

**For Immediate Release  
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## **Canadian securities regulators propose changes to the prospectus-exempt distribution of short-term debt and short-term securitized products**

**Calgary** - The Canadian Securities Administrators (CSA) today published for comment proposed amendments relating to the short-term debt prospectus exemption in National Instrument 45-106 *Prospectus and Registration Exemptions*.

The proposals include:

- 1) a new prospectus exemption designed to address the prospectus-exempt distribution of short-term securitized products, primarily asset-backed commercial paper (ABCP); and
- 2) amendments to the short-term debt prospectus exemption to address the prospectus-exempt distribution of short-term debt, typically corporate commercial paper (CP).

“These amendments reflect a tailored approach to differing investor protection and systemic risk concerns related to Canadian CP and ABCP while continuing to advance efficiency and fairness in the capital markets,” said Bill Rice, Chair of the CSA and Chair and CEO of the Alberta Securities Commission.

The proposed ABCP amendments respond to investor protection and financial stability concerns raised by certain types of ABCP that were distributed prior to the financial crisis of 2007-2008. The ABCP amendments limit use of the short-term debt prospectus exemption and other prospectus exemptions to issue ABCP. They also propose a new prospectus exemption that would be limited to conventional or traditional ABCP and introduce new conditions relating to credit ratings, liquidity, underlying asset pools and initial and ongoing disclosure

The CSA published a comprehensive set of proposals relating to securitized products in April 2011. The proposed ABCP amendments supersede the April 2011 proposals and reflect a regulatory response that is more tailored to the issues that have arisen in the Canadian securitization market.

The CSA has also published for comment certain consequential amendments to National Instrument 25-101 *Designated Rating Organizations* and changes to Companion Policy 45-106 *Prospectus and Registration Exemptions*.

The proposed CP amendments modify the credit rating requirements in the short-term debt prospectus exemption. These modifications are intended to provide consistent treatment of CP issuers with similar credit risk and to maintain the current credit quality of CP that can be distributed under the exemption, while removing any disincentive to obtain additional credit ratings. If the proposed amendments are adopted, certain issuers that currently require exemptive relief to issue CP without a prospectus will be able to use the short-term debt prospectus exemption.

The CSA notice and the proposed amendments are available on CSA members' websites. The comment period is open until April 23, 2014.

The CSA, the council of the securities regulators of Canada's provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

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