

**Nova Scotia Securities Commission**

**Rule 11-102 (Amendment)**  
***Passport System***

**- and-**

**Amendments to Multilateral Instrument 11-102**  
***Passport System***

**- and-**

**Changes to Companion Policy 11-102CP *Passport System***

**- and-**

**National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications***

**WHEREAS:**

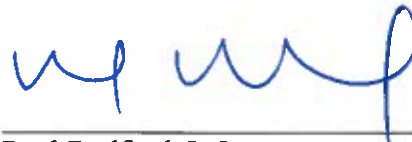
1. Pursuant to section 150 of the *Securities Act*, R.S.N.S. 1989, chapter 418, as amended (the Act), the Nova Scotia Securities Commission (the Commission) has power to make rules subject to compliance with the requirements of the Act;
2. Pursuant to section 19 of the Act, the Commission has power to issue and publish policy statements;
3. Amendments to Multilateral Instrument 11-102 *Passport System* (the Rule), a copy of which is attached hereto, has been made a rule by one or more of the Canadian securities regulatory authorities;
4. Changes to Companion Policy 11-102CP *Passport System* and National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* (the Policies), copies of which are attached hereto, have been issued by one or more of the Canadian securities regulatory authorities;
5. The Commission is of the opinion that the attainment of the purpose of the Act is advanced by this Instrument.

**NOW THEREFORE the Commission hereby:**

- (a) pursuant to the authority contained in section 150 of the Act and subject to compliance with the requirements of section 150A of the Act, approves the Rule and makes the same a rule of the Commission;

- (b) pursuant to the authority contained in section 19 of the Act and subject to publication on the Commission's website, issues the Policies as policy statements of the Commission; and
- (c) declares that the Rule approved and made pursuant to clause (a) and the Policies issued pursuant to clause (b) shall take effect on **June 23, 2016**, unless the Minister disapproves the rule or returns it to the Commission in accordance with subsection 150A(3) of the Act in which event the rule and the policy statement shall not become effective until the rule is approved by the Minister.

IN WITNESS WHEREOF this Instrument has been signed by the Chair of the Commission, being the member of the Commission prescribed by the Chair pursuant to subsection 15(3) of the Act to attend the hearing of this matter and the quorum with respect to this matter, on the 11<sup>th</sup> day of March, 2016.



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Paul Radford Q.C.,  
Chair

Attachments

**Amendments to  
Multilateral Instrument 11-102 *Passport System***

- 1. *Multilateral Instrument 11-102 Passport System is amended by this Instrument.***
- 2. *Section 1.1 is amended by replacing the definition of “principal regulator” with the following:***

“principal regulator” means, for a person or company, the securities regulatory authority or regulator determined in accordance with Part 3, 4, 4A, 4B or 4C, as applicable;.

- 3. *The Instrument is amended by adding the following Part:***

**PART 4C APPLICATION TO CEASE TO BE A REPORTING ISSUER**

**4C.1 Specified jurisdiction**

For the purposes of this Part, the specified jurisdictions are British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia.

**4C.2 Principal regulator – general**

Subject to section 4C.3 and 4C.4, the principal regulator for an application to cease to be a reporting issuer is,

- (a) for an application made with respect to an investment fund, the securities regulatory authority or regulator of the jurisdiction in which the investment fund manager’s head office is located, or
- (b) for an application made with respect to an issuer other than an investment fund, the securities regulatory authority or regulator of the jurisdiction in which the issuer’s head office is located.

**4C.3 Principal regulator – head office not in a specified jurisdiction**

Subject to section 4C.4, if the jurisdiction identified under section 4C.2 is not a specified jurisdiction, the principal regulator for the application is the securities regulatory authority or regulator of the specified jurisdiction with which the issuer or, in the case of an investment fund, the investment fund manager, has the most significant connection.

#### **4C.4 Discretionary change of principal regulator**

If a filer receives written notice from a securities regulatory authority or regulator that specifies a principal regulator for the application, the securities regulatory authority or regulator specified in the notice is the principal regulator for the application.

#### **4C.5 Deemed to cease to be a reporting issuer**

- (1) If an application to cease to be a reporting issuer is made by a reporting issuer in the principal jurisdiction, the reporting issuer is deemed to cease to be a reporting issuer in the local jurisdiction if
  - (a) the local jurisdiction is not the principal jurisdiction for the application,
  - (b) the principal regulator for the application granted the order and the order is in effect,
  - (c) the reporting issuer gives notice to the securities regulatory authority or regulator that this subsection is intended to be relied upon for the issuer to be deemed to cease to be a reporting issuer in the local jurisdiction, and
  - (d) the reporting issuer complies with any terms, conditions, restrictions or requirements imposed by the principal regulator as if they were imposed in the local jurisdiction.
- (2) For the purpose of paragraph (1)(c), the reporting issuer may give the notice referred to in that paragraph by giving it to the principal regulator..

4. This Instrument comes into force on June 23, 2016.

*This Annex shows, by way of blackline, changes to Companion Policy 11-102CP Passport System.*

## **Changes to Companion Policy 11-102CP Passport System**

### **PART 1 GENERAL**

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- 1.2 Additional definitions
- 1.3 Purpose
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- 4B.1 Application
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### **PART 4C APPLICATION TO CEASE TO BE A REPORTING ISSUER**

- 4C.1 Application
- 4C.2 Principal regulator for application to cease to be a reporting issuer

<u>4C.3</u>	<u>Discretionary change of principal regulator</u>
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**PART 5      EFFECTIVE DATE**

5.1          Effective date

**Appendix A**

CD requirements under MI 11-101

**Companion Policy 11-102CP**  
***Passport System***

**PART 1      GENERAL**

**1.1      Definitions**

In this Policy,

“CP 33-109” means Companion Policy 33-109CP *Registration Information*;

“domestic firm” means a firm whose head office is in Canada;

“domestic individual” means an individual whose working office is in Canada;

“MI 11-101” means Multilateral Instrument 11-101 *Principal Regulator System*;

“non-principal jurisdiction” means, for a person or company, a jurisdiction other than the principal jurisdiction;

“non-principal regulator” means, for a person or company, the securities regulatory authority or regulator of a jurisdiction other than the principal jurisdiction;

“NP 11-202” means National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions*;

“NP 11-203” means National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions*;

“NP 11-204” means National Policy 11-204 *Process for Registration in Multiple Jurisdictions*;

“NP 11-205” means National Policy 11-205 *Process for Designation of Credit Rating Organizations in Multiple Jurisdictions*;

“NP 11-206” means National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications*;

“NRD” has the same meaning as in NI 31-102;

“NRD format” has the same meaning as in NI 31-102;

“SRO” means a self-regulatory organization; and

“T&C” means a term, condition, restriction or requirement imposed by a securities regulatory authority or regulator on the registration of a firm or an individual.

## 1.2 Additional definitions

~~Terms~~ A term used in this policy and that ~~are~~ is defined in NP 11-202, NP 11-203, NP 11-204, NP 11-205 and NP 11-206 ~~has the same meanings~~ meaning as in those national policies.

## 1.3 Purpose

(1) **General** – Multilateral Instrument 11-102 *Passport System* (the Instrument) and this policy implement the passport system contemplated by the Provincial/Territorial Memorandum of Understanding Regarding Securities Regulation.

The Instrument gives each market participant a single window of access to the capital markets in multiple jurisdictions. It enables a person or company to deal only with its principal regulator to

- get deemed receipts in other jurisdictions (except Ontario) for a preliminary prospectus and prospectus,
- obtain automatic exemptions in other jurisdictions (except Ontario) equivalent to most types of discretionary exemptions granted by the principal regulator, ~~or~~
- register automatically in other jurisdictions (except Ontario). ~~).~~
- ~~The Instrument also enables~~ if the person or company is a credit rating organization to obtain a deemed designation as a designated rating organization in other jurisdictions (except in Ontario). ~~).~~
- be deemed to have ceased to be a reporting issuer in other jurisdictions (except in Ontario).

(2) **Process** – NP 11-202, NP 11-203, NP 11-204, NP 11-205 and ~~NP 11-205-206~~ set out the processes for a market participant in any jurisdiction to obtain a deemed prospectus receipt, an automatic exemption, an automatic registration ~~or~~, a deemed designation as a designated rating organization, or to be deemed to cease to be a reporting issuer in a passport jurisdiction. These policies also set out processes for a market participant in a passport jurisdiction to get a prospectus receipt ~~or~~, a discretionary exemption or an order to cease to be a reporting issuer from the OSC or to register in Ontario or to obtain designation as a designated rating organization in Ontario.

NP 11-203 also sets out the process for seeking exemptive relief in multiple jurisdictions that falls outside the scope of the Instrument. NP 11-203 applies to a broad range of exemptive relief applications, not just discretionary exemption applications from the provisions listed in Appendix D of the Instrument. For example, NP 11-203 applies to an application to be designated a reporting issuer, a mutual fund, a non-redeemable investment fund or an insider. However, it does not apply to an application to be designated as a designated rating organization, specifically covered in NP 11-205, ~~It also applies~~ or to an application for an order to cease to be



~~a discretionary exemption from a provision not listed~~reporting issuer, specifically covered in Appendix D of the Instrument NP 11-206.

Please refer to NP 11-202, NP 11-203, NP 11-204, NP 11-205 and NP 11-206 for more details on these processes.

**(3) Interpretation of the Instrument** – As with all national or multilateral instruments, you should read the Instrument from the perspective of the local jurisdiction~~in which you seek a deemed prospectus receipt, an automatic exemption or registration or a deemed designation as a designated rating organization.~~ For example, if the Instrument does not specify where you file a document, it means that you must file it in the local jurisdiction. In this policy, we generally use the term ‘non-principal jurisdiction’ instead of ‘local jurisdiction’.

To get a deemed receipt for a prospectus in the non-principal jurisdiction, a filer must file the prospectus in the jurisdiction through SEDAR. Similarly, to get an automatic exemption based on a discretionary exemption granted in the principal jurisdiction, a filer must give notice under section 4.7(1)(c) of the Instrument to the securities regulatory authority or regulator in the non-principal jurisdiction. Under section 4.7(2) of the Instrument, a filer can satisfy the latter requirement by giving notice to the principal regulator instead of the securities regulatory authority or regulator in the non-principal jurisdiction.

To register in the non-principal jurisdiction, a firm or individual must make the required submission in the non-principal jurisdiction. To streamline the process, section 4A.3(3) of the Instrument allows a firm to make its submission to the principal regulator instead of the non-principal regulator. Submissions for individuals are made through NRD. If the principal regulator imposes a T&C on a firm’s or individual’s registration, or suspends, terminates or accepts the surrender of registration of the firm or individual, that decision applies automatically in the non-principal jurisdiction, whether or not the firm or individual registered in the non-principal jurisdiction under the Instrument.

To obtain a deemed designation as a designated rating organization ~~in another~~the non-principal jurisdiction, a credit rating organization must give notice under section 4B.6(1)(c) of the Instrument to the securities regulatory authority or regulator in the non-principal jurisdiction. Under section 4B.6(2) of the Instrument, a credit rating organization can satisfy the latter requirement by giving notice to the principal regulator instead of the securities regulatory authority or regulator in the non-principal jurisdiction.

To be deemed to cease to be a reporting issuer in the non-principal jurisdiction, an issuer must give notice under section 4C.5(1)(c) of the Instrument to the securities regulatory authority or regulator in the non-principal jurisdiction. Under section 4C.5(2) of the Instrument, the issuer can satisfy this requirement by giving notice to the principal regulator instead of the securities regulatory authority or regulator in the non-principal jurisdiction.

**(4) Operation of law** – The provisions of the Instrument on prospectus receipt, discretionary exemptions, registration ~~and~~, designation as a designated rating organization and applications for an order to cease to be a reporting issuer produce automatic legal outcomes in the non-principal

jurisdiction that result from a decision made by the principal regulator. The effect is to make the law of the non-principal jurisdiction apply to a market participant as if the non-principal regulator had made the same decision as the principal regulator.

(5) **Applicable requirements** – A market participant must comply with the law of each jurisdiction in which it files a prospectus, is a reporting issuer, seeks registration, is registered or seeks designation as a designated rating organization.

