

Editorial Note: Updated on September 28, 2009

These regulations are deemed to be rules under subsection 150A(9) of the Securities Act and are defined as the General Securities Rules in Rule 14-501 Definitions

**Securities Regulations
made pursuant to Section 150 of the
Securities Act
R.S.N.S. 1989, c. 418
O.I.C. 87-1171 (September 24, 1987), N.S. Reg. 201/87
as amended up to and including O.I.C. 96-173 (Mar. 26, 1996), N.S. Reg. 51/96**

Part I - General

Section 1 revoked effective September 28, 2009: Rule 31-801.

Interpretation

2 Every term used in these regulations that is

- (a) defined in Section 2 of the Act or defined in these regulations for the purpose of the Act is used in these regulations as so defined unless it is otherwise defined in these regulations or the context otherwise requires;
- (b) defined in Sections of the Act for purposes of those Sections, is used as so defined in those Sections of these regulations that relate to the subject matter of those Sections; and
- (c) defined only for a Part or Section of these regulations is, unless otherwise provided, so defined only for the purposes of such Part or Section.

Clause 2(a) amended: O.I.C. 91-815, N.S. Reg. 157/91.

3 (1) For the purpose of the Act,

- (a) "insurance company" means a person or company lawfully entitled to carry on the business of insurance, as defined in the Insurance Act, in the Province;
- (b) "loan company" means a company which is a member of the Canada Deposit Insurance Corporation, or other deposit insurance plan approved by the Commission for the purpose of this definition, and
 - (i) has obtained a certificate pursuant to Section 14 of the Loan Companies Act,
 - (ii) is a company incorporated by an Act of the Legislature of the Province to which the provisions of the Loan Companies Act

which are referred to in subsection 5(2) of that Act are applicable by virtue of that subsection,

- (iii) is a company incorporated under the Loan Companies Act (Canada) or an Act which is a successor to that Act or which replaces that Act,
- (iv) is a company which by a general order of the Commission issued pursuant to clause (3)(a) is prescribed to be a loan company, or
- (v) is a company granted the status of a loan company by an order of the Commission issued pursuant to clause (3)(b); and

(c) "trust company" means a company which is a member of the Canada Deposit Insurance Corporation, or other deposit insurance plan approved by the Commission for the purpose of this definition, and

- (i) has obtained a certificate pursuant to Section 12 of the Trust Companies Act,
- (ii) is a company incorporated by Act of the Legislature of the Province to which the provisions of the Trust Companies Act which are referred to in subsection 3(2) of that Act are applicable by virtue of that subsection,
- (iii) is a company incorporated under the Trust Companies Act (Canada) or an Act which is a successor to that Act or which replaces that Act,
- (iv) is a company which by a general order of the Commission issued pursuant to clause (3)(a) is prescribed to be a trust company, or
- (v) is a company granted the status of a trust company by an order of the Commission issued pursuant to clause (3)(b).

(2) In these regulations

- (a) "Act" means the Securities Act, as amended;
- (b) "debt security" means any bond, debenture, note or similar instrument representing indebtedness, whether secured or unsecured;
- (c) "finance company" means an issuer, its subsidiaries and affiliates that
 - (i) either
 - (A) has issued securities with respect to which a prospectus has been filed and a receipt obtained for it under the Act,

or

- (B) distributes its securities in the Province, without filing a prospectus with respect to that distribution, in reliance on the exemption in clause 41(2)(d) of the Act as it applies by virtue of clause 78(1)(a) of the Act, and
- (ii) is an issuer, or a subsidiary or an affiliate of an issuer, a material business activity of which involves
 - (A) purchasing, discounting or otherwise acquiring promissory notes, acceptances, accounts receivable, bills of sale, chattel mortgages, conditional sales contracts, drafts and other obligations representing part or all of the sales price of merchandise or services,
 - (B) factoring or purchasing and leasing personal property as part of a hire purchase or similar business, or
 - (C) making secured and unsecured loans,

but does not include

- (iii) a bank, the Federal Business Development Bank, a trust company, a loan company or an insurance company,
 - (iv) a credit union,
 - (v) an underwriter or dealer, or
 - (vi) any issuer that, in the opinion of the Director, carries on operations making it more appropriate that the issuer be designated as an industrial company or natural resource company;
- (d) "Form" means a Form prescribed in the Appendix to these regulations or by the Commission pursuant to Section 5;
 - (e) "industrial company" means an issuer designated by the Director as an industrial company;
 - (f) "licensed real estate broker" means a person or company that is licensed as a broker under the Real Estate Brokers' Licensing Act;
 - (g) "licensed real estate salesman" means an individual who is licensed under the Real Estate Brokers' Licensing Act as a salesman of a licensed real estate broker;
 - (h) "natural resource company" means a mining, gas, oil or exploration issuer designated by the Director as a natural resource company; and

(i) "real estate oriented securities" mean securities in or issued by any person, other than an individual, formed and operated for the primary purpose of investment in specific real property and, without restricting the generality of the foregoing, includes securities in or issued by a limited or general partnership, joint venture, trust, unincorporated association, unincorporated syndicate or other unincorporated organization but for greater certainty does not include securities in or issued by a person formed and operated for the purpose of investment in a non-specific property or a blind pool.

