

## CSA Notice of Amendments to National Instrument 14-101 *Definitions* and Consequential Amendments

June 15, 2023

### PART 1 – Introduction

The Canadian Securities Administrators (**CSA** or **we**) are adopting amendments to:

- National Instrument 14-101 *Definitions* (**NI 14-101**);
- National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**);
- National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**);
- National Instrument 62-103 *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* (**NI 62-103**);
- National Instrument 94-102 *Derivatives: Customer Clearing and Protection of Customer Collateral and Positions* (**NI 94-102**)

(collectively, the **Initial Amendments**).

The CSA is also adopting amendments, and as applicable changes to:

- National Instrument 33-109 *Registration Information* (**NI 33-109**);
- Companion Policy 52-107CP *Acceptable Accounting Principles and Auditing Standards* (**52-107CP**);
- National Instrument 81-102 *Investment Funds* (**NI 81-102**)

(collectively, the **Additional Amendments**)

(the Initial Amendments and the Additional Amendments are collectively the **Amendments**)

In some jurisdictions, ministerial approvals are required for the adoption of the Amendments. Provided all necessary ministerial approvals are obtained, the Amendments will come into force on September 13, 2023 in all CSA jurisdictions. Annex J of this Notice provides information about each jurisdiction's approval process.

Annex I is being published in any local jurisdiction that is proposing related changes to local securities laws in that jurisdiction.

The text of the Amendments is published with this Notice in the following annexes:

- Annex A – Amendments to NI 14-101;
- Annex B – Amendments to NI 31-103;
- Annex C – Amendments to NI 33-109;

- Annex D – Amendments to NI 45-106;
- Annex E – Changes to 52-107 CP;
- Annex F – Amendments to NI 62-103;
- Annex G – Amendments to NI 81-102;
- Annex H – Amendments to NI 94-102;
- Annex I – Local Matters;
- Annex J – Adoption of the Amendments.

This Notice is also available on the following websites of CSA jurisdictions:

[www.bsc.bc.ca](http://www.bsc.bc.ca)  
[www.albertasecurities.com](http://www.albertasecurities.com)  
[www.fcaa.gov.sk.ca](http://www.fcaa.gov.sk.ca)  
[www.mbsecurities.ca](http://www.mbsecurities.ca)  
[www.osc.gov.on.ca](http://www.osc.gov.on.ca)  
[www.lautorite.qc.ca](http://www.lautorite.qc.ca)  
[www.fcnb.ca](http://www.fcnb.ca)  
[nssc.novascotia.ca](http://nssc.novascotia.ca)

## **PART 2 – Substance and Purpose**

The two central Amendments to NI 14-101 are:

- Canadian financial institution: The amendment to NI 14-101, and consequential amendments to other instruments, provide a uniform definition of “Canadian financial institution” that applies to all national and multilateral instruments. The consequential amendments also repeal existing definitions of the same expression contained in certain national instruments.
- Handbook: The amendment to NI 14-101 introduces a revised definition of “Handbook” to reflect the separate publications of the Chartered Professional Accountants of Canada (CPAC) that set out the Canadian accounting and assurance frameworks. The consequential amendments to other instruments replace the terms “CICA Handbook”, “CPA Canada Handbook”, “Canadian Institute of Chartered Accountants (the Handbook)” and “CICA Handbook – Assurance” with “Handbook” where those terms are in reference to the definition.

## **PART 3 – Background**

The Amendments to the definition of Canadian financial institution were initiated as a result of comments we received for the CSA project on proposed National Instrument 93-101 *Derivatives: Business Conduct (NI 93-101)*, which suggested that an update be made to the definition of “Canadian financial institution” used in proposed NI 93-101.

CSA staff studied this matter and concluded that the preferred approach would be to have a common definition in NI 14-101 of “Canadian financial institution” for all CSA instruments and to repeal definitions of that expression elsewhere in the national instruments.

The Amendments to the definition of “Handbook” were identified by CSA staff when the CPAC, formerly, the Canadian Institute of Chartered Accountants (**CICA**), separated the Handbook into two publications in 1999. However, the driving force for the change to the definition of “Handbook” occurred when the CICA became the CPAC in 2013, at which time it was determined that these amendments would be published for comment when other amendments to NI 14-101 were published. CSA staff determined that it is appropriate to publish the amendments to the definition of “Handbook” concurrently with the amendments to the definition of “Canadian financial institution.”