- Most prospectus, continuous disclosure, registration requirements and requirements relating to designated rating organizations are harmonized and are in rules or regulations commonly referred to as ‘national instruments’. The securities regulatory authorities and regulators intend to interpret and apply the harmonized requirements in national instruments in a consistent way, and we have put practices and procedures in place to achieve this objective.
- Some jurisdictions have non-harmonized requirements in Securities Acts or local rules or regulations. In addition, some national instruments contain requirements or carve-outs for specific jurisdictions, which are apparent on the face of the instruments.
- Registrants will be subject to a few non-harmonized requirements. Section 4A.5 contains a description of these requirements.

(6) **Ontario** – The OSC has not adopted the Instrument, but the Instrument provides that the OSC can be a principal regulator for purposes of a prospectus filing under Part 3, a discretionary exemption application under Part 4, registration under Part 4A, ~~or an application for designation as a designated rating organization under Part 4B~~ and an application for an order to cease to be a reporting issuer under Part 4C. Consequently, Ontario market participants have direct access to passport as follows:

- When the OSC issues a receipt for a prospectus to an issuer whose principal jurisdiction is Ontario, a deemed receipt is automatically issued in each passport jurisdiction where the market participant filed the prospectus under the Instrument.
- When the OSC grants a discretionary exemption to a market participant whose principal jurisdiction is Ontario, the person obtains an automatic exemption from the equivalent provision of securities legislation of each passport jurisdiction for which the person gives the notice described in section 4.7(1)(c) of the Instrument.
- A firm or individual whose principal jurisdiction is Ontario and who is registered in a category in Ontario is automatically registered in the same category in a passport jurisdiction when the firm or individual makes the required submission under the Instrument.
- When the OSC designates a credit rating organization as a designated rating organization, the credit rating organization obtains a deemed designation in each passport jurisdiction for which the credit rating organization gives the notice described in section 4B.6(1)(c) of the Instrument.

- When the OSC issues an order to cease to be a reporting issuer to an issuer whose principal jurisdiction is Ontario, the issuer is deemed to cease to be a reporting issuer in each passport jurisdiction for which the issuer gives the notice described in section 4C.5(1)(c) of the Instrument.

#### **1.4 Language of documents – Québec**

The Instrument does not relieve issuers filing in Québec from the linguistic obligations prescribed by Québec law, including the specific obligations in the Québec *Securities Act* (e.g. section 40.1). For example, where a prospectus is filed in several jurisdictions including Québec, the prospectus must be in French or in French and English.

#### **PART 2 [REPEALED]**

#### **PART 3 PROSPECTUS**

##### **3.1 Principal regulator for prospectus**

For a prospectus filing subject to Part 3 of the Instrument, the principal regulator is the principal regulator identified under section 3.1 of the Instrument. Under this section, the principal regulator must be the securities regulatory authority or regulator in a specified jurisdiction. Section 3.1(1) of the Instrument specifies the following jurisdictions for purposes of that section: British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia.

Section 3.4 of NP 11-202 gives guidance on how to identify the principal regulator for a prospectus filing subject to Part 3 of the Instrument.

##### **3.2 Discretionary change in principal regulator for prospectus**

Section 3.2 of the Instrument permits the securities regulatory authority or regulator to change the principal regulator for a prospectus filing subject to Part 3 of the Instrument on its own motion or on application. Section 3.5 of NP 11-202 gives guidance on the process for, and considerations leading to, a discretionary change in principal regulator for a prospectus filing subject to Part 3 of the Instrument.

##### **3.3 Deemed issuance of receipt**

Section 3.3 of the Instrument deems a receipt to be issued for a preliminary prospectus or prospectus in the non-principal jurisdiction if certain conditions are met. A deemed receipt in the non-principal jurisdiction has the same legal effect as a receipt issued in the principal jurisdiction.

To rely on section 3.3 of the Instrument in the non-principal jurisdiction, a filer must file on SEDAR the preliminary prospectus or the pro forma prospectus, and the prospectus, in both the

non-principal jurisdiction and the principal jurisdiction. When filing, the filer must also indicate that it is filing the preliminary prospectus or pro forma prospectus under the Instrument. Under the law of the non-principal jurisdiction, these filings trigger the obligation to file supporting documents (e.g., consents and material contracts) and to pay required fees.

NP 11-202 sets out the process for making a waiver application for a prospectus filing subject to Part 3 of the Instrument.

If the principal regulator refuses to issue a receipt for a prospectus, it will notify the filer and the non-principal regulators by sending a refusal letter through SEDAR. In these circumstances, the Instrument will no longer apply to the filing and the filer may deal separately with the local securities regulatory authority or regulator in any non-principal jurisdiction in which the prospectus was filed to determine if the local securities regulatory authority or regulator would issue a local receipt.

### **3.4 [REPEALED]**

### **3.5 Transition for section 3.3**

Section 3.3 of the Instrument applies to a preliminary prospectus or pro forma prospectus and their related prospectus, and to an amendment to a prospectus, filed on or after March 17, 2008.

Section 3.5(1) of the Instrument removes the deemed receipt that would otherwise be available in the non-principal jurisdiction under section 3.3 of the Instrument if a preliminary prospectus amendment is filed after March 17, 2008 and the related preliminary prospectus was filed before March 17, 2008.

Section 3.5(2) provides an exemption from the requirement in section 3.3(2)(b) of the Instrument to indicate on SEDAR, at the time of filing the preliminary prospectus or pro forma prospectus, that the preliminary prospectus or pro forma prospectus is filed under Instrument. This means there is a deemed receipt in the non-principal jurisdiction for a prospectus amendment if the related preliminary prospectus or pro forma prospectus was filed before March 17, 2008 and the filer indicated on SEDAR that it filed the amendment under the Instrument at the time of filing the amendment.

## **PART 4 DISCRETIONARY EXEMPTIONS**

### **4.1 Application**

Part 4 of the Instrument applies to an application for a discretionary exemption from a provision listed in Appendix D of the Instrument. Part 4 does not apply to a discretionary exemption application from a provision not listed in Appendix D of the Instrument or to other types of exemptive relief applications. For example, Part 4 does not apply to an application to designate a person to be a reporting issuer, mutual fund, non-redeemable investment fund or insider.

## **4.2 Principal regulator for discretionary exemption applications**

For purposes of a discretionary exemption application under Part 4 of the Instrument, the principal regulator is the principal regulator identified under sections 4.1 to 4.5 of the Instrument. Except under section 4.4.1, the principal regulator must be the securities regulatory authority or regulator in a specified jurisdiction. Section 4.1 of the Instrument specifies the following jurisdictions for this purpose: British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia.

Section 4.4.1 of the Instrument provides that the principal regulator for an application for exemption from a requirement in Parts 3 and 12 of NI 31-103 and Part 2 of NI 33-109 made in connection with an application for registration in the principal jurisdiction is the principal regulator as determined under section 4A.1 of the Instrument. The securities regulatory authority or regulator of each jurisdiction may be a principal regulator under section 4A.1 of the Instrument.

Section 3.6 of NP 11-203 gives guidance on how to identify the principal regulator for a discretionary exemption application under Part 4 of the Instrument.

## **4.3 Discretionary change of principal regulator for discretionary exemption applications**

Section 4.6 of the Instrument permits the securities regulatory authority or regulator to change the principal regulator for a discretionary exemption application under Part 4 of the Instrument on its own motion or on application. Section 3.7 of NP 11-203 gives guidance on the process for, and considerations leading to, a discretionary change in principal regulator for a discretionary exemption application under Part 4 of the Instrument.

## **4.4 Passport application of discretionary exemptions**

Section 4.7(1) of the Instrument exempts a person or company from an equivalent provision of securities legislation in the non-principal jurisdiction if the principal regulator for the application grants the discretionary exemption, the filer gives the notice required under paragraph (c) of that section and other conditions are met. The equivalent provisions from which an automatic exemption is available under section 4.7(1) of the Instrument are set out in Appendix D of the Instrument.

If the principal regulator revokes or cancels the discretionary exemption or it expires under a sunset clause, the exemption in section 4.7 is no longer available in the non-principal jurisdiction.

A discretionary exemption under section 4.7(1) of the Instrument is available in the passport jurisdictions for which the filer gives the required notice when filing the application. However, the discretionary exemption can become available later in other passport jurisdictions if the circumstances warrant. For example, if a reporting issuer obtains a discretionary exemption from a national continuous disclosure requirement in its principal jurisdiction and an automatic

exemption under section 4.7(1) in three non-principal jurisdictions in 2008 and the issuer becomes a reporting issuer in a fourth non-principal jurisdiction in 2009, the issuer could obtain an automatic exemption in the new jurisdiction. To obtain the automatic exemption in the new jurisdiction, the issuer would have to give the notice referred to in section 4.7(1)(c) of the Instrument in respect of that jurisdiction and meet the other condition of the exemption.

Under section 4.7(2) of the Instrument the filer may give the required notice to the principal regulator instead of the non-principal regulator.

A filer should identify in the application all the exemptions required and give notice for all the jurisdictions in which section 4.7(1) of the Instrument is intended to be relied upon. If an exemption is required in a non-principal jurisdiction when the filer files the application, but the filer does not give the required notice for that jurisdiction until after the principal regulator grants the exemption, the securities regulatory authority or regulator of the non-principal jurisdiction will take appropriate action. This could include removing the exemption, in which case the filer may have an opportunity to be heard in that jurisdiction in appropriate circumstances.

A principal regulator's decision to vary a decision the principal regulator previously made to exempt a person or company from a provision set out in Appendix D of the Instrument has automatic effect in a non-principal jurisdiction if

- the person or company applied in the principal jurisdiction to have the decision varied and gave the notice required under section 4.7(1)(c) of the Instrument in respect of the non-principal jurisdiction,
- the principal regulator grants the exemption and the exemption is in effect, and
- the other conditions of section 4.7(1) of the Instrument are met.

If the principal regulator for an application for exemption from a filing requirement under section 6.1 of National Instrument 45-106 *Prospectus Exemptions* (NI 45-106) grants an exemption under section 4.7(1) of the Instrument, a person or company has an automatic exemption in a non-principal jurisdiction under the section only if

- the filing requirement arises from the person or company relying on one of the provisions referred to in section 6.1 of NI 45-106 in the principal jurisdiction,
- the person or company is relying on the equivalent exemption in the non-principal jurisdiction, and
- the person or company complies with the conditions of section 4.7(1) of the Instrument.

Because, under the Instrument, a person or company files an application for a discretionary exemption only in the principal jurisdiction to obtain an automatic exemption in multiple jurisdictions, the filer is required to pay fees only in the principal jurisdiction.

NP 11-203 sets out the process for seeking exemptive relief in multiple jurisdictions, including the process for seeking a discretionary exemption under Part 4 of the Instrument.

#### **4.5 Availability of passport for discretionary exemptions applied for before March 17, 2008**

Under section 4.8(1) of the Instrument, an exemption from the equivalent provision is automatically available in the local jurisdiction if

- an application was made in a specified jurisdiction before March 17, 2008 for an exemption from a provision of securities legislation that is now listed in Appendix D of the Instrument,
- the securities regulatory authority or regulator in the specified jurisdiction granted the exemption before, on or after March 17, 2008, and
- certain other conditions are met.

These conditions include giving the notice required under section 4.8(1)(c). Section 4.8(2) permits the filer to give the required notice to the securities regulatory authority or regulator that would be the principal regulator for the application under Part 4 if an application were to be made under that Part at the time the notice is given, instead of to the non-principal regulator.

Under section 4.1, the specified jurisdictions are British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia.

A specified jurisdiction for purposes of section 4.8 of the Instrument is a principal jurisdiction under MI 11-101.

The combined effect of sections 4.8(1) and 4.8(3) is to make an exemption from a CD requirement granted by the principal regulator before March 17, 2008 under MI 11-101 automatically available in the non-principal jurisdiction, even though the decision of the principal regulator under MI 11-101 does not refer to the non-principal jurisdiction. To benefit from this, however, the reporting issuer must comply with the terms and conditions of the decision of the principal regulator under MI 11-101. Only exemptions granted from CD requirements that are now listed in Appendix D of the Instrument become available in the non-principal jurisdiction in this way.

Appendix A of this policy lists the CD requirements from which a reporting issuer could get an exemption under section 3.2 of MI 11-101. Appendix D of the Instrument sets out the list of equivalent provisions.