(3) The Commission may

(a) by general order published in a publication of the Commission or in the Royal Gazette prescribe that a company described in the order is a loan company or a trust company for the purpose of the Act; and

(b) by order, on the application of a company, grant the company the status of a loan company or a trust company for the purpose of the Act where the Commission is satisfied that to do so would not be prejudicial to the public interest, and may impose terms and conditions in any such order and may revoke or amend the same from time to time.

(4) Subject to subsection (5), for the purposes of the Act and the regulations,

(a) where the terms "generally accepted accounting principles", "auditor's report" and "generally accepted auditing standards" are used in reference to a financial statement to which National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currencies* applies, those terms have the meanings provided for in that Instrument; and

(b) in all other cases, where a recommendation has been made in the Handbook of the Canadian Institute of Chartered Accountants which is applicable in the circumstances, the terms "generally accepted accounting principles", "auditor's report" and "generally accepted auditing standards" mean the principles, report and standards, respectively, recommended in the Handbook.

Subsection 3(4) amended effective March 30, 2004: Rule 52-107.

(5) Except as otherwise provided in National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currencies* and in National Instrument 71-101 *The Multijurisdictional Disclosure System*, where an issuer is incorporated or organized in a jurisdiction other than Canada or a province or territory of Canada, "generally accepted accounting principles" may, at the option of the issuer, mean such principles as prescribed in the incorporating jurisdiction by or pursuant to applicable legislation or where a recommendation has been made by an association in that jurisdiction equivalent to the Canadian Institute of Chartered Accountants, the principles

recommended by that association, but where an option is exercised under this subsection, the notes to the financial statements shall state which option has been applied in the choice of generally accepted accounting principles.

Subsection 3(5) amended effective March 30, 2004: Rule 52-107.

Subsection 3(6) revoked effective March 30, 2004: Rule 52-107.

- (7) The use of future-oriented financial information in respect of an issuer shall be in accordance with the published policies of the Commission from time to time.

Section 3 replaced: O.I.C. 91-815, N.S. Reg. 157/91.

Section 3A revoked effective September 28, 2009: Rule 31-801.

- 4 (1)** Where the Act or these regulations require the disclosure of the number or percentage of securities beneficially owned by a person and, by virtue of subsection 2(5) of the Act, one or more companies will also have to be shown as beneficially owning the securities, a statement
- (a) disclosing all the securities beneficially owned or deemed to be beneficially owned by the person;
 - (b) indicating whether the ownership is direct or indirect;
 - (c) if ownership is indirect, indicating the name of the controlled company or company affiliated with the controlled company through which the securities are indirectly owned and the number or percentage of the securities so owned by the company,

is deemed to be sufficient disclosure without disclosing the name of any other company which is deemed to beneficially own the same securities.

- (2)** Where the Act or these regulations require the disclosure of the number or percentage of securities beneficially owned by a company and by virtue of subsection 2(6) of the Act, one or more other companies will also have to be shown as beneficially owning the securities, a statement
- (a) disclosing all securities beneficially owned or deemed to be beneficially owned by the parent company;
 - (b) indicating whether the ownership is direct or indirect; and
 - (c) if ownership is indirect, indicating the name of the subsidiary through which the securities are indirectly owned and the number or percentage of the securities so owned;

is deemed to be sufficient disclosure without disclosing the name of any other company which is deemed to beneficially own the same securities.

- (3)** A company is deemed to be another's holding company or parent company if that other is its subsidiary.

5 (1) The Commission shall have the power to amend from time to time any Form and to prescribe new Forms to be used in circumstances designated by the Commission.

Subsection 5(1) amended: O.I.C. 91-815, N.S. Reg. 157/91.

(2) The Director or the Commission may vary the requirements of any Form or document required to be prepared in accordance with any Form which is required to be filed with him or it, as the case may be, in any particular instance if in his or its opinion such variation is necessary in order to achieve or better achieve the purpose or objective for which the Form was designed or it is otherwise suitable that the Form be varied in the circumstances.

(3) The Commission may prescribe alternative Forms of certificates from those set out in subsections 63(1) and (2) and 64(1) of the Act and the circumstances in which those alternative Forms of certificates may or shall be used.

Subsection 5(3) added: O.I.C. 91-815, N.S. Reg. 157/91.

6 (1) The oath or affirmation referred to in subsection 4(3) of the Act shall be sworn before a Nova Scotia Judge, Barrister, Solicitor, Commissioner of Oaths, Notary Public or such other person as the Minister may determine.

(2) The oath or affirmation referred to in subsection (1) is prescribed to be as follows:

I, _____ solemnly and sincerely (swear/ affirm) that I will faithfully and honestly fulfill the duties that devolve upon me by reason of my office and that I will not, without due authority in that behalf, disclose or make known any matter that comes to my knowledge by reason of such office. (So help me God).

7 Where these regulations specify that the Commission has any power or duty which the Act designates to be a power or duty of the Director, these regulations shall, where so specified, constitute an assignment of the power or duty to the Commission from the Director.

Subsection 7(1) renumbered as Section 7: O.I.C. 91-815, N.S. Reg. 157/91.

Subsection 7(2) repealed: O.I.C. 91-815, N.S. Reg. 157/91.