## **PART 4 – Summary of the Amendments**

### NI 14-101 (Annex A)

The amendments to the definition of “Canadian financial institution” are as follows:

- The revised definition of “Canadian financial institution” does not include a foreign bank listed in Schedule III to the *Bank Act* (Canada) (**Schedule III Bank**). Prior to this revision, the definition of “Canadian financial institution” in NI 14-101 included a “bank”, but “bank” is not defined. CSA staff determined that the definition of “Canadian financial institution” should be revised to specifically indicate that the only banks included are those listed in Schedule I and II to the *Bank Act* (Canada). Schedule III Banks are not included in the revised definition, as it would be counterintuitive to include a foreign bank as a “Canadian financial institution.”
- The revised definition includes, from the current definition of “Canadian financial institution” in NI 45-106 (which definition is being repealed as part of the Amendments) an association to which the *Cooperative Credit Associations Act* (Canada) applies, but does not include a reference to subsection 473(1) of that Act because that subsection has been repealed.
- The revised definition retains a reference to a credit union and a caisse populaire and adds a reference to a central credit union, financial services cooperative, credit union league or federation that is incorporated or otherwise authorized to carry on business by or under an Act of the legislature of a jurisdiction to ensure that the definition includes all relevant references.
- The revised definition does not refer to “the Confédération des caisses populaires et d’économie Desjardins de Québec”, as this organization is now included in the revised definition because of that definition’s references to a credit union league and a caisse populaire.

The revised definition of “Handbook” reflects that the CPAC have separate publications dealing with accounting and assurance.

### Consequential Amendments (Annexes B, D and H)

Each of these annexes includes the repeal of definitions of “Canadian financial institution” from the national instruments referenced in the annexes. These definitions are no longer required in those national instruments, as the definition of that expression in NI 14-101 will apply to these national instruments.

### Consequential Amendment (Annex F)

CSA staff determined that, in order to maintain the status quo for the application of the early warning requirements, an amendment was required to NI 62-103 to specifically include Schedule III Banks in the definition of “financial institution” given the exclusion of Schedule III Banks from the amended definition of “Canadian financial institution” in NI 14-101.

### Consequential (Annexes B and D)

The following are consequential amendments to NI 31-103 and NI 45-106:

- References to “financial intermediary” in NI 31-103 and NI 45-106 are being removed since that expression is narrower than “Canadian financial institution” and thus not necessary.
- The definition of “bank” in NI 45-106 is being removed since it is not necessary in light of the exclusion of Schedule III Banks from the amended definition of “Canadian financial institution” in NI 14-101.

### Consequential Amendments (Annexes B, C, E and G)

Subsequent to the Initial Amendments being published for comment, CSA staff determined that the following Additional Amendments, all of which are technical in nature, are required to be made to NI 31-103, 33-109F6, 52-107CP and NI 81-102:

- Reference to “CICA Handbook” in NI 31-103 is being replaced with “Handbook”.
- Reference to “CPA Canada Handbook” in NI 33-109 is being replaced with “Handbook”.
- Reference to “Handbook of the Canadian Institute of Chartered Accountants (the Handbook)” in 52-107CP is being replaced with “Handbook”.
- Reference to “CICA Handbook – Assurance” in NI 81-102 is being replaced with “Handbook”.

The terms mentioned above are in reference to the definition of “Handbook” and therefore the new definition of “Handbook” in NI 14-101 will apply in place of these terms.

## **PART 5- Comments and Changes**

We published the proposed Initial Amendments for comment on April 22, 2021 for a 90-day comment period. We received no comment letters on the proposed Initial Amendments.

We have made a few changes to the proposed Amendments, of which, the notable changes are summarized below:

- We have added subsection 1.1(1) (d) to NI 62-103 to ensure that the reference to a Schedule III bank in this national instrument reflects the reference to a Schedule III bank in other national instruments.