## **PART 4A     REGISTRATION**

### **4A.1    Application**

The Instrument permits a firm or individual to register automatically in a non-principal jurisdiction based on its principal jurisdiction registration. It also makes some types of regulatory decisions by a firm's or individual's principal regulator apply automatically in each non-principal jurisdiction where the firm or individual is registered, whether or not the firm or individual is registered automatically under the Instrument.

#### ***Permitted individual***

The Instrument does not apply to "permitted individuals" under NI 33-109 because these individuals are not registered under securities legislation. The Instrument applies to a permitted individual only if the permitted individual becomes registered in a category in his or her principal jurisdiction and seeks registration in the same category in a non-principal jurisdiction.

#### ***Restricted dealers and their representatives***

Section 4A.3 of the Instrument does not apply to a firm registered in the category of "restricted dealer" under NI 31-103. To register in a non-principal jurisdiction, a restricted dealer must apply directly to the non-principal regulator. Automatic registration under the Instrument does not apply to restricted dealers because there are no standard requirements for this category and most firms registered as restricted dealers operate in a single jurisdiction. However, if a restricted dealer registers directly in the same category in a non-principal jurisdiction, the provisions of the Instrument relating to T&Cs (section 4A.5), suspension (section 4A.6), termination (section 4A.7) and surrender (section 4A.8) apply to the firm.

All the provisions of the Instrument apply to the dealing representatives of a restricted dealer. This includes automatic registration under section 4A.4 of the Instrument if the representative's sponsoring firm is registered as a restricted dealer in the representative's principal jurisdiction and the non-principal jurisdiction in which the representative seeks registration. It also includes the provisions of the Instrument relating to T&Cs (section 4A.5), suspension (section 4A.6), termination (section 4A.7) and surrender (section 4A.8).

### **4A.2    Registration by SRO**

The securities regulatory authority or regulator in some jurisdictions has delegated, assigned or authorized an SRO to perform all or part of its registration function. The instrument applies to the decisions made by SROs under these arrangements. For more details, refer to section 3.5 of NP 11-204.

### **4A.3    Principal regulator for registration**

The principal regulator of a firm or individual is the securities regulatory authority or regulator identified under section 4A.1 of the Instrument. The securities regulatory authority or regulator of any jurisdiction can be a principal regulator for registration.



Section 3.6 of NP 11-204 gives guidance on how to identify the principal regulator of a firm or individual under Part 4A of the Instrument.

#### **4A.4 Discretionary change of principal regulator for registration**

Section 4A.2 of the Instrument permits the securities regulatory authority or regulator to change the principal regulator for the purpose of Part 4A of the Instrument. Section 3.7 of NP 11-204 gives guidance on the process for a discretionary change of principal regulator for registration under Part 4A of the Instrument.

#### **4A.5 Registration**

Sections 4A.3 and 4A.4 of the Instrument are available for firms or individuals required to be registered under NI 31-103, except for firms registering as restricted dealers.

A firm or individual who registers in a non-principal jurisdiction under section 4A.3 or 4A.4 of the Instrument must comply with all applicable requirements of the non-principal jurisdiction, including the obligation to pay the required fees in that jurisdiction and any non-harmonized requirements.

In Québec, firms and individuals in the mutual fund and scholarship plan sectors are subject to a specific regulatory framework that also applies under passport:

- mutual fund firms registered in Québec are not required to be members of the Mutual Fund Dealers Association of Canada (MFDA) and are under the direct supervision of the Autorité des marchés financiers, as are scholarship plan firms,
- individuals in the mutual fund and scholarship plan sectors are required to be members of the Chambre de la sécurité financière,
- firms and individuals must maintain professional liability insurance, and
- firms must contribute to the Fonds d'indemnisation des services financiers which provides financial compensation to investors who are victims of fraudulent tactics or embezzlement committed by these firms or individuals.

In addition, in Québec, an individual who is a representative of an investment dealer cannot concurrently be employed by a financial institution and carry on business as a representative in a Québec branch of a financial institution unless he or she is a representative specialized in mutual funds or scholarship plans.

In British Columbia, investment dealers that trade in the U.S. over-the-counter markets must comply with local requirements to manage the risks of trading these securities, retain records and report quarterly to the Commission.

***To register in a non-principal jurisdiction***

Before making a submission under section 4A.3 or 4A.4, the firm or individual should ensure that the firm's or individual's principal jurisdiction is correctly identified in the firm's or individual's latest submission under NI 33-109.

***Firm***

Under section 4A.3(1) of the Instrument, if a firm is registered in its principal jurisdiction in a category set out in NI 31-103, other than the category of "restricted dealer", the firm is registered in the same category in a non-principal jurisdiction if the firm

- (a) has submitted a completed Form 33-109F6 in accordance with NI 33-109, and
- (b) is a member of an SRO if required for that category.

A firm should refer to Part 4 and section 5.2 of NP 11-204 for guidance on how to make its submission under the Instrument.

Under section 4A.3(3) of the Instrument, a firm may make the relevant submission by giving it to its principal regulator instead of the non-principal regulator. In a jurisdiction where the principal regulator has delegated, assigned or authorized an SRO to register firms, the firm should make the submission by giving it to the relevant office of the SRO.

To register under section 4A.3(1) of the Instrument, the firm must be a member of an SRO if required in the local jurisdiction for that category of registration. This condition does not apply if the firm has an exemption in the local jurisdiction from the requirement to be a member of the SRO. All jurisdictions require investment dealers to be members of the Investment Industry Regulatory Organization of Canada. All jurisdictions, except Québec, require mutual fund dealers to be members of the MFDA. A mutual fund dealer whose principal jurisdiction is Québec must be a member of the MFDA before it can register in another jurisdiction.

***Individual***

Under section 4A.4 of the Instrument, if an individual acting on behalf of a sponsoring firm is registered in his or her principal jurisdiction in a category set out in NI 31-103, the individual is registered in the same category in a non-principal jurisdiction if

- (a) the individual's sponsoring firm is registered in the non-principal jurisdiction in the same category as in the firm's principal jurisdiction,
- (b) the individual submitted a completed Form 33-109F2 or Form 33-109F4 in accordance with NI 33-109, and
- (c) the individual is a member or an approved person of an SRO if required for that category.

Section 5.2 of NP 11-204 provides guidance on how to make a submission.

To register under section 4A.4 of the Instrument, the individual must be a member or an approved person of an SRO if required in the local jurisdiction for that category of registration. This condition does not apply if the individual has an exemption in the local jurisdiction from the requirement to be a member or approved person of the SRO. Québec legislation requires individuals who are representatives of mutual fund or scholarship plan dealers to be members of the Chambre de la sécurité financière. Other jurisdictions require individuals who are representatives of mutual fund dealers to be approved persons under the rules of the MFDA.

For greater certainty, if an individual is registered in a category in his or her principal jurisdiction for more than one sponsoring firm, each sponsoring firm must be registered in the same category in the non-principal jurisdiction in which the individual seeks registration under section 4A.4 of the Instrument.

#### **4A.6 Terms and conditions of registration**

Section 4A.5 (1) of the Instrument provides that, if a firm or individual is registered in the same category in the principal jurisdiction and in the non-principal jurisdiction, a T&C imposed on the registration in the principal jurisdiction applies to the firm or individual as if it were imposed in the non-principal jurisdiction (i.e., by operation of law). Under section 4A.5(2) of the Instrument, a T&C continues to apply until the earlier of the date the securities regulatory authority or regulator that imposed it, cancels or revokes it, or it expires.

Under section 4A.5 of the Instrument, if the principal regulator amends or adds a T&C to a category in which a firm or individual is registered, the amended or additional T&C automatically applies to the firm's or individual's registration in the same category in the non-principal jurisdiction.

In the event of a change of principal regulator, and for each category in which a firm or an individual is registered in the non-principal jurisdiction under section 4A.3 or 4A.4 of the Instrument, the firm's or individual's

- original principal regulator will revoke any T&C it imposed, and
- new principal regulator will adopt any T&C's that are appropriate.

This will enable the new principal regulator to amend the firm's or individual's T&Cs in appropriate circumstances and result in any T&C amended by the new principal regulator applying automatically in a non-principal jurisdiction as if it had been imposed in that jurisdiction (i.e., by operation of law).

#### **4A.7 Suspension**

Under section 4A.6 of the Instrument, if a firm's or an individual's registration in the principal jurisdiction is suspended, the firm's or individual's registration is automatically suspended in any non-principal jurisdiction where the firm or individual is registered. For greater certainty, a suspension of registration is a suspension of a firm's or individual's trading or advising

privileges and the firm or individual remains registered under securities legislation. A firm's or individual's registration is suspended on the same day in the principal jurisdiction and the non-principal jurisdiction. NRD will show the same suspension date in each relevant jurisdiction.

A firm's or individual's registration is suspended in the non-principal jurisdiction for as long as the firm's or individual's registration is suspended in the principal jurisdiction. If the principal regulator lifts a firm's or individual's suspension, the firm or individual may resume trading or advising in the non-principal jurisdiction on the date NRD shows that the suspension has been lifted. Any T&C imposed by the principal regulator when it lifts a suspension applies automatically in the non-principal jurisdiction under section 4A.5 of the Instrument.

#### **4A.8 Termination**

Under section 4A.7 of the Instrument, if a firm's or individual's registration in the principal jurisdiction is cancelled, revoked or terminated, as applicable, the firm's or individual's registration in the non-principal jurisdiction is automatically cancelled, revoked or terminated, as applicable. A firm's or individual's registration is terminated on the same date in the principal jurisdiction and the non-principal jurisdiction. NRD will show the same termination date in each relevant jurisdiction.

#### **4A.9 Surrender**

Under section 4A.8 of the Instrument, a firm's or individual's registration is automatically cancelled, revoked or terminated, as applicable, in a category in all non-principal jurisdictions in which the firm or individual is registered if the firm or individual applies to surrender registration in the category in its principal jurisdiction and the principal regulator accepts the surrender.

A firm should submit an application to surrender registration in one or more categories in the firm's principal jurisdiction and Ontario, if Ontario is a non-principal jurisdiction. The application should identify any non-principal jurisdiction where the firm is registered in the same category(ies). In a jurisdiction where the principal regulator has delegated, assigned or authorized an SRO to perform registration functions, a firm should submit its application to surrender to the relevant office of the SRO. A firm should refer to Appendix B of CP 33-109 for guidance on how to submit its application for surrender to the principal regulator or the relevant office of the SRO.

An individual should make the relevant NRD submission under NI 33-109 to surrender registration.

If a firm or individual applies to surrender a category in the principal jurisdiction, the principal regulator may suspend registration in the category pending surrender, or impose a T&C. See section 4A.7 of this Policy for guidance on suspension of registration.

If the principal regulator imposes a T&C, section 4A.5 of the Instrument provides that the T&C applies in each non-principal jurisdiction where a firm or individual is registered in the same category as if the T&C had been imposed in the non-principal jurisdiction.

The Instrument does not deal with a firm or individual that seeks to surrender a category in a non-principal jurisdiction only. If a firm or individual seeks to surrender a category in a non-principal jurisdiction, other than Ontario,

- the firm may still submit its application by giving it to the principal regulator only or, if the principal regulator has delegated, assigned or authorized an SRO to perform registration functions, the relevant office of the SRO in the principal jurisdiction,
- the individual should make the relevant NRD submission under NI 33-109,
- the firm's or individual's submission should indicate the non-principal jurisdiction where the firm or individual is applying to surrender registration, and
- the fact that a securities regulatory authority, regulator or SRO accepts the surrender of registration of a firm or individual in the non-principal jurisdiction does not affect the registration of the firm or individual in another jurisdiction.

#### **4A.10 Transition – terms and conditions in non-principal jurisdiction**

The purpose of section 4A.9(1) of the Instrument is to delay until October 28, 2009 the automatic application of section 4A.5 of the Instrument in a non-principal jurisdiction in which a firm or individual is registered on September 28, 2009. This gives the firm or individual time to make an application under section 4A.9(2) of the Instrument for an exemption from having a T&C imposed by the principal regulator apply automatically in the non-principal jurisdiction.

A firm or individual should apply for the exemption contemplated in section 4A.9(2) of the Instrument separately in each non-principal jurisdiction because the purpose of the exemption application is to give the firm or individual an opportunity to be heard on the automatic application in the non-principal jurisdiction of a T&C imposed by the principal regulator. For this reason, a firm or individual should not make the application under NP 11-203.

