

2007 Bill 21

---

Third Session, 26th Legislature, 56 Elizabeth II

---

THE LEGISLATIVE ASSEMBLY OF ALBERTA

# **BILL 21**

**SECURITIES AMENDMENT ACT, 2007**

---

---

MR. PHAM

---

---

First Reading . . . . .

Second Reading . . . . .

Committee of the Whole . . . . .

Third Reading . . . . .

Royal Assent . . . . .

---

---

*Bill 21*  
*Mr. Pham*

## **BILL 21**

2007

### **SECURITIES AMENDMENT ACT, 2007**

*(Assented to , 2007)*

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

#### **Amends RSA 2000 cS-4**

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

#### **2 Section 1 is amended**

**(a) by repealing clause (a) and substituting the following:**

(a) “adviser” means a person or company engaging in or holding itself out as engaging in the business of advising in securities or exchange contracts;

(a.1) “advising in securities or exchange contracts” includes giving, offering or agreeing to give advice to another person or company about investing in or buying or selling securities or exchange contracts;

**(b) in clause (l)(ii) by striking out “each person or company, or” and substituting “each person or company in a”;**

**(c) by repealing clause (m) and substituting the following:**

## Explanatory Notes

**1** Amends chapter S-4 of the Revised Statutes of Alberta 2000.

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

*1 In this Act,*

*(a) “advisor” means a person or company engaging in or holding out the person or company as engaging in the business of advising others with respect to investing in or the buying or selling of securities or exchange contracts;*

*(l) “control person” means*

*(ii) each person or company, or combination of persons or companies acting in concert by virtue of an agreement, arrangement, commitment or understanding, who holds in total a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer, and if a combination of persons or companies holds more than 20% of the voting rights attached to all outstanding voting securities of an issuer, the combination of persons or companies is*

- (m) “dealer” means a person or company engaging in or holding itself out as engaging in the business of dealing in securities or exchange contracts;

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

- (m.1) “dealing in securities or exchange contracts” includes
  - (i) trading a security or exchange contract as principal or agent;
  - (ii) acquiring a security or exchange contract as principal or agent or any act, advertisement, solicitation, conduct or negotiation directly or indirectly in furtherance of this activity;
  - (iii) acting as an underwriter;

**(e) in clause (nn)**

- (i) by striking out “advisor” and substituting “adviser”;**
- (ii) by striking out “advisor’s” and substituting “adviser’s”;**

**(f) by repealing clause (ccc)(iv) and substituting the following:**

- (iv) that has exchanged its securities with another issuer or with the holders of the securities of that other issuer in connection with an amalgamation, merger, reorganization, arrangement or similar transaction if one of the parties to the amalgamation, merger, reorganization, arrangement or similar transaction was a reporting issuer at the time of the amalgamation, merger, reorganization, arrangement or similar transaction;

**(g) by repealing clause (eee).**

**3 Section 8(1) and (2) are amended by striking out “senior” wherever it appears.**

*deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of the issuer;*

- (m) “dealer” means a person or company that trades in securities or exchange contracts as principal or agent;*
- (nn) “portfolio manager” means an advisor registered for the purpose of managing the investment portfolio of the advisor’s clients through discretionary authority granted by the clients;*
- (ccc) “reporting issuer” means an issuer*
  - (iv) whose existence continues following the exchange of securities of an issuer in connection with an amalgamation, merger, reorganization, arrangement or a statutory procedure, in which one of the parties to the amalgamation, merger, reorganization, arrangement or statutory procedure was a reporting issuer at the time of the amalgamation, merger, reorganization, arrangement or statutory procedure;*
- (eee) “salesperson” 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;*

**3** Section 8 presently reads:

*8(1) If an issuer becomes an insider of a reporting issuer, every director or senior officer of the issuer is deemed to have been an insider of the reporting issuer for the previous 6 months or for that*

**4 Section 41(1) is repealed and the following is substituted:**

**Investigation order**

**41(1)** The Executive Director may, by order, appoint a person to make any investigation that the Executive Director considers necessary

- (a) for the administration of the Alberta securities laws,
- (b) to assist in the administration of the securities or exchange contract laws of another jurisdiction,
- (c) in respect of matters relating to trading in securities or exchange contracts in Alberta, or
- (d) in respect of matters in Alberta relating to trading in securities or exchange contracts in another jurisdiction.