- We have made consequential amendments to NI 31-103, Form 33-109F6, 52-107CP and NI 81-102, so that the terms “CICA Handbook”, “CPA Canada Handbook”, “Handbook of the Canadian Institute of Chartered Accountants (the Handbook)” and “CICA Handbook – Assurance” in these instruments match the revised definition of “Handbook” in NI 14-101.
- We have amended subsection 1.1(3) of NI 14-101, and in particular, the meaning of a “trust, loan or insurance corporation” in subsection (e) of “Canadian financial institution” by deleting the word “incorporated” and reverting to the current “authorized to carry on business” wording in NI 14-101.

In addition to the changes summarized above, the Amendments also include technical drafting changes. Since the above-noted changes are not material, most jurisdictions are not publishing the changes for a further comment period.

In addition to changes to the proposed Amendments, consequential amendments will also be made to Québec’s *Regulation 91-507 respecting Trade Repositories and Derivatives Data Reporting* and Manitoba’s *Rule 91-507 Trade Repositories and Derivatives Data Reporting* (together **Local Instrument 91-507**). CSA staff determined that, in order to maintain the status quo for the data reporting requirements, an amendment (**Local Amendment**) was required to section 25 of Rule 91-507 to specifically include a reference to Schedule III Banks given the exclusion of Schedule III Banks from the amended definition of “Canadian financial institution” in NI 14-101. A 30-day consultation period regarding the Local Amendments will be conducted in Québec and Manitoba, commencing on the same date as the final publication of the Amendments. The Local Amendments will come into force on the same day as the Amendments, namely September 13, 2023.

## **PART 6– Local Matters**

Annex I is being published in any local jurisdiction that is making related changes to local securities law, including local notices or other policy instruments in that jurisdiction. It also includes any additional information that is relevant to that jurisdiction only.

## **PART 7– Questions**

If you have any questions, please contact any of the CSA staff listed below.

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## ANNEX A

### Amendments to National Instrument 14-101 *Definitions*

1. *National Instrument 14-101 Definitions is amended by this Instrument.*

2. *Subsection 1.1(3) is amended by*

*(a) replacing the definition of “Canadian financial institution” with the following:*

“Canadian financial institution” means

- (a) a bank listed in Schedule I or II to the *Bank Act* (Canada),
- (b) a body corporate, as defined in the *Trust and Loan Companies Act* (Canada) and to which that Act applies,
- (c) an association, as defined in the *Cooperative Credit Associations Act* (Canada) and to which that Act applies,
- (d) an insurance company or a fraternal benefit society incorporated or formed under the *Insurance Companies Act* (Canada),
- (e) a trust, loan or insurance corporation authorized to carry on business by or under an Act of the legislature of a jurisdiction of Canada,
- (f) a credit union, central credit union, caisse populaire, financial services cooperative or credit union league or federation that is incorporated or otherwise authorized to carry on business by or under an Act of the legislature of a jurisdiction of Canada, or
- (g) a treasury branch established by or under an Act of the legislature of a jurisdiction of Canada, *and*

*(b) replacing the definition of “Handbook” with the following:*

“Handbook” means

- (a) the Chartered Professional Accountants of Canada Handbook - Accounting, as amended from time to time, and
- (b) the Chartered Professional Accountants of Canada Handbook - Assurance, as amended from time to time;

3. This Instrument comes into force on September 13, 2023.

**ANNEX B**

***Amendments to National Instrument 31-103 Registration Requirements,  
Exemptions and Ongoing Registrant Obligations***

1. *National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations is amended by this Instrument.*
2. *Section 1.1 is amended by repealing the definition of “Canadian financial institution”.*
3. *Subparagraph 8.19(2)(a)(iii) is repealed.*
4. *Form 31-103F1 is amended by replacing, in the notes pertaining to line 5, “CICA Handbook” with “Handbook”.*
5. This Instrument comes into force on September 13, 2023.



**ANNEX C**

**Amendments to National Instrument 33-109 *Registration Information***

- 1. *National Instrument 33-109 Registration Information is amended by this Instrument.***
- 2. *Schedule C to Form 33-109F6 is amended by replacing, in the notes pertaining to line 5, “CPA Canada Handbook” with “Handbook”.***
- 3. This Instrument comes into force on September 13, 2023.**

**ANNEX D**

**Amendments to National Instrument 45-106 *Prospectus Exemptions***

1. *National Instrument 45-106 Prospectus Exemptions is amended by this Instrument.*
2. *Section 1.1 is amended by repealing the definitions of “bank” and “Canadian financial institution”.*
3. *Paragraph 2.43(a) is amended by*
  - (a) adding “or” at the end of subparagraph (i),*
  - (b) replacing “or,” at the end of subparagraph (ii) with “and”, and*
  - (c) repealing subparagraph (iii).*
4. This Instrument comes into force on September 13, 2023.