If a firm or individual does not apply for an exemption under section 4A.9(2) of the Instrument in a non-principal jurisdiction,

- a T&C imposed by the principal regulator automatically applies on October 28, 2009 in the non-principal jurisdiction , and
- a T&C previously imposed by the non-principal regulator ceases to apply unless it is enforcement related.

#### **4A.11 Transition – notice of principal regulator for foreign firm**

Under section 4A.10(1) of the Instrument, a foreign firm registered in a category in multiple jurisdictions before September 28, 2009 is required to submit the information to identify its principal jurisdiction in item 2.2(b) in Form 33-109F6 by submitting a Form 33-109F5 on or before October 28, 2009. This information will determine the foreign firm's principal regulator under section 4A.1 of the Instrument.

Section 4A.10(2) of the Instrument permits the foreign firm to make this submission to a non-principal regulator by giving it only to its principal regulator. In a jurisdiction where the principal regulator has delegated, assigned or authorized an SRO to perform registration functions, the foreign firm should make the submission to the relevant office of the SRO. Foreign firms should refer to Appendix B of CP 33-109 for guidance on how to make a submission.

Because the principal regulator for a foreign individual is the same as the principal regulator for the individual's sponsoring firm, the Instrument does not require the foreign individual to make a submission to identify the individual's principal regulator.

### **PART 4B APPLICATION TO BECOME A DESIGNATED RATING ORGANIZATION**

#### **4B.1 Application**

Part 4B of the Instrument only applies to an application for designation as a designated rating organization. Designated rating organizations applying for a discretionary exemption from a provision of National Instrument 25-101 *Designated Rating Organizations* should refer to Part 4 of the Instrument.

#### **4B.2 Principal regulator for application for designation**

For purposes of an application for designation as a designated rating organization under Part 4B of the Instrument, the principal regulator is the principal regulator identified under sections 4B.2 to 4B.5 of the Instrument. The principal regulator must be the securities regulatory authority or regulator in a specified jurisdiction. Section 4B.1 of the Instrument specifies the following jurisdictions for this purpose: British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and New Brunswick.

Section 7 of NP 11-205 gives guidance on how to identify the principal regulator for an application for designation as a designated rating organization under Part 4B of the Instrument.

#### **4B.3 Discretionary change of principal regulator for application for designation**

Section 4B.5 of the Instrument permits the securities regulatory authority or regulator to change the principal regulator for an application for designation as a designated rating organization under Part 4B of the Instrument on its own motion or on application. Section 8 of NP 11-205

gives guidance on the process for, and considerations leading to, a discretionary change in principal regulator for an application for designation as a designated rating organization under Part 4B of the Instrument.

#### **4B.4 Passport application of designation**

Section 4B.6(1) of the Instrument provides that a credit rating organization is deemed to be designated as a designated rating organization in the non-principal jurisdiction if the principal regulator for the application grants the designation, the credit rating organization gives the notice required under paragraph (c) of that section and other conditions are met.

A deemed designation under section 4B.6(1) of the Instrument is available in the passport jurisdictions for which the credit rating organization gives the required notice when filing the application for designation. Credit rating organizations should give the notice in paragraph (c) of that section for all passport jurisdictions. However, the deemed designation can become available later in other passport jurisdictions if the circumstances warrant. To obtain the deemed designation in the new jurisdiction, the credit rating organization would have to give the notice referred to in section 4B.6(1)(c) of the Instrument in respect of that jurisdiction and meet the other conditions of the designation.

Because, under the Instrument, a credit rating organization makes an application for designation only in the principal jurisdiction to obtain a deemed designation in multiple jurisdictions, the credit rating organization is required to pay fees only in the principal jurisdiction.

NP 11-205 sets out the process for seeking designation as a designated rating organization in multiple jurisdictions under Part 4B of the Instrument.

### **PART 4C APPLICATION TO CEASE TO BE A REPORTING ISSUER**

#### **4C.1 Application**

Part 4C of the Instrument only applies to an application for an order to cease to be a reporting issuer.

#### **4C.2 Principal regulator for application to cease to be a reporting issuer**

For purposes of an application for an order to cease to be a reporting issuer under Part 4C of the Instrument, the principal regulator is the principal regulator identified under sections 4C.2 and 4C.3 of the Instrument. The principal regulator must be the securities regulatory authority or regulator in a specified jurisdiction. Section 4C.1 of the Instrument specifies the following jurisdictions for this purpose: British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia.

Section 8 of NP 11-206 gives guidance on how to identify the principal regulator for an application to cease to be a reporting issuer under Part 4C of the Instrument.

### **4C.3 Discretionary change of principal regulator**

Section 4C.4 of the Instrument permits the securities regulatory authority or regulator to change the principal regulator for an application to cease to be a reporting issuer under Part 4C of the Instrument on its own motion. Section 9 of NP 11-206 gives guidance on the process for, and considerations leading to, a discretionary change in principal regulator for an application to cease to be a reporting issuer under Part 4C of the Instrument.

### **4C.4 Deemed to cease to be a reporting issuer**

Subsection 4C.5(1) of the Instrument provides that an issuer is deemed to cease to be a reporting issuer in the non-principal jurisdiction if the principal regulator for the application issues the order, the issuer gives the notice required under paragraph (c) of that subsection and other conditions are met. Issuers should give this notice in each passport jurisdiction in which it is a reporting issuer. Under subsection 4C.5(2) of the Instrument, the filer may satisfy this notice requirement by giving the required notice to the principal regulator.

Under the Instrument, an issuer makes an application only in the principal jurisdiction to obtain an order deeming it to cease to be a reporting issuer in multiple jurisdictions. As a result, the issuer is required to pay fees only in the principal jurisdiction.

NP 11-206 sets out the process for seeking an order to cease to be a reporting issuer in multiple jurisdictions under Part 4C of the Instrument.

### **4C.5 Transition**

Subsection 40 (1) of NP 11-206 provides that the coordinated review process set out in NP 11-203 will continue to apply to an application for an order that an issuer has ceased to be a reporting issuer filed under that process in multiple jurisdictions before June 23, 2016.

Subsection 40 (2) of NP 11-206 provides that the coordinated review process set out under the heading “The Simplified Procedure” in CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* will continue to apply to an application for an order that an issuer has ceased to be a reporting issuer filed under that process in multiple jurisdictions before June 23, 2016.

## **PART 5 EFFECTIVE DATE**

### **5.1 Effective date**

The Instrument applies to continuous disclosure documents, prospectuses and discretionary exemption applications filed on or after March 17, 2008.

The Instrument applies to an individual or firm seeking registration outside its principal jurisdiction on or after September 28, 2009. In addition, it applies to an individual or firm that is



registered on that date unless the individual or firm requests and obtains an exemption under section 4A.9(2).

The Instrument applies to applications for designation as a designated rating organization filed on or after April 20, 2012.

The Instrument applies to applications for an order to cease to be a reporting issuer filed on or after June 23, 2016.

**Companion Policy 11-102CP**  
***Passport System***

**Appendix A**

**CD requirements under MI 11-101**

For ease of reference, this appendix reproduces the definition of CD requirements in MI 11-101 even though some references might no longer be relevant because sections were repealed after September 19, 2005 when MI 11-101 came into force.

**British Columbia:**

*Securities Act:* section 85 and 117

*Securities Rules:* section 144 (except as it relates to fees), 145 (except as it relates to fees), 152 and 153  
sections 2, 3 and 189 as they relate to a filing under another CD requirement, as defined in MI 11-101

**Alberta:**

*Securities Act:* sections 146, 149 (except as it relates to fees), 150, 152 and 157.1

*Securities Commission  
Rules (General):*

except as it relates to a prospectus, section 143 – 169, 196 and 197

**Saskatchewan:**

*The Securities Act, 1988:* section 84, 86 – 88, 90, 94 and 95

*The Securities Regulations:* section 117 – 138.1 and 175 as it relates to a filing under another CD requirement, as defined under MI 11-101

**Manitoba:**

*Securities Act:* sections 101(1), 102(1), 104, 106(3), 119, 120 (except as it relates to fees) and 121– 130

*Securities Regulation:* sections 38 – 40 and 80 – 87

**Québec:**

*Securities Act:* sections 73 excluding the filing requirement of a statement of material change, 75 excluding the filing requirement, 76, 77 excluding the filing requirement, 78, 80 – 82.1, 83.1, 87, 105 excluding the filing requirement, 106 and 107 excluding the filing requirement

*Securities Regulation:  
Regulations:* sections 115.1 – 119, 119.4, 120 – 138 and 141 – 161  
No. 14, No. 48, Q-11, Q-17 (Title IV) and 62 – 102

A document filed with or delivered to the Autorité des marchés financiers, delivered to securityholder in Québec or disseminated in Québec under section 3.2 of the Instrument, is deemed, for the purposes of securities legislation in Québec, to be a document filed, delivered or disseminated under Chapter II of Title III or section 84 of the *Securities Act* (Québec).

**New Brunswick:**

*Securities Act:* sections 89(1) – (4), 90, 91, 100 and 101

**Nova Scotia:**

*Securities Act:* section 81, 83, 84 and 91

*General Securities Rules:* sections 9, 140(2), 140(3) and 141

**Newfoundland  
and Labrador:**

*Securities Act:* except as they relate to fees, sections 76, 78 – 80, 82, 86 and 87

*Securities Regulations:* sections 4 – 14 and 71 – 80

**Yukon:**

*Securities Act:* section 22(5) except as it relates to filing a new or amended prospectus

**All jurisdictions:**

- (a) National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, except as it relates to a prospectus,
- (b) National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*, except as it relates to a prospectus,
- (c) National Instrument 51-102 *Continuous Disclosure Obligations*,
- (d) National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*,
- (e) National Instrument 52-108 *Auditor Oversight*,
- (f) National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*,
- (g) National Instrument 52-110 *Audit Committees*, except in British Columbia,
- (h) BC Instrument 52-509 *Audit Committees*, only in British Columbia,

- (i) National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*,
- (j) National Instrument 58-101 *Disclosure of Corporate Governance Practices*,
- (k) section 8.5 of National Instrument 81-104 *Commodity Pools*, and
- (l) National Instrument 81-106 *Investment Fund Continuous Disclosure*.

**National Policy 11-206**  
***Process for Cease to be a Reporting Issuer Applications***

**PART 1**  
**APPLICATION**

**Application**

1. This policy describes the process for the filing and review of an application by a filer for an order that an issuer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer.

**PART 2**  
**DEFINITIONS**

**Definitions**

2. In this policy

“AMF” means the regulator in Québec;

“application” means a request by a filer for an order for an issuer to cease to be a reporting issuer in all the jurisdictions of Canada in which it is a reporting issuer;

“beneficial owner” means a beneficial owner as defined in National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*;

“dual application” means an application described in section 7 of this policy;

“dual review” means the review under this policy of a dual application;

“filer” means

- (a) an issuer filing an application, or
- (b) an agent of a person referred to in paragraph (a);

“marketplace” means a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;

“modified procedure” means the procedure for issuers with a *de minimis* connection to Canada described in section 20 of this policy;

“notified passport jurisdiction” means a passport jurisdiction for which a filer gave the notice referred to in paragraph 4C.5(1)(c) of Multilateral Instrument 11-102 *Passport System*;

“OSC” means the regulator in Ontario;

“passport application” means an application described in section 6 of this policy;

“passport jurisdiction” means the jurisdiction of a passport regulator;

“passport regulator” means a regulator that has adopted Multilateral Instrument 11-102 *Passport System*;

“pre-filing” means a consultation with the principal regulator for an application, initiated before the filing of the application, regarding the interpretation of securities legislation or securities directions or their application to a particular application;

“regulator” means a securities regulatory authority or regulator;

“securityholder” means, for a security, the beneficial owner of the security;

“simplified procedure” means the procedure for issuers that have a *de minimis* number of securityholders as described in section 19 of this policy.

### **Further definitions**

3. Terms used in this policy that are defined in Multilateral Instrument 11-102 *Passport System*, National Instrument 14-101 *Definitions* or, in Québec, in *Regulation 14-501Q on definitions*, have the same meaning as in those instruments.