**5 Section 61(c) and (d) are amended by striking out “salesperson,”.**

*shorter period during which the director or senior officer was a director or senior officer of the issuer.*

*(2) If a reporting issuer becomes an insider of any other reporting issuer, every director or senior officer of the second-mentioned reporting issuer is deemed to have been an insider of the first-mentioned reporting issuer for the previous 6 months or for that shorter period during which the director or senior officer was a director or senior officer of the second-mentioned reporting issuer.*

**4** Section 41(1) presently reads:

*41(1) The Executive Director may, by order, appoint a person to make any investigation that the Executive Director considers necessary in respect of the following:*

- (a) the administration of the Alberta securities laws;*
- (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.*

**5** Section 61 presently reads in part:

*61 Any reference in this Part*

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

**6 Section 75 is repealed and the following is substituted:**

**Requirement to be registered**

**75(1)** Unless registered in accordance with Alberta securities laws, a person or company shall not act as

- (a) a dealer,
- (b) an adviser, or
- (c) an investment fund manager.

**(2)** Unless registered in accordance with Alberta securities laws, an individual shall not, directly or indirectly,

- (a) deal in securities or exchange contracts on behalf of a person or company that is required to be registered under subsection (1),
- (b) advise in securities or exchange contracts on behalf of a person or company that is required to be registered under subsection (1), or
- (c) perform a prescribed function or duty for a person or company that is required to be registered under subsection (1).

**(3)** A registrant shall comply with any terms, conditions, restrictions or requirements imposed on the registrant's registration.

**6** Section 75 presently reads:

*75(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 salesperson, 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 advisor unless the person or company is registered with the Executive Director as*

*(i) an advisor, or*

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

*(2) 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.*

*(3) Repealed 2003 c32 s6.*

*(4) 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 advisor until registration has been granted.*

*(5) The termination of the employment of a salesperson with a registered dealer or the employment of an advising employee with a registered advisor shall operate as a suspension of the registration of the salesperson or advising employee until*

*(a) the Executive Director has been notified by another registered dealer or another registered advisor of the*

**7 The following is added after section 75:**

**Responsible person**

**75.1** A person or company required to be registered under section 75(1) shall appoint an individual to perform on its behalf a prescribed function or duty.

**Duty of care**

**75.2(1)** Subject to subsections (2) and (3), a registrant shall deal fairly, honestly and in good faith with its clients.

(2) A registrant that manages the investment portfolio of a client through discretionary authority granted by the client shall act fairly, honestly and in good faith toward the client and in the client's best interest.

(3) Every investment fund manager shall

- (a) exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the investment fund, and
- (b) exercise the degree of care, diligence and skill that a reasonably prudent person or company would exercise in the circumstances.

**8 Section 76 is repealed and the following is substituted:**

**Registration by Executive Director**

**76(1)** Unless it appears to the Executive Director that

- (a) an applicant is not suitable for registration, reinstatement of registration or amendment of registration, or
- (b) the proposed registration, reinstatement of registration or amendment of registration is objectionable,

*employment of the salesperson or advising employee by that other registered dealer or registered advisor, and*

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

*(6) The Executive Director 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.*

*(7) A designation made under subsection (6) may be cancelled as to any employee or class of employees if the Executive Director is satisfied that the employee or any member of the class of employees should be registered under this Part.*

**7** Responsible person; duty of care.

**8** Section 76 presently reads:

*76(1) Unless it appears to the Executive Director that*

*(a) an applicant is not suitable for registration, renewal of registration, reinstatement of registration or amendment of registration, or*

*(b) the proposed registration, renewal of registration, reinstatement of registration or amendment of registration is objectionable,*

the Executive Director shall grant to the applicant the registration, reinstatement of registration or amendment of registration applied for.

(2) The Executive Director may, at any time, impose terms, conditions, restrictions or requirements on a registration.

(3) The Executive Director shall not impose terms, conditions, restrictions or requirements on a registration, or refuse to grant, reinstate or amend a registration, without giving the registrant or applicant an opportunity to be heard.

**Suspension or termination of registration**

**76.1(1)** The Executive Director may suspend or terminate a registration if the Executive Director considers that it is in the public interest to do so.

(2) The Executive Director shall not suspend or terminate a registration under subsection (1) without giving the registrant an opportunity to be heard.

**9 Section 78(2) is repealed and the following is substituted:**

(2) On receiving an application under subsection (1), the Executive Director may, without providing an opportunity to be heard, suspend the registration or impose terms, conditions, restrictions or requirements on the registration.