**ANNEX E**

**Changes to Companion Policy 52-107CP**  
***Acceptable Accounting Principles and Auditing Standards***

1. ***Companion Policy 52-107CP Acceptable Accounting Principles and Auditing Standards is changed by this Document.***
2. ***Section 1.1 is changed by replacing “Handbook of the Canadian Institute of Chartered Accountants (the Handbook)” with “Handbook”.***
3. These changes become effective on September 13, 2023.

**ANNEX F**

**Amendment to National Instrument 62-103 *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues***

- 1. *National Instrument 62-103 The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* is amended by this Instrument.**
- 2. *Subsection 1.1(1)* is amended in the definition of “financial institution” by**
  - (a) *deleting “or” at the end of paragraph (b),***
  - (b) *replacing “Northern Ireland;” with “Northern Ireland, or”, in paragraph (c), and***
  - (c) *adding the following paragraph:***
    - (d) *an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);.***
- 3. This Instrument comes into force on September 13, 2023.**

**ANNEX G**

**Amendments to National Instrument 81-102 *Investment Funds***

1. *National Instrument 81-102 Investment Funds is amended by this Instrument.*
2. *Appendices B-1, B-2 and B-3 are amended by replacing, wherever it appears, “CICA Handbook – Assurance” with “Handbook”.*
3. This Instrument comes into force on September 13, 2023.

**ANNEX H**

**Amendment to National Instrument 94-102 *Derivatives: Customer Clearing and Protection of Customer Collateral and Positions***

1. *National Instrument 94-102 Derivatives: Customer Clearing and Protection of Customer Collateral and Positions is amended by this Instrument.*
2. *Section 1(1) is amended by repealing the definition of “Canadian financial institution”.*
3. This Instrument comes into force on September 13, 2023.

## ANNEX I

### Ontario Local Matters

The main body of this Notice provides an overview of the substance and purpose, as well as a summary, of the Amendments. When the proposed Amendments were published for comment, the OSC also sought public comments on related proposed local amendments to Ontario Securities Commission Rule 14-501 *Definitions* and Ontario Securities Commission Rule 45-501 *Ontario Prospectus and Registration Exemptions* (**OSC Rule 45-501**). No comments were received, and no changes have been made to the proposed local amendments.

The amendments now being made in Schedule 1 of this Annex repeal related local definitions that are not used in the regulations. The amendments in Schedule 2 of this Annex repeal the definition of "Canadian financial institution" in OSC Rule 45-501 as it is no longer necessary in light of the revised definition of "Canadian financial institution" in NI 14-101.

#### Schedule 1

##### **Amendments to Ontario Securities Commission Rule 14-501 *Definitions***

- 1. Ontario Securities Commission Rule 14-501 Definitions is amended by this Instrument.***
- 2. The definitions of “financial intermediary” and “Ontario financial institution” in subsection 1.1(2) are repealed.***
- 3. This Instrument comes into force on September 13, 2023.***

#### Schedule 2

##### **Amendments to Ontario Securities Commission Rule 45-501 *Ontario Prospectus and Registration Exemptions***

- 1. Ontario Securities Commission Rule 45-501 Ontario Prospectus and Registration Exemptions is amended by this Instrument.***
- 2. The definition of “Canadian financial institution” is repealed.***
- 3. This Instrument comes into force on September 13, 2023.***

## ANNEX I

### Alberta Local Amendments

1. *Alberta Securities Commission Rule 15-501 Rules of Practice and Procedure for Commission Proceedings is amended by this Instrument.*
2. *Paragraph 1.1(c.1) is amended by replacing the definition of “Canadian financial institution” with the following:*
  - (c.1) **“Canadian financial institution”** means
    - (i) a bank listed in Schedule I or II to the *Bank Act* (Canada);
    - (ii) a body corporate to which the *Trust and Loan Companies Act* (Canada) applies;
    - (iii) an association to which the *Cooperative Credit Associations Act* (Canada) applies;
    - (iv) an insurance company or a fraternal benefit society incorporated or formed under the *Insurance Companies Act* (Canada);
    - (v) a trust, loan or insurance corporation incorporated by or under an Act of the legislature of a jurisdiction;
    - (vi) a credit union, central credit union, caisse populaire, financial services cooperative or credit union league or federation that is authorized to carry on business by or under an Act of the legislature of a jurisdiction; or
    - (vii) a treasury branch established and regulated by or under an Act of the legislature of a jurisdiction;.
3. This Instrument comes into force on September 13, 2023.