### **Interpretation**

4. For the purposes of this policy, a reference to an application for an order that an issuer has ceased to be a reporting issuer is deemed to include:
  - (a) an application under section 153 of the *Securities Act* (Alberta) for an order that the reporting issuer is deemed to have ceased to be a reporting issuer,
  - (b) an application under section 88 of the *Securities Act* (British Columbia) for an order that the reporting issuer is deemed to have ceased to be a reporting issuer,
  - (c) an application under subparagraph 1(1.2)(b) of the *Securities Act* (Manitoba) for an order declaring that an issuer has ceased to be a reporting issuer,

- (d) an application under subparagraph 1.1(1)(a) of the *Securities Act* (New Brunswick) for an order designating for the purposes of New Brunswick securities law, a person not to be a reporting issuer,
- (e) an application under section 84 of the *Securities Act* (Newfoundland and Labrador) for an order that the reporting issuer is no longer a reporting issuer,
- (f) an application under subparagraph 6(1)(a) of the *Securities Act* (Northwest Territories) for an order designating an issuer to cease to be a reporting issuer,
- (g) an application under section 89 of the *Securities Act* (Nova Scotia) for an order that the reporting issuer is deemed to have ceased to be a reporting issuer,
- (h) an application under subparagraph 6(1)(a) of the *Securities Act* (Nunavut) for an order designating an issuer to cease to be a reporting issuer,
- (i) an application under clause 1(10)(a)(ii) of the *Securities Act* (Ontario) for an order that, for the purposes of Ontario securities law, a person or company is not a reporting issuer,
- (j) an application under subparagraph 6(1)(a) of the *Securities Act* (Prince Edward Island) for an order designating an issuer to cease to be a reporting issuer,
- (k) an application under section 92 of the *Securities Act, 1988* (Saskatchewan), for an order that the reporting issuer is no longer a reporting issuer,
- (l) an application under section 69 or 69.1 of the *Securities Act* (Québec), for an order to revoke the issuer's status as a reporting issuer, and
- (m) an application under subparagraph 6(1) (a) of the *Securities Act* (Yukon) for an order designating an issuer to cease to be a reporting issuer.

## **PART 3**

### **OVERVIEW, PRINCIPAL REGULATOR AND GENERAL GUIDELINES**

#### **Overview**

5. This policy applies to an application by a filer for an order that an issuer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer. An issuer may not apply to cease to be a reporting issuer in only some, but not all, of the jurisdictions in which it is a reporting issuer.

These are the possible types of applications:

- (a) the principal regulator is a passport regulator and the issuer is not a reporting issuer in Ontario. This is a “passport application”,
- (b) the principal regulator is the OSC and the issuer is also a reporting issuer in a passport jurisdiction. This is also a “passport application”,
- (c) the principal regulator is a passport regulator and the issuer is also a reporting issuer in Ontario. This is a “dual application”.

An application under this policy may not be combined with an application for exemptive relief under National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions*.

#### **Passport application**

6. (1) If the principal regulator is a passport regulator and the issuer is not a reporting issuer in Ontario, the filer files the application only with, and pays fees only to, the principal regulator. Only the principal regulator reviews the application. The principal regulator’s order is deemed to automatically have the same result in the notified passport jurisdictions.
- (2) If the principal regulator is the OSC and the filer also seeks an order for the issuer to cease to be a reporting issuer in a passport jurisdiction, the filer files the application only with, and pays fees only to, the OSC. Only the OSC reviews the application. The OSC’s order is deemed to automatically have the same result in the notified passport jurisdictions.

#### **Dual application**

7. If the principal regulator is a passport regulator and the issuer is also a reporting issuer in Ontario, the filer files the application with, and pays fees to, both the principal regulator and the OSC. The principal regulator reviews the application and the OSC, as a non-principal regulator, coordinates its review with the principal regulator. The principal



regulator's order is deemed to automatically have the same result in the notified passport jurisdictions and evidences the decision of the OSC.

### **Principal regulator**

8. (1) For any application under this policy, the principal regulator is identified in the same manner as in sections 4C.1 to 4C.4 of Multilateral Instrument 11-102 *Passport System*. This section summarizes sections 4C.1 to 4C.4 of Multilateral Instrument 11-102 *Passport System* and provides guidance on identifying the principal regulator for an application under this policy.
- (2) For the purpose of this section, a specified jurisdiction is one of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick or Nova Scotia.
- (3) Except as provided in subsection (4) and in section 9 of this policy, the principal regulator is,
  - (a) for an application made for an investment fund, the regulator of the jurisdiction in which the investment fund manager's head office is located, or
  - (b) for an application made for an issuer other than an investment fund, the regulator of the jurisdiction in which the issuer's head office is located.
- (4) If the jurisdiction identified under subsection (3) is not a specified jurisdiction, the principal regulator for the application is the regulator of the specified jurisdiction with which the issuer or, in the case of an investment fund, the investment fund manager, has the most significant connection.
- (5) The factors a filer should consider in identifying the principal regulator for the application based on the most significant connection test are, in order of influential weight:
  - (a) location of management,
  - (b) location of assets and operations,
  - (c) location of majority of securityholders or clients, and
  - (d) location of trading market or quotation and trade reporting system in Canada.

### **Discretionary change in principal regulator**

9. (1) If the principal regulator identified under section 8 of this policy thinks it is not the appropriate principal regulator, it will first consult with the filer and the other regulator it thinks would be more appropriate. If all agree, the first identified principal regulator will give the filer written notice of the new principal regulator and the reasons for the change.
- (2) A filer may request a discretionary change of principal regulator for an application if
  - (a) the filer believes the principal regulator identified under section 8 of this policy is not the appropriate principal regulator,
  - (b) the location of the head office changes over the course of the application, or
  - (c) the most significant connection to a specified jurisdiction changes over the course of the application.
- (3) Regulators do not anticipate changing a principal regulator except in exceptional circumstances.
- (4) A filer should submit a written request for a change in principal regulator to its current principal regulator and include the reasons for requesting the change. The current principal regulator will consult with the other regulator the filer thinks would be more appropriate. If they both agree, the first identified principal regulator will give the filer written notice of the new principal regulator.

### **General guidelines**

10. (1) A regulator will generally send communications to a filer by e-mail.
- (2) The British Columbia Securities Commission allows reporting issuers to voluntarily surrender their reporting issuer status under certain circumstances set out in BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status*. However, that procedure is only available for an issuer that is only a reporting issuer in British Columbia and may not be used by an issuer that intends to apply for an order under this policy.

### **Issuers subject to business corporations legislation in certain jurisdictions**

11. In certain jurisdictions of Canada, the local business corporations legislation:
  - (a) contains certain provisions that apply to reporting issuers that were incorporated, continued or amalgamated under the business corporations legislation, and

- (b) provides that if a reporting issuer no longer wants those provisions to apply to it, it must obtain an order from the relevant regulator that it is no longer a public company for the purposes of the business corporations legislation.

Issuers should review their business corporations legislation to determine if they need to make a separate application to the relevant regulator for an order under the business corporations legislation. An order obtained under this policy is only for the purposes of securities legislation.

#### **Reporting issuer that has been dissolved or terminated**

- 12. (1) A reporting issuer does not need to apply for an order that it has ceased to be a reporting issuer if it is:
  - (a) a corporation that was dissolved under applicable corporate legislation,
  - (b) a limited partnership that was dissolved under applicable limited partnership legislation,
  - (c) a trust that was terminated under its declaration of trust, or
  - (d) another form of business organization that was dissolved or terminated under its applicable governing legislation or constating or establishing document.
- (2) In each case, it will be sufficient if an agent files evidence of the dissolution or termination with the regulator in each jurisdiction where the issuer was a reporting issuer.
- (3) For a corporation, sufficient evidence includes a copy of the certificate and articles of dissolution.
- (4) For a limited partnership, sufficient evidence typically includes:
  - (a) a copy of the declaration of dissolution or similar document filed under applicable limited partnership legislation, and
  - (b) a written representation from the general partner about the effective date of dissolution under applicable limited partnership legislation.
- (5) For a trust, sufficient evidence typically includes:
  - (a) a copy of the resolution authorizing the termination of the trust,
  - (b) a report on voting results indicating that the resolution was passed,

- (c) a written representation that the trust no longer exists (it is sufficient if this representation is provided by an agent or former trustees or officers),
  - (d) a copy of the change in corporate structure notice filed under section 4.9 of National Instrument 51-102 *Continuous Disclosure Obligations* or a copy of the change in legal structure notice filed under section 2.10 of National Instrument 81-106 *Investment Fund Continuous Disclosure*, and
  - (e) evidence such as a copy of a news release or written submission from an agent that the trust has no securities outstanding and none are traded on a marketplace or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported.
- (6) If an issuer has commenced dissolution proceedings but still exists, it will remain a reporting issuer in the absence of an order that it has ceased to be a reporting issuer.

#### **Issuers that are only a reporting issuer in one jurisdiction**

13. If an issuer is only a reporting issuer in one jurisdiction, it may apply for a local order to cease to be a reporting issuer in that jurisdiction. Although the application will be treated as a local application rather than as an application under this policy, the regulator in the jurisdiction will generally apply the principles set out in this policy to that application.

The British Columbia Securities Commission allows reporting issuers that are only reporting in British Columbia to voluntarily surrender their reporting issuer status under certain circumstances set out in BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status*.

#### **Resale restrictions**

14. For applications under the modified procedure or in the procedure for other applications described in section 21 of this policy, a filer should consider whether any of the issuer's securities may be subject to any resale restrictions under applicable securities legislation following the issuance of an order that the issuer has ceased to be a reporting issuer.

If the issuer has, at any time in the past, issued securities to Canadian securityholders pursuant to certain prospectus exemptions, those Canadian securityholders would no longer be able to rely on the resale provisions in sections 2.5 and 2.6 of National Instrument 45-102 *Resale of Securities* to sell their securities if the issuer has ceased to be a reporting issuer.

The issuer should disclose, in its application, what efforts it has conducted to ascertain the number of Canadian securityholders who purchased securities pursuant to a prospectus exemption and still hold those securities. The issuer should provide an analysis of whether those Canadian securityholders can rely on section 2.14 or any other

provision in National Instrument 45-102 *Resale of Securities* to sell their securities following the issuance of the order that the issuer has ceased to be a reporting issuer.

If Canadian securityholders would not be able to rely on a provision in National Instrument 45-102 *Resale of Securities* to sell their securities following the issuance of the requested order, the issuer should disclose, in its application, whether the issuer will be filing a separate application for exemptive relief under National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* to permit such sales.

## **PART 4 PRE-FILINGS**

### **General**

15. (1) A filer should submit a pre-filing sufficiently in advance of an application to avoid any delays in the processing of the application.
- (2) Generally, a pre-filing should only be made where an application will involve a novel and substantive issue or raise a novel policy concern.
- (3) The principal regulator will treat the pre-filing as confidential except that it may:
  - (a) provide copies or a description of the pre-filing to other regulators for discussion purposes, and
  - (b) have to release the pre-filing under freedom of information and protection of privacy legislation.

### **Procedure for passport application pre-filing**

16. A filer should submit a pre-filing for a passport application by letter to the principal regulator and should:
  - (a) identify in the pre-filing the principal regulator for the application and each passport jurisdiction for which the filer intends to give the notice referred to in paragraph 4C.5(1)(c) of Multilateral Instrument 11-102 *Passport System*, and
  - (b) submit the pre-filing to the principal regulator only.

### **Procedure for dual application pre-filing**

17. (1) A filer submitting a pre-filing for a dual application should identify in the pre-filing the principal regulator, each passport jurisdiction for which the filer intends to give the notice referred to in paragraph 4C.5(1)(c) of Multilateral Instrument 11-102 *Passport System*, and Ontario.

- (2) The filer should submit the pre-filing to the principal regulator and the OSC.
- (3) The principal regulator will arrange with the OSC to discuss the pre-filing within 7 business days, or as soon as practicable after the pre-filing is submitted.

#### **Disclosure in related application**

18. The filer should include in the application that follows a pre-filing,
- (a) a description of the subject matter of the pre-filing and the approach taken by the principal regulator, and
  - (b) any alternative approach proposed by a non-principal regulator that was involved in discussions and that disagreed with the principal regulator.