**10 Section 94 is repealed.**

*the Executive Director shall grant to the applicant the registration, renewal of registration, reinstatement of registration or amendment of registration being applied for.*

*(2) The Executive Director may restrict a registration by imposing terms and conditions on the registration and, without limiting the generality of these powers, may*

*(a) restrict the duration of the registration, and*

*(b) restrict the registration to trades in certain securities or exchange contracts or a certain class of securities or exchange contracts.*

*(3) The Executive Director shall not refuse to grant, renew, reinstate or amend registration or impose terms and conditions on it without giving the registrant or applicant an opportunity to be heard.*

**9** Section 78 presently reads:

*78(1) If a registrant applies to surrender its registration, the Executive Director shall accept the surrender unless the Executive Director considers it prejudicial to the public interest to do so.*

*(2) On receiving an application under subsection (1), the Executive Director may, without providing an opportunity to be heard, suspend the registration or impose conditions or restrictions on the registration.*

**10** Section 94 presently reads:

*94(1) If a registered dealer, with the intention of effecting a trade in a security with any person or company other than another registered dealer,*

*(a) proposes to act in the trade as a principal, and*

*(b) makes any statement in writing to the person or company in respect of the security,*

**11 Section 95 is repealed.**

*the registered dealer shall disclose in the statement that the registered dealer acts as a principal.*

*(2) A statement made under subsection (1) shall be made by the registered dealer before the registered dealer*

*(a) enters into a contract for the sale or purchase of the security, or*

*(b) accepts payment or receives any security or other consideration under or in anticipation of the contract,*

*whichever occurs first.*

*(3) A statement made in compliance with this section or the regulations that a registered dealer proposes to act or has acted as principal in connection with a trade in a security does not prevent that dealer from acting as agent in connection with a trade of the security.*

*(4) This section does not apply to trades in respect of which the regulations provide that registration is not required.*

**11** Section 95 presently reads:

*95(1) Subject to the regulations, a registered advisor shall cause to be printed*

*(a) in a conspicuous position on all printed material issued, published or sent out by the advisor in which the advisor recommends that a specific security be purchased, sold or held, and*

*(b) in type not less legible than that used in the body of the printed matter,*

*a full and complete statement of any financial or other interest that*

*(c) the advisor, or*

*(d) any partner, director, officer, person or company that,*

*(i) if the advisor is a reporting issuer, is an insider of the advisor, or*

*(ii) if the advisor is not a reporting issuer, would be an insider of the advisor if the advisor were a reporting issuer,*

*may have either directly or indirectly in any securities referred to in the printed matter or in the sale or purchase of the securities.*

*(2) A statement made under subsection (1) concerning*

*(a) the registered advisor, or*

**12 Section 96 is repealed.**

**13 Section 97(1)(a) is amended by striking out “senior”.**

- (b) *any partner, director, officer, person or company referred to in subsection (1)(d),*

*shall include at least the following:*

- (c) *any ownership, beneficial or otherwise, that any of them may have in respect of the securities or in any securities issued by the same issuer;*
- (d) *any option that any of them has in respect of the securities and the terms of the option;*
- (e) *any commission or other remuneration that any of them has received or may expect to receive from any person or company in connection with any trade in the securities;*
- (f) *any financial arrangement relating to the securities that any of them has with any person or company;*
- (g) *any financial arrangement that any of them has with any underwriter or other person or company that has any interest in the securities.*

**12** Section 96 presently reads:

*96 If a registered dealer recommends in any printed material intended for general circulation a purchase, sale, exchange or hold of a security, the registered dealer shall, in type not less legible than that used in the body of the publication, state whether it or any of its officers or directors*

- (a) *has at any time during the previous 12 months*
    - (i) *assumed an underwriting liability with respect to the securities, or*
    - (ii) *for consideration provided financial advice to the issuer of the securities,*
- or*
- (b) *will receive any fees as a result of the recommended action.*

**13** Section 97(1)(a) presently reads:

*97(1) A registered dealer shall provide to any of its customers, within 30 days after receiving the customer's request,*

- (a) *the names of the senior officers and the partners or the directors, as the case may be, of the dealer as of the date of the request or any other date specified in the request,*

**14 Section 98 is amended by striking out “advisor” and substituting “adviser”.**

**15 Section 105 is repealed.**

**14** Section 98 presently reads:

*98 Subject to the regulations, a registered dealer or advisor shall provide a risk disclosure statement to a customer prior to opening an account for trading in exchange contracts in respect of that customer.*