Financial statements

8 (1) Subject to subsections (3) and (4), the financial statements permitted or required by the Act or these regulations are to be prepared in accordance with

- (a) generally accepted accounting principles; and
- (b) any applicable provision of the Act or these regulations.

Subsection 8(2) revoked effective June 13, 2005: Rule 81-801.

Subsection 8(3) revoked effective March 30, 2004: Rule 52-107.

(4) Notwithstanding subsection (1), where a financial statement is not prepared in

accordance with generally accepted accounting principles

- (a) the Director may accept the financial statement for the purposes for which it is to be filed
 - (i) where the Director is satisfied that it is not reasonably practicable for the issuer to revise the presentation in the financial statement to conform to generally accepted accounting principles, or
 - (ii) where the Commission
 - (A) by its order under clause (b) has previously accepted a financial statement of the same issuer with corresponding variation from generally accepted accounting principles, and
 - (B) the Director is satisfied that there has been no material change in the circumstances on which the decision of the Commission was based; or
- (b) the Commission may by order, accept the financial statement after giving interested parties an opportunity to be heard if the Commission is satisfied in all the circumstances of the particular case that the variation from generally accepted accounting principles is supported or justified by considerations that outweigh the desirability of uniform adherence to generally accepted accounting principles.

- (5) The Commission shall publish written reasons for any acceptance of financial statements pursuant to clause (4)(b).

Subsection 8(6) revoked effective June 13, 2005: Rule 81-801.

Subsection 8(7) revoked effective June 13, 2005: Rule 81-801.

Subsection 8(8) revoked effective June 13, 2005: Rule 81-801.

Document execution and certification

9 Except as otherwise provided in the Act or in Sections 148, 161 or 169,

- (a) every document required or permitted to be filed with the Commission or the Director by an individual that is required to be signed or certified shall
 - (i) be manually signed, and
 - (ii) include below the signature the name of the individual in typewritten or printed form;
- (b) subject to clause (c), every document required or permitted to be filed with

the Commission or the Director by a company or person, other than an individual, that is required to be signed or certified shall

- (i) be manually signed by an officer or director of the company or person or, subject to clause (d), by the attorney or agent of that person or company, and
 - (ii) include below the signature, the name of the officer, director, attorney or agent in a typewritten or printed form;
- (c) where a partner signs or certifies on behalf of a professional partnership, the partner is not required to sign his name but if an individual other than a partner signs or certifies
- (i) the individual shall sign his name manually, and
 - (ii) the name of the individual shall be included below his signature in typewritten or printed form, and
- (d) where a document required or permitted to be filed with the Commission or the Director by an individual, company or person, has been executed by an attorney or agent of the individual, company or person, a duly completed power of attorney or document of authority authorizing the signing of the document shall be filed with the document unless the Director permits the filing of the document without the power of attorney or document of authority.

Coming into force

- 10** These regulations come into force on the earliest day on which any part of the Act comes into force and shall be effective from that date, unless specified otherwise herein.

Part II - Registration requirements

Interpretation

Sections 11(1)(a) to (n) revoked effective September 28, 2009: Rule 31-801.

11 (1) In this Part

- (o) "market value", where used with respect to
 - (i) a commodity futures contract, means the settlement price on the relevant date or last trading day prior to the relevant date,
 - (ii) a security means,
 - (A) where the security is listed and posted for trading on a stock exchange,

- (I) the bid price, or
- (II) if the security is sold short, the ask price,

as shown on the exchange quotation sheets as of the close of business on the relevant date or last trading date prior to the relevant date, as the case may be, subject to an appropriate adjustment where an unusually large or unusually small quantity of securities is being valued, or

- (B) where the security is not listed and posted for trading on a stock exchange, a value determined in accordance with Section 12.

Sections 11(1)(p) to (s) revoked effective September 28, 2009: Rule 31-801.

Clause 11(1)(t) repealed: O.I.C. 91-815, N.S. Reg. 157/91.

Sections 11(1)(u) to (w) revoked effective September 28, 2009: Rule 31-801.

Section 11(2) revoked effective September 28, 2009: Rule 31-801.

- 12 (1)** Subject to subsections (2) to (4), the market value of a security not listed and posted for trading on a stock exchange shall be determined by assigning a reasonable value on the basis of values shown on
- (a) published market reports; or
 - (b) inter-dealer quotation sheets;

on the relevant date or last trading day prior to the relevant date.

- (2) The registrant may vary a value from that shown on published market reports or inter-dealer quotation sheets where, in light of all the circumstances, some other value would be more appropriate.
- (3) The Director may require that a different value from that determined under subsection (1) or (2) be assigned, where in light of all the circumstances and in his opinion, some other value would be more appropriate.
- (4) Where no published market report or inter-dealer quotation sheet exists with respect to the security, the security shall be assigned a market value of zero unless the Director agrees otherwise.

Sections 13 to 19 revoked effective September 28, 2009: Rule 31-801.

- 20** The Commission may prescribe conditions of registration for a person or company or group of persons or companies that are in lieu of or in addition to some or all of the conditions of registration prescribed in this Part or in the regulations where it
- (a) gives prior notice of the proposed conditions to registrants affected;

- (b) affords the registrants an opportunity to be heard; and
- (c) publishes notice in a publication published by the Commission or on the Commission's website of each instance when it so prescribes.