### **PART 5 TYPES OF APPLICATION PROCEDURES**

#### **The simplified procedure**

19. The simplified procedure is available to a filer that is seeking an order for an issuer to cease to be a reporting issuer in each of the jurisdictions in Canada in which it is a reporting issuer and meets all of the following criteria:
- (a) it is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*,
  - (b) its outstanding securities, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide,
  - (c) its securities, including debt securities, are not traded in Canada or another country on a marketplace or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported, and
  - (d) it is not in default of securities legislation in any jurisdiction.

#### **The modified procedure**

20. (1) A reporting issuer that is incorporated or organized under the laws of a foreign jurisdiction may make an application under the modified procedure if it meets all of the following criteria:
- (a) the issuer files continuous disclosure reports under U.S. securities laws and is listed on a U.S. exchange,

- (b) the issuer is able to make a representation that residents of Canada do not:
  - (i) directly or indirectly beneficially own more than 2% of each class or series of outstanding securities (including debt securities) of the issuer worldwide, and
  - (ii) directly or indirectly comprise more than 2% of the total number of securityholders of the issuer worldwide,
- (c) in the 12 months before applying for the order, the issuer has not taken any steps that indicate there is a market for its securities in Canada, including conducting a prospectus offering in Canada, establishing or maintaining a listing on an exchange in Canada or having its securities traded on a marketplace or any other facility in Canada for bringing together buyers and sellers where trading data is publicly reported.

If the issuer is unable to meet the above 12 month requirement because its securities have only recently been delisted from an exchange in Canada or have only recently been removed from trading on a marketplace or other facility in Canada for bringing together buyers and sellers where trading data is publicly reported, CSA staff may nevertheless be willing to recommend that an order be granted if the issuer is able to show that:

- (i) prior to the delisting or the removal from trading, the issuer only attracted a *de minimis* number of Canadian investors, in particular, the daily average volume of trading of the issuer's securities in Canada during the 12 months prior to the delisting or the removal from trading was less than 2% of the worldwide daily average volume of trading of the issuer's securities during that 12 month period, and
  - (ii) the issuer did not take any other steps that indicate there is a market for its securities in Canada,
- (d) the issuer provides advance notice to Canadian resident securityholders in a news release that it has applied for an order to cease to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer and, if that order is made, the issuer will no longer be a reporting issuer in any jurisdiction of Canada. If applicable, the news release should also disclose that some of the issuer's outstanding securities may be subject to resale restrictions. There should be sufficient time between the news release and the issuance of the order to provide securityholders with the opportunity to object to the order,

- (e) the issuer undertakes to concurrently deliver to its Canadian securityholders, all disclosure the issuer would be required to deliver to U.S. resident securityholders under U.S. securities law or exchange requirements.
- (2) The representation in paragraph (1)(b) should not be qualified or limited to the knowledge of the issuer, unless the issuer can fully demonstrate that it has made diligent enquiry to support the representation and why it cannot give an unqualified representation. CSA staff recognize that some issuers have difficulty making representations on the beneficial ownership of securities by residents of Canada. However, CSA staff will not generally recommend granting the order without the issuer satisfying the 2% test in paragraph (1)(b).
- (3) A non-U.S. issuer incorporated or organized under the laws of a foreign jurisdiction can also seek an order under the modified procedure if the issuer
  - (a) is listed on a major foreign exchange and meets the 2% test described in paragraph (1)(b), and
  - (b) demonstrates that its Canadian securityholders will receive adequate continuous disclosure under the foreign securities law or exchange requirements.

#### **Procedure for other applications**

21. An issuer that does not meet the criteria in section 19 or 20 may make an application under this policy. In the application, the issuer should clearly explain why it does not meet the criteria in section 19 or 20, as applicable, and state the reasons and provide submissions as to why the principal regulator, and the OSC in the case of a dual application, should grant the order.

An example would be a situation where the issuer has completed a going-private transaction and would otherwise meet the criteria in section 19, but for the fact that it is in default of securities legislation as a result of failing to file financial statements that were due after the completion of the transaction.

However, it is important for filers to realize that unless the filer can identify a previous order that is directly on point, CSA staff will treat any application filed under this section as novel. Novel applications may take more time to consider and the filer may not get the desired result.



## **PART 6 FILING MATERIALS**

### **Election to file under this policy and identification of principal regulator**

22. (1) In its application, the filer should indicate whether it is filing a passport application or a dual application under this policy and identify the principal regulator for the application.
- (2) A filer should file an application sufficiently in advance of any deadline to ensure that staff has a reasonable opportunity to complete the review and make recommendations for an order.
- (3) A filer seeking an order in Québec should file a French language version of the draft order when the AMF is acting as principal regulator.

### **Materials to be filed with an application under the simplified procedure**

23. (1) For a passport application under the simplified procedure, the filer should remit to the principal regulator the fees payable under the securities legislation of the principal regulator, and file the following materials with the principal regulator only:
- (a) a written application, in the format of the sample application letter set out in Schedule 1, in which the filer:
- (i) states that the application is being made under the simplified procedure,
  - (ii) states the basis for identifying the principal regulator under section 8 of this policy,
  - (iii) identifies whether another related application has been filed in one or more jurisdictions, the reasons for that application, and the principal regulator for that application,
  - (iv) gives notice of the non-principal passport jurisdictions for which section 4C.5 of Multilateral Instrument 11-102 *Passport System* is intended to be relied upon,
  - (v) sets out any request for confidentiality,
  - (vi) includes representations that confirm that the issuer meets each of the criteria in section 19, and

- (vii) includes a verification statement that authorizes the filing of the application and confirms the truth of the facts in the application, and
  - (b) a draft form of order, in the format set out in Annex A, with representations that confirm that the issuer meets the 4 criteria in section 19.
- (2) For a dual application under the simplified procedure, the filer should remit the fees payable under the securities legislation of the principal regulator and the OSC to each of them, as appropriate, and file the following materials with both the principal regulator and the OSC:
- (a) a written application, in the format of the sample application letter set out in Schedule 2, in which the filer:
    - (i) states that the application is being made under the simplified procedure,
    - (ii) states the basis for identifying the principal regulator under section 8 of this policy,
    - (iii) identifies whether another related application has been filed in one or more jurisdictions, the reasons for that application, and the principal regulator for that application,
    - (iv) gives notice of the non-principal passport jurisdictions for which section 4C.5 of Multilateral Instrument 11-102 *Passport System* is intended to be relied upon,
    - (v) sets out any request for confidentiality,
    - (vi) sets out any request to abridge the review period (see subsection 32(3) of this policy) or the opt-in period (see subsection 34(4) of this policy) and provides supporting reasons,
    - (vii) includes representations that confirm that the issuer meets each of the criteria in section 19, and
    - (viii) includes a verification statement that authorizes the filing of the application and confirms the truth of the facts in the application, and
  - (b) a draft form of order, in the format set out in Annex B, with representations that confirm that the issuer meets the 4 criteria in section 19.

- (3) If the issuer is in the process of completing a going-private transaction following which it will want an order that it has ceased to be a reporting issuer, the issuer may apply for relief using the simplified procedure prior to completing the transaction. The principal regulator cannot make an order until the transaction is complete and the issuer can represent that it has satisfied all the criteria for the simplified procedure.
- (4) In circumstances where an issuer has exchanged its securities with another party (or that party's securityholders) in connection with a statutory arrangement or procedure, the issuer should consider whether any other party in the transaction will or has become a reporting issuer following the exchange. If so, the issuer should disclose in its application the name of that party and the jurisdictions in which that party will or has become a reporting issuer and provide a brief summary of the statutory arrangement or procedure and the parties involved.

#### **Materials to be filed with an application under the modified procedure**

- 24. (1) For a passport application under the modified procedure, the filer should remit to the principal regulator the fees payable under the securities legislation of the principal regulator, and file the following materials with the principal regulator only:
  - (a) a written application in which the filer:
    - (i) states that the application is being made under the modified procedure,
    - (ii) states the basis for identifying the principal regulator under section 8 of this policy,
    - (iii) identifies whether another related application has been filed in one or more jurisdictions, the reasons for that application, and the principal regulator for that application,
    - (iv) sets out, for any related pre-filing, the information referred to in section 18 of this policy,
    - (v) gives notice of the non-principal passport jurisdictions for which section 4C.5 of Multilateral Instrument 11-102 *Passport System* is intended to be relied upon,
    - (vi) sets out any request for confidentiality,
    - (vii) provides submissions on how the issuer meets each of the criteria in section 20,

- (viii) provides submissions on how the issuer has dealt, or proposes to deal, with the resale issues set out in section 14 of this policy,
    - (ix) sets out references to previous orders of the principal regulator or other regulators that would support issuing the order, or indicates that the application is novel,
    - (x) includes a verification statement that authorizes the filing of the application and confirms the truth of the facts in the application, and
    - (xi) states that the issuer is not in default of securities legislation in any jurisdiction or if the issuer is in default, the nature of the default,
  - (b) supporting materials, and
  - (c) a draft form of order, in the format set out in Annex C, with representations that explain how the issuer meets each of the criteria in section 20 and states that the issuer is not in default of securities legislation in any jurisdiction or if the issuer is in default, the nature of the default.
- (2) For a dual application under the modified procedure, the filer should remit the fees payable under the securities legislation of the principal regulator and the OSC to each of them, as appropriate, and file the following materials with both the principal regulator and the OSC:
- (a) a written application in which the filer:
    - (i) states that the application is being made under the modified procedure,
    - (ii) states the basis for identifying the principal regulator under section 8 of this policy,
    - (iii) identifies whether another related application has been filed in one or more jurisdictions, the reasons for that application, and the principal regulator for that application,
    - (iv) sets out, for any related pre-filing, the information referred to in section 18 of this policy,
    - (v) gives notice of the non-principal passport jurisdictions for which section 4C.5 of Multilateral Instrument 11-102 *Passport System* is intended to be relied upon,

- (vi) sets out any request for confidentiality,
  - (vii) sets out any request to abridge the review period (see subsection 32(3) of this policy) or the opt-in period (see subsection 34(4) of this policy) and provides supporting reasons,
  - (viii) provides submissions on how the issuer meets each of the criteria in section 20,
  - (ix) provides submissions on how the issuer has dealt, or proposes to deal, with the resale issues set out in section 14 of this policy,
  - (x) sets out references to previous orders of the principal regulator or other regulators that would support issuing the order, or indicates that the application is novel,
  - (xi) includes a verification statement that authorizes the filing of the application and confirms the truth of the facts in the application, and
  - (xii) states that the issuer is not in default of securities legislation in any jurisdiction or if the issuer is in default, the nature of the default,
- (b) supporting materials, and
- (c) a draft form of order, in the format set out in Annex D, with representations that explain how the issuer meets each of the criteria in section 20 and that states that the issuer is not in default of securities legislation in any jurisdiction or if the issuer is in default, the nature of the default.
- (3) The application filed under this section should describe what due diligence the filer has done to ascertain:
- (a) the number of securities of the issuer (of each class or series) directly or indirectly beneficially owned by residents of Canada, and
  - (b) the number of securityholders of the issuer resident in Canada.

If an issuer has outstanding American Depositary Receipts (ADR), American Depositary Shares (ADS) or Global Depositary Receipts (GDR), the number of shares represented by ADR, ADS or GDR should be considered in the 2% test.

(4) The due diligence conducted by the issuer described in subsection (3) would normally include the following:

- (a) where a registered holder of securities of the issuer is a depository or an intermediary located in Canada, procedures similar to the procedures set out in National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* to obtain beneficial ownership information,
- (b) where a registered holder of securities of the issuer is a depository or an intermediary located in a foreign jurisdiction, similar procedures set out in National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* if it is reasonable to expect that the depository or intermediary may be holding securities of the issuer that are directly or beneficially owned by residents of Canada.

For example, if the securities of the issuer are traded in a foreign jurisdiction on a marketplace or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported, similar inquiries should be made of depositories or intermediaries in that jurisdiction if it is reasonable to expect that residents of Canada may have purchased securities of the issuer through that marketplace or facility.

Similarly, if securities of the issuer are held in a foreign jurisdiction by a foreign intermediary that is an affiliate of a Canadian intermediary, the foreign intermediary should be asked if it is holding securities of the issuer on behalf of residents of Canada.