**15** Section 105 presently reads:

*105(1) The Executive Director may order a registered dealer to send to the Executive Director copies of all advertising or sales material that the dealer intends to use in connection with trading in securities or exchange contracts if the Executive Director is satisfied that the dealer's past conduct in respect of advertising or sales material used by the dealer in connection with trading in securities or exchange contracts is such that it is necessary for the Executive Director to inspect the material before it is used in connection with trading in securities or exchange contracts.*

*(2) The Executive Director shall not make an order under subsection (1) until the Executive Director has given the registered dealer an opportunity to have a hearing before the Executive Director.*

*(3) Any advertising or sales material that is to be sent to the Executive Director pursuant to an order made under subsection (1) shall be sent to the Executive Director at least 14 days before it is to be used in connection with trading in securities or exchange contracts.*

*(4) With respect to any advertising or sales material sent to the Executive Director under subsection (1), the Executive Director may decline to make any representation or objection concerning the material or by order do one or more of the following:*

- (a) prohibit the use of the material;*
- (b) prescribe deletions to be made to the material before it may be used;*
- (c) prescribe changes to be made to the material before it may be used.*

*(5) If*

**16 Section 144(1) is amended by striking out “exempting a trade” and substituting “granting an exemption”.**

**17 Section 182(3) is amended by striking out “senior”.**

**18 Section 190 is repealed.**

**19 Section 198 is amended**

- (a) by repealing subsection (1.1) and substituting the following:**

- (a) sales or advertising material is sent to the Executive Director, and
- (b) within 14 days from the day the Executive Director receives the sales or advertising material, the Executive Director does not advise the dealer of any objection to the use of the material,

*the dealer may proceed to use the material in connection with trading in securities or exchange contracts.*

*(6) Where the Executive Director declines to make any representation or objection under subsection (4), it shall not be construed to mean that the Executive Director has made any judgment on the merits of the material or its contents.*

**16** Section 144(1) presently reads:

*144(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 75 or 110.*

**17** Section 182(3) presently reads:

*(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.*

**18** Section 190 presently reads:

*190 Every investment fund manager shall*

- (a) exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the investment fund, and
- (b) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.

**19** Section 198 presently reads in part:

*(1.1) The Commission may, after providing an opportunity to be heard, make an order under subsection (1)(a) to (e) against a person or company if the person or company*

**(1.1)** The Commission may, after providing an opportunity to be heard, make an order under subsection (1)(a) to (h) in respect of a person or company if the person or company

- (a) has been convicted in Canada or elsewhere of an offence
  - (i) arising from a transaction, business or course of conduct related to securities or exchange contracts, or
  - (ii) under laws respecting trading in securities or exchange contracts,
- (b) has been found by a court in Canada or elsewhere to have contravened laws respecting trading in securities or exchange contracts,
- (c) is subject to an order made by a securities regulatory authority in Canada or elsewhere imposing sanctions, conditions, restrictions or requirements on the person or company, or
- (d) has agreed with a securities regulatory authority in Canada or elsewhere to be subject to sanctions, conditions, restrictions or requirements.

**(b) in subsection (1.2) by striking out “(e)” and substituting “(h)”.**

**20 Section 203(1) and (2) are amended by striking out “is deemed to have relied on the misrepresentation and has” and substituting “has, without regard to whether the purchaser relied on the misrepresentation,”.**

- (a) *has been convicted of a criminal offence arising from a transaction, business or course of action related to securities or exchange contracts,*
- (b) *has been found by a court inside or outside Alberta to have contravened the Alberta securities laws or the securities laws of another jurisdiction, or*
- (c) *has been found by a securities commission or other person or body empowered by statute to regulate trading in securities or exchange contracts or to administer, regulate or enforce securities laws of another province or territory of Canada to have contravened the securities laws of that province or territory.*

*(1.2) The Commission may, after providing an opportunity to be heard, make an order under subsection (1)(a) to (e) against a director or officer of a company or of a person other than an individual who authorizes, permits or acquiesces in the contravention of Alberta securities laws or conduct contrary to the public interest.*

**20** Section 203(1) and (2) presently read:

*203(1) If a prospectus contains a misrepresentation, a purchaser who purchases a security offered by it during the period of distribution is deemed to have relied on the misrepresentation and has a right of action for damages against*

- (a) *the issuer or a selling security holder on whose behalf the distribution is made,*
- (b) *each underwriter of the securities who is required to sign the certificate referred to in section 117,*
- (c) *every director of the issuer at the time the prospectus was filed,*

**21 Section 204(1) is repealed and the following is substituted:**

**Civil liability - offering memorandum**

**204(1)** If an offering memorandum contains a misrepresentation when a person or company purchases a security offered by the offering memorandum, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action

- (a) for damages against
  - (i) the issuer,
  - (ii) every director of the issuer at the date of the offering memorandum, and
  - (iii) every person or company who signed the offering memorandum,and
- (b) for rescission against the issuer.