Section 20 replaced effective September 28, 2009: Rule 31-801.

Sections 21 to 25 revoked effective September 28, 2009: Rule 31-801.

26 (1) A bond maintained pursuant to the requirements of Rule 31-103 which is payable to the Minister of Finance for the Province of Nova Scotia shall be forfeited and the amount of it shall become due and owing by the person or company bound by it as a debt to Her Majesty in right of the Province of Nova Scotia where

- (a) any person or company or any partner in case of a partnership, or any officer or employee of any of them, with respect to whose conduct the bond is conditioned has been convicted of an offence
 - (i) under the Act or these regulations,
 - (ii) involving fraud or theft or conspiracy to commit an offence involving fraud or theft under the Criminal Code, or
 - (iii) in connection with a transaction relating to securities under the Criminal Code;
- (b) a judgment based on a finding of fraud is given against any person or company or any partner in the case of a partnership, registrant or any officer or employee of them, with respect to whose conduct the bond is conditioned; or
- (c) any person or company or any partner in the case of a partnership or any officer or employee of any of them, with respect to whose conduct the bond is conditioned makes an assignment under the Bankruptcy Act (Canada), is subject to a receiving order under the Bankruptcy Act (Canada), makes a proposal under the Bankruptcy Act (Canada) or, in the case of a company, is subject to a winding-up order under the Companies Winding-Up Act or Winding-up Act (Canada),

and that conviction, judgment or in the case of clause (c), where the event therein described is an order, that order has become final by reason of the lapse of time or is confirmed by the highest court to which an appeal may be taken.

- (2) A bond referred to in subsection (1) may be cancelled by any person bound under it by giving to the Director at least three months notice in writing of intention to cancel.
- (3) Subject to subsection (4), a bond referred to in subsection (2) is deemed to be cancelled on the date stated in the notice, which date shall be not less than three months after the receipt of the notice by the Director.

- (4) A bond referred to in subsection (1) shall continue in force and be subject to enforcement and realization with respect to acts or omissions which occurred prior to the cancellation of the bond for a period of two years after
- (a) the lapse or cancellation of the registration to which it relates; or
 - (b) the cancellation of the bond,

whichever occurs first and any collateral security posted in support of the bond shall remain on deposit for a similar period of time.

- (5) Where a bond referred to in subsection (1) is secured by the deposit of collateral security with the Minister of Finance and is forfeited, the Governor in Council may, but shall not be obligated to, direct the Minister of Finance to sell the collateral security at the market value thereof by private contract or public sale.
- (6) Where by virtue of this section a debt becomes due and owing to Her Majesty in right of the Province of Nova Scotia, the Commission may, on behalf of Her Majesty in the right of the Province of Nova Scotia, take any legal proceedings to recover the debt that it considers fit including proceedings under
- (a) the Bankruptcy Act (Canada);
 - (b) the Judicature Act;
 - (c) the Companies Winding-up Act; or
 - (d) the Winding-up Act (Canada),

or any other statute of Canada, Nova Scotia or any other province of Canada which the Commission considers appropriate for appointment of an interim receiver, custodian, trustee, receiver, liquidator or similar official, as the case may be.

- (7) The Governor in Council may direct the Minister of Finance
- (a) to assign any bond referred to in subsection (1) which is forfeited and transfer any collateral security posted in support thereof;
 - (b) to pay over any moneys recovered under that bond; and
 - (c) to pay over any moneys realized from the sale of the collateral security pursuant to subsection (5);
- to
- (d) the local Prothonotary of the Supreme Court of Nova Scotia in trust for those persons and companies that may become judgment creditors of the person or company with respect to whose conduct the bond is conditioned; or
 - (e) any trustee, custodian, interim receiver, receiver, liquidator or similar official of the person or company with respect to whose conduct the bond is

conditioned,

as the case may be.

- (8) An assignment or payment over directed pursuant to subsection (7) shall be in accordance with and on conditions set forth in any order of the Governor in Council.
- (9) Where
- (a) a bond referred to in subsection (1) has been forfeited by reason of a conviction or judgment referred to in clause (1)(a) or (b); and
 - (b) the Commission has not received notice in writing of any claim against the proceeds of the bond or any collateral security posted in support of the bond or of those portions of such proceeds that remain in the possession of the Minister of Finance within two years after
 - (i) the conviction or judgment having become final, or
 - (ii) the registrant with respect to whom the bond was furnished ceasing to carry on business,

the Governor in Council may direct the Minister of Finance to pay those proceeds or portion of them to any person or company or to any person or company who on forfeiture of the bond made any payments under it, after first deducting the amount of any expenses that have been incurred by the Commission or the Province of Nova Scotia in connection with any investigation or any expenses otherwise relating to that person or company.

- (10) If the Director finds acceptable the terms of a bond which is payable to the Minister of Finance for the Province of Nova Scotia which are inconsistent with the provisions of subsections (1), (2), (3) or (4) then the terms of the bond shall apply to the extent that they are inconsistent with those subsections.