#### **Materials to be filed with other applications**

25. An issuer described in section 21 of this policy should file the materials listed in section 24 of this policy. In its application, instead of providing submissions on how the issuer meets the criteria in the modified procedure, the issuer should provide submissions on why it does not meet the criteria in section 19 or 20 of this policy, as applicable, and state the reasons and provide submissions as to why regulators should grant the order.

#### **Request for confidentiality**

26. (1) A filer requesting that the regulators hold an application and supporting materials in confidence during the application review process should provide a substantive reason for the request in its application.
- (2) CSA staff is unlikely to recommend that an order be held in confidence after its effective date. However, if a filer requests that the regulators hold the application, supporting materials, or order in confidence after its effective date, the filer

should describe the request for confidentiality separately in its application, and pay any required fee:

- (a) in the principal jurisdiction, if the filer is making a passport application, or
  - (b) in the principal jurisdiction and in Ontario, if the filer is making a dual application.
- (3) Any request for confidentiality should explain why the request is reasonable in the circumstances and not prejudicial to the public interest and when any decision granting confidentiality would expire.
- (4) Communications on requests for confidentiality will normally take place by e-mail. If a filer is concerned with this practice, the filer may request in the application that all communications take place by telephone.

### **Filing**

27. (1) Except as set out in subsections (3) and (4), a filer should send the application materials in paper and in electronic format together with the fees to
- (a) the principal regulator, in the case of a passport application, or
  - (b) the principal regulator and the OSC, in the case of a dual application.
- (2) The filer should also provide an electronic copy of the application materials, including the draft order, by e-mail. For a dual application, filing the application concurrently with the principal regulator and the OSC will enable these regulators to process the application expeditiously.
- (3) In British Columbia, an electronic filing system is available for filing and tracking applications. Filers should file an application in British Columbia using that system instead of e-mail.
- (4) In Ontario, an electronic system is available for filing applications. Filers should file an application in Ontario using that system instead of e-mail.

- (5) Filers should send pre-filing and application materials by e-mail (or through the electronic system in British Columbia and Ontario) using the relevant address or addresses listed below:

British Columbia	<a href="http://www.bpsc.bc.ca">www.bpsc.bc.ca</a> (click on <i>BCSC e-services</i> and follow the steps)
Alberta	<a href="mailto:legalapplications@asc.ca">legalapplications@asc.ca</a>
Saskatchewan	<a href="mailto:exemptions@gov.sk.ca">exemptions@gov.sk.ca</a>
Manitoba	<a href="mailto:exemptions.msc@gov.mb.ca">exemptions.msc@gov.mb.ca</a>
Ontario	<a href="http://www.osc.gov.on.ca/filings">www.osc.gov.on.ca/filings</a> (follow the steps for submitting applications)
Québec	<a href="mailto:dispenses-passeport@lautorite.qc.ca">dispenses-passeport@lautorite.qc.ca</a>
New Brunswick	<a href="mailto:passport-passeport@fcnb.ca">passport-passeport@fcnb.ca</a>
Nova Scotia	<a href="mailto:nsscexemptions@novascotia.ca">nsscexemptions@novascotia.ca</a>

#### **Incomplete or deficient material**

28. If the filer's materials are deficient or incomplete, the principal regulator may ask the filer to file an amended application. This will likely delay the review of the application.

#### **Acknowledgment of receipt of filing**

29. After the principal regulator receives a complete application, the principal regulator will send the filer an acknowledgment of receipt of the application. For a dual application, the principal regulator will send a copy of the acknowledgement to the OSC. The acknowledgement will identify the name, phone number and e-mail address of the individual reviewing the application and, for a dual application, the end date of the review period identified in subsection 32(3) of this policy.

#### **Withdrawal or abandonment of application**

30. (1) If a filer decides to withdraw an application at any time during the process, the filer must notify the principal regulator and, for a dual application, the principal regulator and the OSC and provide an explanation of the withdrawal.
- (2) If at any time during the review process, the principal regulator determines that a filer has abandoned an application, the principal regulator will notify the filer that it will mark the application as "abandoned". In that case, the principal regulator will close the file unless the filer provides acceptable reasons not to close the file in writing within 10 business days of the notification from the principal regulator. If the filer does not provide acceptable reasons, the principal regulator will notify the filer and for a dual application, the OSC, that the principal regulator has closed the file.



## **PART 7 REVIEW OF MATERIALS**

### **Review of passport application**

31. (1) The principal regulator will review a passport application in accordance with its securities legislation and securities directions and based on its review procedures, analysis and consideration of previous orders.
- (2) The filer will deal only with the principal regulator, who will provide comments to and receive responses from the filer.

### **Review and processing of dual application**

32. (1) The principal regulator will review a dual application in accordance with its securities legislation and securities directions, based on its review procedures, analysis and consideration of previous orders. The principal regulator will consider any comments from the OSC.
- (2) The filer will generally deal only with the principal regulator, which will be responsible for providing comments to the filer once it has considered the comments from the OSC and completed its own review. However, in exceptional circumstances, the principal regulator may refer the filer to the OSC.
- (3) The OSC will have 7 business days from receiving the acknowledgement referred to in section 29 of this policy to review the application. In exceptional circumstances, the principal regulator may abridge the review period if the filer filed the dual application concurrently with the OSC and shows that it is necessary and reasonable in the circumstances for the application to receive immediate attention.
- (4) Unless the filer provides compelling reasons as to why it did not start the application process sooner, the principal regulator will not consider the following circumstances as exceptional:
- (a) the recent closing of a take-over bid, plan of arrangement or similar transaction that resulted in the issuer being eligible to make an application,
  - (b) the upcoming deadline for the filing of a continuous disclosure document that would result in the issuer being in default of securities legislation if the order that the issuer has ceased to be a reporting issuer is not granted before that deadline,
  - (c) an upcoming date on which the issuer must have ceased to be a reporting issuer for legal, tax or business reasons, or

- (d) other situations in which the deadline was known before filing the application and the filer could have filed the application earlier.

While staff will attempt to accommodate transaction timing where possible, filers planning time-sensitive transactions should build sufficient regulatory approval time into their transaction schedules.

The fact that a filer may consider an application as routine is not a compelling argument for requesting an abridgement.

- (5) Filers should provide sufficient information in an application to enable staff to assess how quickly they should handle the application. For example, if the filer has committed to take certain steps by a specific date and needs to have staff's view or an order by that date, the filer should explain why staff's view or the order to cease to be a reporting issuer is required by the specific date and identify these time constraints in its application.
- (6) In a dual application, the OSC will advise the principal regulator, before the expiration of the review period, of any substantive issues that would cause OSC staff to recommend that the order not be granted. The principal regulator may assume that the OSC does not have comments on the application if the principal regulator does not receive them within the review period.

## **PART 8 DECISION-MAKING PROCESS**

### **Passport application**

- 33. (1) After completing the review process and after considering the recommendation of its staff, the principal regulator will determine whether or not to grant the order a filer sought in a passport application.
- (2) If the principal regulator is not prepared to grant the order based on the information before it, the principal regulator will notify the filer accordingly.
- (3) If a filer receives a notice under subsection (2) and this process is available in the principal jurisdiction, the filer may request the opportunity to appear before, and make submissions to, the principal regulator.

### **Dual application**

- 34. (1) After completing the review process and considering the recommendation of its staff, the principal regulator will determine whether or not to grant the order a filer sought in a dual application and immediately circulate its decision to the OSC.

- (2) In a dual application, the OSC will have 5 business days from receipt of the principal regulator's order to confirm whether:
  - (a) it has made the same decision as the principal regulator and is opting into the order, or
  - (b) it will not be making the same decision as the principal regulator.
- (3) If the OSC is silent, the principal regulator will consider that the OSC will not be making the same decision as the principal regulator.
- (4) If the filer shows that it is necessary and reasonable in the circumstances, the principal regulator may request, but cannot require, the OSC to abridge the opt-in period. In some circumstances, abridging the opt-in period may not be feasible. For example, only a panel of the OSC that convenes according to a schedule can make some types of decisions.
- (5) The principal regulator will not send the filer an order for a dual application until receipt from the OSC of the confirmation referred to in paragraph (2)(a). If the OSC does not provide the confirmation, the principal regulator will advise the filer that it will not be receiving an order from the principal regulator or the OSC.
- (6) If the principal regulator is not prepared to grant the order based on the information before it, it will notify the filer and the OSC.
- (7) If a filer receives a notice under subsection (6) and this process is available in the principal jurisdiction, the filer may request the opportunity to appear before, and make submissions to, the principal regulator. The principal regulator may hold a hearing on its own, or jointly or concurrently with the OSC.

## **PART 9 ORDER**

### **Effect of order made under passport application**

- 35. (1) Under a passport application, the order of the principal regulator that an issuer has ceased to be a reporting issuer is the decision of the principal regulator. Under subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System*, an issuer is deemed to cease to be a reporting issuer in all notified passport jurisdictions as a result of the order of the principal regulator for the application.
- (2) The order is effective in each notified passport jurisdiction on the date of the principal regulator's order (even if the regulator in the notified passport jurisdiction is closed on that date).

### **Effect of order made under dual application**

36. Under a dual application, the order of the principal regulator that an issuer has ceased to be a reporting issuer is the decision of the principal regulator. Under subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System*, an issuer is deemed to cease to be a reporting issuer in all notified passport jurisdictions as a result of the order of the principal regulator for the application. The order of the principal regulator under a dual application also evidences the OSC's decision, if the OSC provided the confirmation referred to in paragraph 34(2)(a) of this policy.

### **Listing non-principal jurisdictions**

37. (1) For convenience, the order of the principal regulator on a passport application or a dual application will refer to the notified passport jurisdictions, but it is the filer's responsibility to ensure that it gives the required notice for each jurisdiction for which section 4C.5 of Multilateral Instrument 11-102 *Passport System* is intended to be relied upon. A filer must give the notice for each jurisdiction of Canada in which the issuer is a reporting issuer.
- (2) The order of the principal regulator on a dual application will contain wording that makes it clear that the order evidences and sets out the decision of the OSC.

### **Form of order**

38. An order under this policy will be in the form set out in one of the following:
- (a) Annex A, *Form of order for a passport application under the simplified procedure*,
  - (b) Annex B, *Form of order for a dual application under the simplified procedure*,
  - (c) Annex C, *Form of order for a passport application under the modified procedure*,
  - (d) Annex D, *Form of order for a dual application under the modified procedure*,
  - (e) Annex E, *Form of order for a passport application for other applications*, or
  - (f) Annex F, *Form of order for a dual application for other applications*.

### **Issuance of order**

39. For a dual application, the principal regulator will send the order to the filer and to the OSC.

**PART 10**  
**TRANSITION AND EFFECTIVE DATE**

**Transition**

40. (1) The coordinated review process set out in National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* will continue to apply to an application for an order that an issuer has ceased to be a reporting issuer filed under that process in multiple jurisdictions before June 23, 2016.
- (2) The coordinated review process set out under the heading “The Simplified Procedure” in CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* will continue to apply to an application for an order that an issuer has ceased to be a reporting issuer filed under that process in multiple jurisdictions before June 23, 2016.

**Effective date**

41. This policy comes into effect on June 23, 2016.

**Annex A**  
***Form of order for a passport application under the simplified procedure***

[Citation:[*neutral citation*] [*Date of order*]]

In the Matter of  
the Securities Legislation of  
[*name of principal jurisdiction*] (the Jurisdiction)

and

In the Matter of  
the Process for Cease to be a Reporting Issuer  
Applications

and

In the Matter of  
[*name of issuer* (the Filer)]

Order

**Background**

The principal regulator in the Jurisdiction has received an application from the Filer for an order under the securities legislation of the Jurisdiction of the principal regulator (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the Order Sought).

Under the Process for Cease to be a Reporting Issuer Applications (for a passport application):

- (a) the [*name of the principal regulator*] is the principal regulator for this application, and
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in [*names of all non-principal passport jurisdictions where the Filer is a reporting issuer*].

**Interpretation**

Terms defined in National Instrument 14-101 *Definitions*[,] [and] MI 11-102 [and, in Québec, in *Regulation 14-501Q on definitions* (when the Autorité des marchés financiers is the principal regulator)] have the same meaning if used in this order, unless otherwise defined.

## Representations

This order is based on the following facts represented by the Filer:

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;
2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and
5. the Filer is not in default of securities legislation in any jurisdiction.