**22 Section 205(1) is repealed and the following is substituted:**

**Civil liability - circular**

**205(1)** If a take-over bid circular or a notice of change or variation that is sent to the holders of securities of an offeree issuer or to the holders of securities convertible into securities of an offeree issuer as required by Part 14 contains a

- (d) every person or company whose consent has been filed pursuant to a requirement of the regulations but only with respect to reports, opinions or statements that have been made by them, and
- (e) every person or company, other than the ones referred to in clauses (a) to (d), who signed the prospectus.

(2) If a prospectus contains a misrepresentation, a purchaser who purchases a security offered by it during the period of distribution is deemed to have relied on the misrepresentation and has a right of action for rescission against

- (a) the issuer or a selling security holder on whose behalf the distribution is made,
- (b) each underwriter of the securities who is required to sign the certificate referred to in section 117, and
- (c) any other underwriter of the securities.

**21** Section 204(1) presently reads:

*204(1) If an offering memorandum contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum is deemed to have relied on the representation, if it was a misrepresentation at the time of purchase, and has a right of action*

- (a) for damages against
    - (i) the issuer,
    - (ii) every director of the issuer at the date of the offering memorandum, and
    - (iii) every person or company who signed the offering memorandum,
- and
- (b) for rescission against the issuer.

**22** Section 205(1) presently reads:

*205(1) If a take-over bid circular or a notice of change or variation that is sent to the holders of securities of an offeree issuer or to the holders of securities convertible into securities of an offeree issuer as required by Part 14 contains a misrepresentation, each of those holders*

misrepresentation, each of those holders may, without regard to whether the holders relied on the misrepresentation, elect to exercise a right of action

- (a) for rescission or damages against the offeror, or
- (b) for damages against
  - (i) every person who, at the time the circular or notice was signed, was a director of the offeror,
  - (ii) every person or company whose consent has been filed pursuant to a requirement of the regulations, but only with respect to reports, opinions or statements that have been made by them, and
  - (iii) each person, other than the ones referred to in subclause (i), who signed a certificate in the circular or notice.

**23 Section 223 is amended**

**(a) in clause (j) by adding the following after subclause (xv):**

- (xvi) prescribing functions or duties for the purposes of sections 75(2)(c) and 75.1;

**(b) in clause (j.4) by striking out “salesperson” and substituting “representative”;**

**(c) in clause (k) by repealing the subclause (xv) that follows subclause (xvii) and substituting the following:**

- (xviii) the requirements of Parts 7, 8 and 9 or the modification or variation of requirements under Parts 7, 8 and 9;

**(d) in clause (p)(vii) by striking out “advisors” and substituting “advisers”;**

**(e) by adding the following after clause (r):**

- (r.1) respecting any matter necessary or advisable to regulate auditors of reporting issuers;

**(f) by adding the following after clause (s):**

- (a) *is deemed to have relied on the misrepresentation, and*
- (b) *may elect to exercise a right of action*
  - (i) *for rescission or damages against the offeror, or*
  - (ii) *for damages against*
    - (A) *every person who, at the time the circular or notice was signed, was a director of the offeror,*
    - (B) *every person or company whose consent has been filed pursuant to a requirement of the regulations, but only with respect to reports, opinions or statements that have been made by them, and*
    - (C) *each person, other than the ones referred to in paragraph (A), who signed a certificate in the circular or notice.*

**23** Section 223 presently reads in part:

*223 The Lieutenant Governor in Council may make regulations*

- (j) *governing registration and, without limiting the generality of the foregoing,*
- (xv) *circumstances in which*
  - (A) *a person or company or a class of persons or companies is not required to be registered under section 75, or*
  - (B) *a person or company or a class of persons or companies is deemed to be registered for the purposes of this Act or the regulations,*

*including the circumstance in which a person or company or a class of persons or companies is registered under the laws of another jurisdiction respecting trading in securities or exchange contracts;*
- (j.4) *prescribing the terms and conditions under which a person who is in a contractual relationship with a dealer is deemed to be an employee of the dealer for the purpose of the Alberta*

- (s.1) respecting the preparation, form and content requirements applicable to the public dissemination of forward-looking information by reporting issuers where the dissemination is not part of a required filing;
- (g) in clause (dd.1)(ii) by striking out “contracts” and substituting “contract cease”.**