Contingency fund

- 27 (1) Every dealer shall participate in a compensation fund or contingency trust fund that is
- (a) approved by the Commission; and
 - (b) established by
 - (i) a self-regulatory organization; or
 - (ii) a person or company approved by the Commission.
- (2) The Commission may vary the amount required to be contributed to the fund referred to in subsection (1) by any participant where in its opinion it would not be prejudicial to the public interest to do so, but only where the variation is

published by the Commission in such manner as the Commission deems appropriate prior to the variation taking effect.

Section 27 replaced effective September 28, 2009: Rule 31-801.

Sections 28 to 44 revoked effective September 28, 2009: Rule 31-801.

Section 45 revoked effective February 21, 2003: Rule 33-109.

Sections 46 to 48 revoked effective September 28, 2009: Rule 31-801.

Examination

49 A summons for an examination pursuant to Section 37 of the Act shall be completed in accordance with Form 8.

Section 50 revoked effective September 28, 2009: Rule 31-801.

Section 51 revoked effective February 21, 2003; Rule 33-109.

Sections 52 to 55 revoked effective September 28, 2009: Rule 31-801.

56 Form 10 may be used as a guideline for the purpose of assisting in the auditing of the financial statements of a portfolio manager.

Sections 57 and 58 revoked effective September 28, 2009: Rule 31-801.

Part III - Conflicts of interest

Sections 59(1)(a) to (c) revoked effective September 28, 2009: Rule 31-801.

Clause 59(1)(d) revoked effective May 1, 2003; Rule 33-105.

Clause 59(1)(e) revoked effective January 1, 2002: Rule 33-102.

Clause 59(1)(f) revoked effective September 28, 2009: Rule 31-801.

Clause 59(1)(g) revoked effective January 1, 2002: Rule 33-105.

Sections 59(1)(h) to (k) revoked effective September 28, 2009: Rule 31-801.

Subsection 59(2) revoked effective May 1, 2003: Rule 33-105.

Subsection 59(3) revoked effective September 28, 2009: Rule 31-801.

Subsection 59(4) revoked effective May 1, 2003: Rule 33-105.

Subsection 59(5) revoked effective September 28, 2009: Rule 31-801.

Sections 60 to 63 revoked effective September 28, 2009: Rule 31-801.

Section 64 is not in effect and is no longer applicable as it has been replaced by Rule 33-105.

Sections 65 to 68 revoked effective September 28, 2009: Rule 31-801.

Section 69 revoked effective January 1, 2002: Rule 33-102.

Sections 70 to 75 revoked effective September 28, 2009: Rule 31-801.

Part IV - Registration exemptions and exemption restrictions

Sections 76 to 84 revoked effective September 14, 2005: Rule 45-801

- 84A**
- (1)** Every report filed under clause 41(1B)(a) of the Act shall be filed in duplicate and prepared in accordance with Form 22A.
 - (2)** Clause 41(1B)(a) of the Act shall not apply to a co-operative in respect of a calendar year if the co-operative has filed a report under clause 77(1B)(a) of the Act in respect of that calendar year which contains the same information which a report required to be filed by the co-operative under clause 41(1B)(a) of the Act in respect of the same calendar year would contain.

Subsections 84A (1) and (2) added effective December 4, 2002: Rule GSR-1

Part V - Initial disclosure

Sections 85 to 97 revoked effective May 12, 2008: Rule 11-502

Section 98 revoked effective May 6, 2002: Rule 43-101

Sections 99 to 103 revoked effective May 12, 2008: Rule 11-502

Section 104 revoked effective March 30, 2004: Rule 52-107

Section 105 revoked effective May 12, 2008: Rule 11-502

Section 106 repealed: O.I.C. 91-815, N.S. Reg. 157/91

Sections 107 to 113 revoked effective May 12, 2008: Rule 11-502

Section 114 revoked effective September 14, 2005: Rule 45-801

Sections 115 to 126 revoked effective May 12, 2008: Rule 11-502

Part VI - Prospectus exemptions and exemption restrictions

Sections 127, 127A and 128 revoked effective September 14, 2005: Rule 45-801

Section 129 revoked effective May 5, 2003: Rule 45-102

Section 130 revoked effective May 12, 2008: Rule 11-502

Sections 131, 132 and 132A revoked effective May 5, 2003: Rule 45-102

Section 133 revoked effective May 12, 2008: Rule 11-502

Subsection 134(1) revoked effective May 5, 2003: Rule 45-102

Subsection 134(2) revoked effective May 12, 2008: Rule 11-502

Subsection 134(3) revoked effective May 5, 2003: Rule 45-102

134 (4) Every report filed under clause 77(1B) (a) of the Act shall be filed in duplicate and prepared in accordance with Form 22A.

(5) Clause 77(1B)(a) of the Act shall not apply to a co-operative in respect of a calendar year if the co-operative has filed a report under clause 41(1B) (a) of the Act in respect of that calendar year which contains the same information which a report required to be filed by the co-operative under clause 77(1B)(a) of the Act in respect of the same calendar year would contain.

Subsections 134(4) and (5) added effective December 4, 2002: Rule GSR-1.