## ANNEX I

### Québec Local Amendments

In Québec, subject to Ministerial approval, the *Securities Regulation* (chapter V-1.1, r. 50) will be amended as follows:

1. *The Securities Regulation, chapter V-1.1, r.50, is amended by this Instrument.*
2. *Schedule VII is amended by replacing, in paragraph 4 of Part I, “CICA Handbook” with “Handbook”.*
3. This Instrument comes into force on September 13, 2023.

We are also publishing, for a 30-day comment period, consequential amendments to *Regulation 91-507 respecting Trade Repositories and Derivatives Data Reporting* (chapter I-14.01, r. 1.1). These amendments are intended to specifically include Schedule III Banks to maintain the status quo given the new definition of “Canadian financial institution” in *Regulation 14-101 respecting Definitions* (chapter V-1.1, r.3).

A regulation of the Autorité des marchés financiers (the “Authority”) must be submitted to the Minister of Finance for approval, with or without modification, at the end of a period of 30 days from its publication in the Bulletin of the Authority.

## ANNEX I

### British Columbia Local Amendments

#### Schedule 1

1. *The Securities Rules, B.C. Reg. 194/97, is amended by this Instrument.*
2. *Section 1(1) is amended by replacing the definition of “Handbook” with the following:*

**“Handbook”** means

- (a) the Chartered Professional Accountants of Canada Handbook - Accounting, as amended from time to time, and
  - (b) the Chartered Professional Accountants of Canada Handbook - Assurance, as amended from time to time;
3. This Instrument comes into force on September 13, 2023.

#### Schedule 2

BC Instrument 45-512 *Real Estate Securities* (BCI 45-512) includes a reference to the CICA Handbook. As BCI 45-512 is not a rule, but is an order providing a blanket exemption, we expect the Commission will issue an updated version of BCI 45-512 in which the reference to the CICA Handbook will be replaced with a reference to the CPA Canada Handbook, effective when the amendments to NI 14-101 come into force.

**ANNEX I**

**British Columbia Securities Commission**

BC Instrument 45-512 *Real Estate Securities*

The British Columbia Securities Commission, considering that to do so would not be prejudicial to the public interest, varies BC Instrument 45-512 *Real Estate Securities*, effective September 13, 2023, by replacing the reference to CICA Handbook in section 3(1)(c) with a reference to Handbook, so that the instrument reads as attached.

## ANNEX J

### ADOPTION OF THE INSTRUMENTS

The Amendments are being implemented as:

- a rule in each of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island and Yukon
- a regulation in Québec
- a commission regulation in Saskatchewan

In Ontario, the Amendments, as well as other required materials, were delivered to the Minister of Finance on or about June 15, 2023. The Minister may approve or reject the Amendments or return them for further consideration. If the Minister approves the Amendments or does not take any further action, the Amendments will come into force on September 13, 2023.

In Québec, the Amendments are adopted as regulations made under section 331.1 of the *Securities Act* (Québec) and must be approved, with or without amendment, by the Minister of Finance. The regulations will come into force on the date of their publication in the *Gazette officielle du Québec* or on any later date specified in the regulations. They are also published in the Bulletin of the Autorité des marchés financiers.

In British Columbia and Nova Scotia, the adoption of the Amendments is subject to ministerial approval. If all necessary approvals are obtained, the Amendments will come into force on September 13, 2023.

In Saskatchewan, the implementation of the Amendments is subject to ministerial approval. If all necessary approvals are obtained, the Amendments will come into force on September 13, 2023 or, if all necessary approvals are obtained after September 13, 2023, on the day on which they are filed with the Registrar of Regulations.