*securities laws and deemed to be qualified for registration as a salesperson of the dealer;*

- (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 memoranda or any other disclosure documents and, without limiting the generality of the foregoing, prescribing procedures and requirements with respect to and providing for exemptions from
  - (i) the use, form and content of those documents;*
  - (ii) the preparation, filing, delivery or dissemination of those documents;*
  - (iii) the issuance of receipts for preliminary prospectuses and prospectuses, including the issuance of receipts after an expedited or selective review, and respecting when receipts are not required or will not be issued, and the circumstances under which a receipt may be refused;*
  - (iv) the incorporation of other documents by reference;*
  - (v) the distribution of securities by means of a prospectus incorporating other documents by reference;*
  - (vi) the distribution of securities by means of a simplified or summary prospectus or other means of disclosure document;*
  - (vii) the distribution of securities on a continuous or delayed basis;*
  - (viii) the pricing of a distribution of securities after the issuance of a receipt for the prospectus filed in relation to the distribution;*
  - (ix) the issuance of receipts for prospectuses after selective review;*
  - (x) the incorporation by reference of certain documents in a prospectus and the effect, including from a liability and evidentiary perspective, of modifying or superseding statements;*
  - (xi) the form of certificates relating to a preliminary prospectus, prospectus and amendments to a prospectus and the persons required to sign the certificates;*
  - (xii) eligibility, and the loss of eligibility, to obtain a receipt for, or to distribute, securities under a particular form of prospectus;**



- (xiii) *the variance of rights to withdraw from or not be bound by an agreement to purchase securities;*
- (xiv) *the lapse date for a prospectus, restricting the period of time to the lapse date, the terms and conditions for continuing to distribute securities after the lapse date, and the circumstances under which the purchaser may cancel a trade that occurs after the lapse date;*
- (xv) *circumstances in which*
  - (A) *section 110 does not apply to a person or company or a class of persons or companies, or*
  - (B) *a receipt is deemed to have been issued for the purposes of this Act,*

*including the circumstance in which a receipt has been issued for a preliminary prospectus or prospectus under the laws of another jurisdiction respecting trading in securities or exchange contracts;*
- (xvi) *requirements in respect of amendments to a preliminary prospectus or prospectus and prescribing circumstances under which an amendment to a preliminary prospectus or prospectus must be filed;*
- (xvii) *requirements for dealers for delivery of a preliminary prospectus between the issuance of a receipt for a preliminary prospectus and the issuance of a receipt for a prospectus, including any record-keeping requirements;*
- (xv) *exemptions from or the modification or variation of requirements under Parts 7, 8 and 9;*
- (p) *governing mutual funds, non-redeemable investment funds and private investment funds and the advertising, distribution and trading of the securities of the funds and, without limiting the generality of the foregoing,*
- (vii) *prescribing requirements in respect of, or in relation to, promoters, advisors or persons and companies that administer or participate in the administration of the affairs of mutual funds or non-redeemable investment funds;*
- (dd.1) *prescribing circumstances in which a person or company or a class of persons or companies is prohibited from trading or purchasing securities or exchange contracts, or a particular security or exchange contract, including the circumstances in which a body empowered by the laws of another jurisdiction to regulate trading in securities or exchange contracts or to administer or enforce securities or exchange contract laws in that jurisdiction, has ordered that*

**24 Section 228 is repealed and the following is substituted:**

**Incorporation by reference**

**228(1)** A regulation or rule may adopt or incorporate by reference, in whole or in part, any regulatory instrument, code, bylaw, standard, procedure or guideline.

**(2)** If a regulation or rule adopts or incorporates by reference, in whole or in part, a regulatory instrument, code, bylaw, standard, procedure or guideline, it may adopt it or incorporate it by reference as amended from time to time, whether before or after the adoption or incorporation by reference, and with the necessary changes.

**25 Section 230 is repealed.**

**26 Sections 2(a), (c) to (e) and (g), 5 to 12, 14 to 16, 18 and 23(a), (b) and (d) come into force on Proclamation.**

- (i) *a person is prohibited from trading or purchasing securities or exchange contracts, or a particular security or exchange contract, or*
- (ii) *trades or purchases of a particular security or exchange contracts;*

**24** Section 228 presently reads:

*228 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.*

**25** Section 230 presently reads:

*230 The Lieutenant Governor in Council may by regulation specify those provisions of the regulations and the rules the contravention of which is an offence.*

**26** Coming into force.