Sections 135 to 139 revoked effective May 5, 2003: Rule 45-102

Part VII CONTINUOUS DISCLOSURE

Heading amended effective March 30, 2004: Rule 51-801

Subsection 140(1) revoked effective June 13, 2005: Rule 81-801

Subsections 140(2) and (3) revoked effective May 12, 2008: Rule 11-502

Section 141 revoked effective May 12, 2008: Rule 11-502

Section 142 revoked effective March 30, 2004: Rule 51-801

Section 143 revoked effective June 13, 2005: Rule 81-801

Sections 144 to 148 revoked effective May 19, 2005: Rule 51-801

Section 149 revoked effective March 30, 2004: Rule 51-801

Section 150 revoked effective May 19, 2005: Rule 51-801

Section 151 revoked effective March 30, 2004: Rule 51-801

Part VIII - Continuous disclosure for mutual funds

Sections 152 to 162 revoked effective June 13, 2005: Rule 81-801

Part IX - Mutual funds - trades confirmation

Sections 163 and 163A revoked effective September 28, 2009: Rule 31-801.

**Part X
PROXIES AND PROXY SOLICITATION
RE INVESTMENT FUNDS**

Heading amended effective June 1, 2004: Rule 51-801

Sections 164 to 169 revoked effective June 13, 2005: Rule 81-801

Part XI - Insider trading

Section 170 revoked effective September 28, 2009: Rule 31-801.

Section 171 revoked effective October 1, 2003: Rule 55-102.

172 Notwithstanding subsection 113(1) of the Act, a person or company is not required to file a report on becoming an insider of an issuer where the person or company does not own or exercise control or direction over securities of the issuer.

173 Every report required to be filed under Section 116 of the Act shall be filed within ten days of the date of the transfer.

174 Every report required to be filed under Section 117 of the Act shall be prepared in accordance with Form 38.

175 Every report required to be filed under Section 125 of the Act shall be prepared in accordance with Form 39.

176 For the purposes of Section 113 of the Act,

- (a) a report filed by a company which includes securities beneficially owned or deemed to be beneficially owned by an affiliate or which includes changes in the affiliate's beneficial ownership of the securities shall be deemed to be a report filed by the affiliate and the affiliate need not file a separate report; or
- (b) a report filed by a person which includes the securities beneficially owned or deemed to be beneficially owned by a company controlled by the person or by an affiliate of the controlled company or which includes changes in

the controlled company's or affiliate's beneficial ownership or deemed beneficial ownership of the securities shall be deemed to be a report filed by the controlled company or affiliate and the controlled company and affiliate need not file a separate report.

- 177 (1)** Where there are one or more executors, administrators or other personal representatives of an estate, referred to in this Section as an executor, the reporting requirements of this Part shall be deemed to be satisfied as they apply to
- (a) a co-executor; and
 - (b) the directors and senior officers of an executor or co-executor,

where the applicable report is filed by a co-executor or by the executor in respect of securities owned by the estate.

- (2) Subsection (1) only applies to reporting requirements that arise solely from the capacity of co-executor or director or senior officer of an executor or co-executor.

Section 178 revoked effective October 1, 2003: Rule 55-102.

- 179 (1)** A person or company that is required under this Part and under Sections 112 to 128, inclusive, of the Act to file a report prepared in accordance with Form 55-102F6(made under National Instrument 55-102 System for Electronic Disclosure by Insiders (SEDI)) shall be deemed to have complied with such requirements if a report prepared in accordance with Form 55-102F6(made under National Instrument 55-102 System for Electronic Disclosure by Insiders (SEDI)) is filed in a Canadian jurisdiction other than Nova Scotia with a securities commission or other agent that has been designated by the Director for the purpose of accepting such filings.
- (2) This section does not apply to insiders who are required by National Instrument 55-102 System for Electronic Disclosure by Insiders (SEDI) to file the report in electronic format.

Section 179 amended effective October 1, 2003: Rule 55-102.

- 180 (1)** A report prepared in accordance with Form 55-102F6(made under National Instrument 55-102 System for Electronic Disclosure by Insiders (SEDI)) that is filed with the Director may contain the facsimile signature of the individual, officer, director, agent or attorney required to sign the Form if an original manually signed copy is filed concurrently with a securities commission in Canada or other agent designated by the Director for the purpose of accepting such filings.
- (2) This section does not apply to insiders who are required by National Instrument 55-102 System for Electronic Disclosure by Insiders (SEDI) to file the report in electronic format.

Section 180 amended effective October 1, 2003: Rule 55-102.

181 (1) A person or company that purchases or sells securities of a reporting issuer with knowledge of a material fact or material change with respect to the reporting issuer that has not been generally disclosed is exempt from subsection 82(1) of the Act and from liability under Section 142 of the Act, where the person or company proves that

- (a) no director, officer, partner, employee or agent of the person or company who made or participated in making the decision to purchase or sell the securities of the reporting issuer had actual knowledge of the material fact or material change; and
- (b) no advice was given with respect to the purchase or sale of the securities to the director, officer, partner, employee or agent of the person or company who made or participated in making the decision to purchase or sell the securities by a director, partner, officer, employee or agent of the person or company who had actual knowledge of the material fact or the material change,

but this exemption is not available to an individual who had actual knowledge of the material fact or change.

