened or failed to comply with any provision of the Alberta securities laws, and

**28 Section 167.1 is amended in subsections (1)(a), (2)(a) and (3) by striking out “this Act or the regulations” and substituting “the Alberta securities laws”.**

*of the non-compliance with any provision of this Act or the regulations.*

**26** Section 165(1)(c) presently reads:

*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:*

- (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;*

**27** Section 165.1(1) presently reads:

*165.1(1) If the Commission, after a hearing,*

- (a) determines that a person or company has contravened or failed to comply with*

- (i) a provision of this Act or the regulations, or*

- (ii) a decision, whether or not the decision has been filed under section 166.2,*

*and*

- (b) considers it to be in the public interest to make the order,*

*the Commission may order the person or company to pay an administrative penalty of not more than \$100 000 in the case of an individual or not more than \$500 000 in the case of any other person or company for each contravention or failure to comply.*

**28** Section 167.1(1), (2) and (3) presently read:

*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*

**29 Section 184(1) is amended**

- (a) by striking out** “this Act or ordered by the Commission”  
**and substituting** “the Alberta securities laws,”;
- (b) by striking out** “of this Act” **and substituting** “of the  
Alberta securities laws”;
- (c) in clause (c) by striking out** “and this Act” **and  
substituting** “and the Alberta securities laws”.



*(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.*

*(3) Where a person or company is guilty of an offence under this Act or the regulations, the Executive Director 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 or 30 and the appearance of any witnesses under this Act.*

**29** Section 184(1) presently reads:

*184(1) Unless otherwise provided by this Act or ordered by the Commission 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 Executive Director.*

**30 Section 185 is amended by striking out “this Act or the regulations” and substituting “the Alberta securities laws”.**

**31 The following is added after section 187:**

Requirement  
to disclose  
personal  
information

**187.1** The Commission or the Executive Director may by order require that the directors, officers and control persons of an issuer or a class of issuers or any one or more of those persons, within the time the Commission or the Executive Director specifies, file a personal information form prepared and executed in accordance with the regulations.

**32 Section 188(1) is repealed and the following is substituted:**

Sending of  
documents

**188(1)** Unless otherwise provided by the Alberta securities laws, any document required to be sent, communicated, delivered or served under the Alberta securities laws may be

- (a) personally delivered to the person or company that is to receive it,
- (b) sent by prepaid post to the person or company that is to receive it, or
- (c) sent by electronic means that produces a printed copy to the person or company that is to receive it.

**33 Section 192 is amended**

- (a) in subsection (1) by striking out “When this Act or the regulations” and substituting “Where the Alberta securities laws”;**
- (b) in subsection (2) by striking out “When this Act or the regulations” and substituting “Where the Alberta securities laws”.**

**30** Section 185 presently reads:

*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.*

**31** Requirement to file personal information.

**32** Section 188(1) presently reads:

*188(1) Unless otherwise provided by this Act or ordered by the Executive Director any document required to be sent, communicated, delivered or served under this Act or the regulations may be*

- (a) personally delivered to the person or company that is to receive it,*
- (b) sent by prepaid post to the person or company that is to receive it, or*
- (c) sent by electronic means that produces a printed copy to the person or company that is to receive it.*

**33** Section 192(1) and (2) presently read:

*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.*

**34 Section 193(2) is amended by striking out** “this Act, the regulations or any decision made or given under this Act or the regulations” **and substituting** “the Alberta securities laws”.

**35 Section 196 is amended**

**(a) in clause (h) by striking out** “this Act and the regulations” **and substituting** “the Alberta securities laws”;

**(b) in clause (j)**

**(i) by adding the following after subclause (i):**

(i.1) prescribing the duration of registration;

**(ii) by adding the following after subclause (x):**

(xi) prescribing securities or exchange contracts or classes of securities or exchange contracts in which a category or sub-category of registrant may trade;

(xii) prescribing securities or exchange contracts or classes of securities or exchange contracts in which a category or sub-category of registrant may not trade;

**(c) by adding the following after clause (k):**

(k.1) designating an offering memorandum, or any class of offering memoranda, not to be an offering memorandum;

(k.2) designating a document or any class of documents that describes the business and affairs of an issuer to be an offering memorandum;

(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.*

**34** Section 193(2) presently reads:

*(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.*

**35** Section 196 presently reads in part:

*196 The Lieutenant Governor in Council may make regulations*

(h) *respecting any matter necessary or advisable to facilitate distributions and compliance with this Act and the regulations by foreign issuers;*

(j) *governing registration and, without limiting the generality of the foregoing,*

(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;*

- (k.3) prescribing, with respect to a trade or a type of trade that would not otherwise be a distribution, the conditions under which that trade or type of trade is deemed to be a distribution;

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

- (n.1) with respect to disclosures to be made, or that are otherwise provided for, under Parts 9, 11 and 12,
  - (i) prescribing procedures for the integration of disclosures required in relation to those Parts, including modifying or varying the application of the Alberta securities laws as may be necessary for the purpose of permitting integrated disclosure;
  - (ii) prescribing disclosure requirements, including the use of particular forms or particular types of documents;

**(e) in clause (q) by striking out “this Act or the regulations” and substituting “the Alberta securities laws”.**

- (vi) *prescribing requirements in respect of the disclosure or furnishing of information to the public or the Commission by registrants;*
- (vi.1) *providing for exemptions from or varying the requirements under this Act in respect of the disclosure or furnishing of information by registrants to the public or the Commission;*
- (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;*
- (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 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;*

**36(1) The following provisions are amended by striking out “this Act or the regulations” wherever it occurs and substituting “the Alberta securities laws”:**

section 27.1(2);  
section 28(2);  
section 34(c);  
section 37(1)(e)(i);  
section 38(1)(f)(i);  
section 161(1)(a), (b), (c.1).

**(2) The following provisions are amended by striking out “this Act and the regulations” wherever it occurs and substituting “the Alberta securities laws”:**

section 10(1);  
section 28(1)(a);  
section 53(3)(a);  
section 53.7(a)(ii);  
section 82(1);  
section 84(1)(b) and (2);  
section 102(1).

**37 This Act comes into force on Proclamation.**



**36** Replaces certain references to “this Act or the regulations” and “this Act and the regulations” with a reference to the Alberta securities laws.

**37** Coming into force.