## Order

The principal regulator is satisfied that the order meets the test set out in the Legislation for the principal regulator to make the order.

The decision of the principal regulator under the Legislation is that the Order Sought is granted.

\_\_\_\_\_  
(Name of signatory for the principal regulator)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Name of principal regulator)  
(justify signature block)

## Annex B

### *Form of order for a dual application under the simplified procedure*

[Citation:[*neutral citation*] [*Date of order*]]

In the Matter of  
the Securities Legislation of  
[*name of principal jurisdiction*] and Ontario (the Jurisdictions)

and

In the Matter of  
the Process for Cease to be a Reporting Issuer  
Applications  
and

In the Matter of  
[*name of issuer* (the Filer)]

Order

### **Background**

The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the Order Sought).

Under the Process for Cease to be a Reporting Issuer Applications (for a dual application):

- (a) the [*name of the principal regulator*] is the principal regulator for this application,
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in [*names of all non-principal passport jurisdictions where the Filer is a reporting issuer*], and
- (c) this order is the order of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.



## Interpretation

Terms defined in National Instrument 14-101 *Definitions*[,] [and] MI 11-102 [and, in Québec, in *Regulation 14-501Q on definitions* (when the Autorité des marchés financiers is the principal regulator)] have the same meaning if used in this order, unless otherwise defined.

## Representations

This order is based on the following facts represented by the Filer:

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;
2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and
5. the Filer is not in default of securities legislation in any jurisdiction.

## Order

Each of the Decision Makers is satisfied that the order meets the test set out in the Legislation for the Decision Maker to make the order.

The decision of the Decision Makers under the Legislation is that the Order Sought is granted.

\_\_\_\_\_  
(Name of signatory for the principal regulator)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Name of principal regulator)  
(justify signature block)

## Annex C

### *Form of order for a passport application under the modified procedure*

[Citation:[*neutral citation*]    [*Date of order*]]

In the Matter of  
the Securities Legislation  
of [*name of principal jurisdiction*] (the Jurisdiction)

and

In the Matter of  
the Process for Cease to be a Reporting Issuer  
Applications

and

In the Matter of  
[*name of issuer*] (the Filer)

Order

#### **Background**

The principal regulator in the Jurisdiction has received an application from the Filer for an order under the securities legislation of the Jurisdiction of the principal regulator (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the Order Sought).

Under the Process for Cease to be a Reporting Issuer Applications (for a passport application):

- (a) the [*name of the principal regulator*] is the principal regulator for this application, and
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in [*names of all non-principal passport jurisdictions where the Filer is a reporting issuer*].

## Interpretation

Terms defined in National Instrument 14-101 *Definitions*[,] [and] MI 11-102 [and, in Québec, in *Regulation 14-501Q on definitions* (when the Autorité des marchés financiers is the principal regulator)] have the same meaning if used in this order, unless otherwise defined.

*[Add additional definitions here.]*

## Representations

This order is based on the following facts represented by the Filer:

1. *[Insert material representations necessary to explain how the Filer meets the modified procedure criteria and why the principal regulator came to this decision. Include the location of the Filer's head office and, if appropriate, the connecting factor the Filer used to identify the principal regulator for the application.]*
2. *[State that the issuer is not in default of securities legislation in any jurisdiction or if the issuer is in default, the nature of the default.]*

## Order

The principal regulator is satisfied that the order meets the test set out in the Legislation for the principal regulator to make the order.

The decision of the principal regulator under the Legislation is that the Order Sought is granted.

\_\_\_\_\_  
*(Name of signatory for the principal regulator)*

\_\_\_\_\_  
*(Title)*

\_\_\_\_\_  
*(Name of principal regulator)*  
*(justify signature block)*

## Annex D

### *Form of order for a dual application under the modified procedure*

[Citation: *[neutral citation]*] [Date of order]]

In the Matter of  
the Securities Legislation  
of *[name of principal jurisdiction]* and Ontario (the Jurisdictions)

and

In the Matter of  
the Process for Cease to be a Reporting Issuer  
Applications

and

In the Matter of  
*[name of issuer]* (the Filer)

Order

### **Background**

The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the Order Sought).

Under the Process for Cease to be a Reporting Issuer Applications (for a dual application):

- (a) the *[name of the principal regulator]* is the principal regulator for this application,
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in *[names of all non-principal passport jurisdictions where the Filer is a reporting issuer]*, and
- (c) this order is the order of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

## Interpretation

Terms defined in National Instrument 14-101 *Definitions*[,] [and] MI 11-102 [and, in Québec, in *Regulation 14-501Q on definitions* (when the Autorité des marchés financiers is the principal regulator)] have the same meaning if used in this order, unless otherwise defined.

*[Add additional definitions here.]*

## Representations

This order is based on the following facts represented by the Filer:

1. *[Insert material representations necessary to explain how the Filer meets the modified procedure criteria and why the principal regulator came to this decision. Include the location of the Filer's head office and, if appropriate, the connecting factor the Filer used to identify the principal regulator for the application.]*
2. *[State that the issuer is not in default of securities legislation in any jurisdiction or if the issuer is in default, the nature of the default.]*

## Order

Each of the Decision Makers is satisfied that the order meets the test set out in the Legislation for the Decision Maker to make the order.

The decision of the Decision Makers under the Legislation is that the Order Sought is granted.

\_\_\_\_\_  
*(Name of signatory for the principal regulator)*

\_\_\_\_\_  
*(Title)*

\_\_\_\_\_  
*(Name of principal regulator)*  
*(justify signature block)*

## Annex E

### *Form of order for a passport application for other applications*

[Citation:[*neutral citation*]    [*Date of order*]]

In the Matter of  
the Securities Legislation  
of [*name of principal jurisdiction*] (the Jurisdiction)

and

In the Matter of  
the Process for Cease to be a Reporting Issuer  
Applications

and

In the Matter of  
[*name of issuer*] (the Filer)

Order

### **Background**

The principal regulator in the Jurisdiction has received an application from the Filer for an order under the securities legislation of the Jurisdiction of the principal regulator (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the Order Sought).

Under the Process for Cease to be a Reporting Issuer Applications (for a passport application):

- (a) the [*name of the principal regulator*] is the principal regulator for this application, and
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in [*names of all non-principal passport jurisdictions where the Filer is a reporting issuer*].

## Interpretation

Terms defined in National Instrument 14-101 *Definitions* [,] [and] MI 11-102 [and, in Québec, in *Regulation 14-501Q on definitions* (when the Autorité des marchés financiers is the principal regulator)] have the same meaning if used in this order, unless otherwise defined.

*[Add additional definitions here.]*

## Representations

This order is based on the following facts represented by the Filer:

1. *[Insert material representations necessary to explain why the principal regulator came to this decision. Include the location of the Filer's head office and, if appropriate, the connecting factor the Filer used to identify the principal regulator for the application.]*
2. *[State that the issuer is not in default of securities legislation in any jurisdiction or if the issuer is in default, the nature of the default.]*

## Order

The principal regulator is satisfied that the order meets the test set out in the Legislation for the principal regulator to make the order.

The decision of the principal regulator under the Legislation is that the Order Sought is granted.

\_\_\_\_\_  
*(Name of signatory for the principal regulator)*

\_\_\_\_\_  
*(Title)*

\_\_\_\_\_  
*(Name of principal regulator)*  
*(justify signature block)*

## **Annex F**

### ***Form of order for a dual application for other applications***

[Citation:[*neutral citation*]    [Date of order]]

In the Matter of  
the Securities Legislation  
of [*name of principal jurisdiction*] and Ontario (the Jurisdictions)

and

In the Matter of  
the Process for Cease to be a Reporting Issuer  
Applications

and

In the Matter of  
[*name of issuer*] (the Filer)

Order

#### **Background**

The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the Order Sought).

Under the Process for Cease to be a Reporting Issuer Applications (for a dual application):

- (a) the [*name of the principal regulator*] is the principal regulator for this application,
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in [*names of all non-principal passport jurisdictions where the Filer is a reporting issuer*], and
- (c) this order is the order of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.



## Interpretation

Terms defined in National Instrument 14-101 *Definitions* [,] [and] MI 11-102 [and, in Québec, in *Regulation 14-501Q on definitions* (when the Autorité des marchés financiers is the principal regulator)] have the same meaning if used in this order, unless otherwise defined.

*[Add additional definitions here.]*

## Representations

This order is based on the following facts represented by the Filer:

1. *[Insert material representations necessary to explain why the principal regulator came to this decision. Include the location of the Filer's head office and, if appropriate, the connecting factor the Filer used to identify the principal regulator for the application.]*
2. *[State that the issuer is not in default of securities legislation in any jurisdiction or if the issuer is in default, the nature of the default.]*

## Order

Each of the Decision Makers is satisfied that the order meets the test set out in the Legislation for the Decision Maker to make the order.

The decision of the Decision Makers under the Legislation is that the Order Sought is granted.

\_\_\_\_\_  
*(Name of signatory for the principal regulator)*

\_\_\_\_\_  
*(Title)*

\_\_\_\_\_  
*(Name of principal regulator)*  
*(justify signature block)*

## Schedule 1

### *Example of an Application Letter under the Simplified Procedure for a Passport Application*

[Enter date]

[Name of the principal regulator]

Dear Sir/Madam:

**Re: [Enter name of issuer] (the Filer) – passport application for an order under the securities legislation of [name of principal jurisdiction] that the Filer has ceased to be a reporting issuer**

We are applying under the simplified procedure to the [identify principal regulator] as principal regulator for an order under the securities legislation (the Legislation) of [name of principal jurisdiction] that the Filer has ceased to be a reporting issuer (the Order Sought).

We identify [name of regulator] as the principal regulator for the application on the basis of [name the applicable criteria] under section 8 of National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* (NP 11-206).

In accordance with subsection 4C.5(2) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) and in satisfaction of the notice requirement in paragraph 4C.5(1)(c) of MI 11-102, the Filer provides notice to the securities regulatory authority or regulator in [list the non-principal jurisdictions where the Filer is a reporting issuer] that subsection 4C.5(1) of MI 11-102 is intended to be relied upon for the Order Sought.

Under the simplified procedure in NP 11-206, the Filer represents that:

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;
2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and
5. the Filer is not in default of securities legislation in any jurisdiction.

[If applicable, set out any request for confidentiality and/or requests to abridge the review period or the opt-in period and provide supporting reasons.]

**[Identify whether another related application has been filed in one or more jurisdictions, the reasons for that application, and the principal regulator for that application.]**

**[Enter name of Filer]**

**[Signature of the person who has signing authority]**

**[Include a verification statement that authorizes the filing of the application and confirms the truth of the facts in the application.]**

## Schedule 2

***Example of an Application Letter under the Simplified Procedure for a Dual Application***  
**[Enter date]**

**[List name of the principal regulator and the Ontario Securities Commission]**

Dear Sir/Madam:

**Re: [Enter name of issuer] (the Filer) – dual application for an order under the securities legislation of [name of principal jurisdiction] and Ontario that the Filer has ceased to be a reporting issuer**

We are applying under the simplified procedure to the [identify principal regulator] as principal regulator and the Ontario Securities Commission for an order under the securities legislation (the Legislation) of [name of principal jurisdiction] and Ontario that the Filer has ceased to be a reporting issuer (the Order Sought).

We identify [name of regulator] as the principal regulator for the application on the basis of [name the applicable criteria] under section 8 of National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* (NP 11-206).

In accordance with subsection 4C.5(2) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) and in satisfaction of the notice requirement in paragraph 4C.5(1)(c) of MI 11-102, the Filer provides notice to the securities regulatory authority or regulator in [list the non-principal jurisdictions where the Filer is a reporting issuer] that subsection 4C.5(1) of MI 11-102 is intended to be relied upon for the Order Sought.

Under the simplified procedure in NP 11-206, the Filer represents that:

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;
2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and
5. the Filer is not in default of securities legislation in any jurisdiction.

[If applicable, set out any request for confidentiality and/or requests to abridge the review period or the opt-in period and provide supporting reasons.]

[Identify whether another related application has been filed in one or more jurisdictions, the reasons for that application, and the principal regulator for that application.]

**[Enter name of Filer]**

**[Signature of the person who has signing authority]**

**[Include a verification statement that authorizes the filing of the application and confirms the truth of the facts in the application.]**