(2) A person or company that purchases or sells securities of a reporting issuer with knowledge of a material fact or material change with respect to the reporting issuer that has not been generally disclosed is exempt from subsection 82(1) of the Act and from liability under Section 142 of the Act, where the person or company proves that

- (a) the purchase or sale was entered into as agent for another person or company pursuant to a specific unsolicited order from that person or company to purchase or sell;
- (b) the purchase or sale was made pursuant to participation in an automatic dividend reinvestment plan, share purchase plan or other similar automatic plan that was entered into by the person or company prior to the acquisition of knowledge of the material fact or material change; or
- (c) the purchase or sale was made to fulfill a legally binding obligation entered into by the person or company prior to the acquisition of knowledge of the material fact or material change.

(3) In determining whether a person or company has sustained the burden of proof under subsection (1), it shall be relevant whether and to what extent the person or company has implemented and maintained reasonable policies and procedures to prevent contravention of subsection 82(1) of the Act by persons making or influencing investment decisions on its behalf and to prevent transmission of information concerning a material fact or material change contrary to subsection 82(2) or (3) of the Act.

(4) A person or company who purchases or sells a security of a reporting issuer as agent or trustee for a person or company who is exempt from subsection 82(1) of

the Act and from liability under Section 142 of the Act by reason of clause 2(b) or (c), is also exempt from subsection 82(1) of the Act and from liability under Section 142 of the Act.

- (5) A person or company is exempt from subsections 82(1), (2) and (3) of the Act where the person or company proves that such person or company reasonably believed that
- (a) the other party to a purchase or sale of securities; or
 - (b) the person or company informed of the material fact or material change, as the case may be,

had knowledge of the material fact or material change.

Original Section 181 renumbered Section 204; Section 181 added: O.I.C. 91-815, N.S. Reg. 157/91.

Part XII - Take-over bids and issuer bids

Original Part XII renumbered Part XIII; Part XII added: O.I.C. 91-815, N.S. Reg. 157/91.

Sections 182 to 203 revoked effective May 12, 2008: Rule 11-502

Part XIII - Enforcement and investigations

Original Part XII renumbered Part XIII; Part XIII title replaced: O.I.C. 91-815, N.S. Reg. 157/91.

Warrants

204 The endorsement of a warrant by a provincial judge or justice of Nova Scotia provided for by Section 132 of the Act shall be completed in accordance with Form 40.

Original Section 181 renumbered Section 204: O.I.C. 91-815, N.S. Reg. 157/91.

205 The following practices and procedures apply to investigations conducted under the Act:

- (a) every summons issued by a person under subsection 27(3) of the Act or Section 29 of the Act shall be served personally on the individual summoned who shall be paid the like fees and allowances for his attendance before the person as are paid for the attendance of a witness summoned to attend before a judge of the Trial Division of the Supreme Court;
- (b) every summons to a witness to appear before a person appointed to make an investigation under Section 27 or 29 of the Act shall be in Form 1; and
- (c) the service of a summons on a witness, the payment or tender of fees and allowances to the witness and the service of a notice on a witness may be proved by an affidavit in Form 2.

Section 205 added: O.I.C. 91-815, N.S. Reg. 157/91.

Part XIV - Fees and costs

Original Part XIII renumbered Part XIV; Part XIV title replaced: O.I.C. 91-815, N.S. Reg. 157/91.

Fees and filing

- 206** (1) Fees shall be paid to the Minister of Finance in accordance with Schedule 1 of the Appendix.
- (2) Where any material that is filed is not prepared in accordance with the Act or these regulations, the Director may, or the Commission may require the Director to, return the material to the person or company that is required to comply with the provisions.
- (3) Where any material is returned to a person or company under subsection (2), the fee paid on the filing of the material shall not be refunded without the consent of the Commission.
- (4) The fees prescribed for an examination made pursuant to Section 29E of the Act and the tariff of costs for the purpose of Section 135A of the Act are as set forth in Schedule 2 of the Appendix.

Original Section 182 renumbered Section 206; Section 206(4) added: O.I.C. 91-815, N.S. Reg. 157/91.

Appendix A Schedule 1- Fees

1. Every application for registration as a dealer, an adviser or an investment fund manager shall be accompanied by a fee of \$629.33.
2. Every firm, regardless of registration category, shall pay a registration maintenance fee of \$629.33. This fee will be paid via the National Registration Database on December 31 and will cover the preceding calendar year.
3. Every application by an individual for registration or re-activation as a dealing representative, an advising representative, an associate representative, an ultimate designated person or a chief compliance officer shall be accompanied by a fee of \$315.18 for each registered firm in which the individual is seeking registration. This fee will be paid via the National Registration Database at the time of the application.
4. Every individual registered as a dealing representative, an advising representative, an associate representative, an ultimate designated person or a chief compliance officer shall pay a registration maintenance fee of \$315.18. This fee will be paid via the National Registration Database on December 31 and will cover the preceding calendar year.
5. Every application for transfer of registration as a dealing representative, an advising representative, an associate representative, an ultimate designated person or a chief compliance officer shall be accompanied by a fee of \$105.06. This fee will be paid via the National Registration Database at the time of the application.

6. Every application by a firm to open a second or thereafter any additional business locations in Nova Scotia shall be accompanied by a fee of \$105.06 for each location. This fee will be paid via the National Registration Database at the time of the application.
7. Every business location in Nova Scotia shall pay a registration maintenance fee of \$105.06. This fee will be paid via the National Registration Database on December 31 and will cover the preceding calendar year.
- 7A. Every application for amendment of registration as a dealer, an adviser or an investment fund manager shall be submitted by a completed Form 33-109F5 and be accompanied by a fee of \$25.75.

Sections 1 to 7 replaced and section 7A added effective September 28, 2009: Rule 31-801.

8.
 - (1) Subject to subsection (2), a preliminary prospectus, pro forma prospectus or prospectus supplement (but not pricing) shall be accompanied by a fee of \$891.98 per issuer.
 - (2) Where Nova Scotia is the principal regulator, a fee of \$1312.22 per issuer shall accompany any preliminary prospectus or pro forma prospectus.
 - (3) In addition to any fees payable under subsections (1) and (2), where the issuer of the securities is a natural resource company, \$105.06 shall be paid for each property of the issuer that is the subject of a report filed with the preliminary prospectus or pro forma prospectus.
 - (4) Any annual information form filed under Nova Scotia securities laws shall be accompanied by a fee of \$1259.69.
 - (5) Any pro forma or preliminary simplified prospectus and annual information form shall be accompanied by a fee of \$1259.69 per issuer.
 - (6) Any preliminary or pro forma simplified prospectus and annual information form where Nova Scotia is the principal regulator shall be accompanied by a fee of \$1731.43 per issuer.
9. If a preliminary prospectus or pro forma prospectus involves more than one class of securities or more than one type of unit offering, each additional class of securities or each type of unit offering shall be accompanied by an additional fee of \$315.18.
10. The annual financial statements filed by each issuer under Nova Scotia securities laws shall be accompanied by a fee of \$157.59 except that where the issuer has securities listed and posted for trading on a stock exchange in Canada, the fee is \$262.65.
11.
 - (1) Every amendment to a preliminary prospectus or pro forma prospectus shall be accompanied by a fee of \$105.06 per issuer and \$315.18 for each additional class or series of securities.

- (2) Where an amendment to a preliminary prospectus or pro forma prospectus is accompanied by a report upon a property or an amended financial statement, the amendment shall be accompanied by an additional fee of \$157.59 for each property and each financial statement reported upon.
12. Every prospecting syndicate agreement filed shall be accompanied by a fee of \$157.59.
13. Every notice to the Commission under subsection (2) of Section 25 of the Act shall be accompanied by a fee of \$52.53.
14. Every application to the Commission under Section 79 of the Act shall be accompanied by a fee of \$472.77.
15. Every application to the Commission or the Director under any provision of Nova Scotia securities laws or any policy statements issued pursuant to Section 19 of the Act not otherwise provided for in this Schedule shall be accompanied by a fee of \$367.71.
16. In addition to the fees payable under Sections 14 and 15, every application to the Commission on an expedited basis shall be accompanied by a fee of \$367.71.
17. Where a statement referred to in Section 147 of the Act is certified for a person or company by the Commission or a member of the Commission or the Director, the fee is \$52.53 plus \$1.03 per page photocopied where the statement includes photocopies of documents required to be made available for public inspection in the offices of the Director or the Commission.
18. Where a decision, document, record or thing is certified by the Commission, Director, Secretary or other authorized official thereof for a person or company, the fee is \$52.53 plus \$1.03 per page photocopied for the purpose of the certificate.
19. The fee for examining material required to be made available for public inspection is \$20.60 per search.
20. The fee for photocopying is \$1.03 per page in addition to the fee of \$20.60 for each search.
21. Every material change report and every report of exempt distribution filed under Nova Scotia securities laws shall be accompanied by a fee of \$25.75.
22. (1) Any share exchange take-over bid circular shall be accompanied by a fee of \$367.71.
- (2) Any amendment to a share exchange take-over bid circular shall be accompanied by a fee of \$105.06.
- (3) Any directors' circular filed in regard to a share exchange take-over bid shall be accompanied by a fee of \$105.06.

23. An offering document filed under the *Community Economic-Development Corporations Regulations* shall be accompanied by a fee of \$25.75.

Appendix A, Schedule 1 replaced: Rule 11-503 effective May 4, 2009

Schedule 2 – Prescribed fees and tariff of costs

1. For each hour during which the Director or any Deputy Director or any lawyer, investigator or accountant employed or engaged by the Commission is engaged in any investigation of an offence under Nova Scotia securities laws, including time spent in preparing for and attending any trial or hearing before the Commission, the sum of \$52.53 for each person so engaged.

Section 1 amended effective May 4, 2009: Rule 11-503

2. For each person appointed pursuant to Section 27, 29 or 29E of the Act, an amount equal to the amount paid by the Commission or the Minister for the investigation or examination not exceeding fees of \$2,000 for each day of the investigation or examination plus all charges for the costs of the investigation or examination.
3. For each expert appointed to assist in an investigation pursuant to Section 27 or 29 of the Act an amount equal to the amount paid by the Commission or the Minister to such expert not exceeding fees of \$1,000 for each day that the expert is so engaged plus all charges for the disbursement costs of the expert.

Schedule 2 added: O.I.C. 91-815, N.S. Reg. 157/91.