

Nova Scotia Securities Commission

**Rule 51-801
Implementing National Instrument 51-102 Continuous Disclosure
Obligations**

Part 1 - Definitions

1.1 Definitions

(1) In this Rule, "NI 51-102" means National Instrument 51-102 Continuous Disclosure Obligations.

(2) Each term used in this Rule that is defined or interpreted in Part 1 of NI 51-102 has the meaning ascribed to it in that Part.

Part 2 - Application

2.1 Application

This Rule does not apply to investment funds.

Part 3 - Interrelationship with Legislation

3.1 Annual Financial Statements - Content

(1) The financial statements required under subsection 84(1) of the Act must include the statements, balance sheet and notes described in subsection 4.1(1) of NI 51-102.

(2) Subsections 4.5(1), 4.8(4) and 4.8(6) and sections 4.2, 4.7 and 4.10 of NI 51-102 apply to financial statements and auditor's reports required under section 84 of the Act as if any reference to section 4.1 in sections 4.2, 4.5, 4.7, 4.8 and 4.10 of NI 51-102 is a reference to section 84 of the Act.

(3) This section applies for financial years beginning on or after January 1, 2004.

3.2 Interim Financial Statements - Content

(1) The financial statements required under subsection 83(1) of the Act must include the statements, balance sheet and notes described in subsections 4.3(1) and 4.3(2) of NI 51-102.

(2) Subsections 4.3(3), 4.3(4), 4.5(2), 4.8(4), 4.8(5), 4.8(7) and 4.8(8) and sections 4.4, 4.7 and 4.10 of NI 51-102 apply to financial statements required under subsection 83(1) of the Act as if any reference to section 4.3 in sections 4.4, 4.5, 4.7, 4.8 and 4.10 of NI 51-102 is a reference to subsection 83(1) of the Act.

(3) This section applies for interim periods in financial years beginning on or after January 1, 2004.

3.3 Filing Annual Financial Statements - Exemption

Section 84 of the Act does not apply to a reporting issuer that complies with subsections 4.5(1), 4.7(1), 4.7(2), 4.8(4) and 4.8(6) and sections 4.1, 4.2 and 4.10 of NI 51-102 for financial years beginning on or after January 1, 2004.

3.4 Filing Interim Financial Statements - Exemption

Subsection 83(1) of the Act does not apply to a reporting issuer that complies with subsections 4.5(2), 4.7(1), 4.7(3), 4.7(4), 4.8(4), 4.8(5), 4.8(7) and 4.8(8) and sections 4.3, 4.4 and 4.10 of NI 51-102 for interim periods in financial years beginning on or after January 1, 2004.

3.5 Delivering Financial Statements - Exemption

Section 85 of the Act does not apply to a reporting issuer that complies with section 4.6 of NI 51-102 in the case of:

(a) annual financial statements for financial years beginning on or after January 1, 2004; and

(b) interim financial statements for interim periods in financial years beginning on or after January 1, 2004.

3.6 Material Change Reports - Form

Except as otherwise provided in National Instrument 71-101 The Multijurisdictional Disclosure System and in National Instrument 71-102 Continuous Disclosure and Other Exemptions Relating to Foreign Issuers, every report required under subsection 81(2) of the Act must be a completed Form 51-102F3 except that the reference in Item 3 of Form 51-102F3 to section 7.1 of NI 51-102 shall be read as referring to subsection 81(1) of the Act and references in Items 6 and 7 of Form 51-102F3 to subsection 7.1(2) or 7.1(5) of NI 51-102 shall be read as referring to subsection 81(3) or 81(4), respectively, of the

Act.

3.7 Issuance of Material Change News Release – Exemption

Subsection 81(1) of the Act does not apply to a reporting issuer that complies with paragraph 7.1(1)(a) of NI 51-102.

3.8 Filing Material Change Report – Exemption

Subsection 81(2) of the Act does not apply to a reporting issuer that complies with paragraph 7.1(1)(b) of NI 51-102.

3.9 Annual Filing - Exemption

Reporting issuers are exempt from subsection 87(2) of the Act.

3.10 Information Circulars – Form

Except as otherwise provided in National Instrument 71-101 The Multijurisdictional Disclosure System and in National Instrument 71-102 Continuous Disclosure and Other Exemptions Relating to Foreign Issuers, an information circular referred to in clause (a) or (b) of subsection 92(1) of the Act must be a completed Form 51-102F5, from and after June 1, 2004.

3.11 Filing Information Circular – Exemption

Subsection 87(1) of the Act does not apply to a reporting issuer that complies with the requirement in section 9.3 of NI 51-102 to file an information circular, from and after June 1, 2004.

3.12 Solicitation of Proxies - Exemption

Section 91 of the Act does not apply to a reporting issuer that complies with subsection 9.1(1) of NI 51-102, from and after June 1, 2004.

3.13 Sending Information Circular - Exemption

Section 92 of the Act does not apply to a reporting issuer that complies with subsection 9.1(3) of NI 51-102, from and after June 1, 2004.

Part 4 – Revocations and Amendments of General Securities Rules

4.1 Revocations and Amendments of General Securities Rules

(1) The heading to Part VII of the General Securities Rules is revoked and the following substituted:

PART VII CONTINUOUS DISCLOSURE

(2) Section 140 of the General Securities Rules is revoked and the following substituted:

140 (1) Every report required to be filed under subsection 81(2) of the Act by an investment fund shall be prepared in accordance with Form 27.

(2) Every report required to be filed under subsection 81(2) of the Act by a reporting issuer that is not an investment fund shall be prepared in accordance with Form 51-102F3 of National Instrument 51-102 Continuous Disclosure Obligations except that,

(a) the reference in Item 3 of the Form to section 7.1 of National Instrument 51-102 shall be read as if it were a reference to subsection 81(1) of the Act; and

(b) the references in Items 6 and 7 of the Form to subsection 7.1(2) or (5) of National Instrument 51-102 shall be read as if they were references to subsection 81(3) or 81(4), respectively, of the Act.

(3) Every report required to be filed under subsection 81(2) of the Act shall, subject to section 141, be delivered to the Commission in an envelope addressed to the Commission and marked "Continuous Disclosure".

(3)(a) Clause 141(a)(i) of the General Securities Rules is amended by striking out "or" at the end.

(b) Clause 141(a)(ii) of the General Securities Rules is revoked and the following substituted:

(ii) Item 7 of Form 27, in the case of a reporting issuer that is an investment fund; or

(iii) Item 7 of Form 51-102F3 of National Instrument 51-102 Continuous Disclosure Obligations, in the case of any other reporting issuer; or

(4) Section 142 of the General Securities Rules is revoked.

(5) Subsection 143(1) of the General Securities Rules is amended by striking out the portion before clause (a) and substituting the following:

(1) Every reporting issuer that is an investment fund shall file with the Director, in duplicate,

(6) Sections 144 to 151 of the General Securities Rules are revoked.

(7) The heading to Part X of the General Securities Rules is revoked and the following substituted:

PART X
PROXIES AND PROXY SOLICITATION
RE INVESTMENT FUNDS

(8)(a) Subsection 164(1) of the General Securities Rules is amended by inserting “for an investment fund” after “An information circular”.

(b) Subsection 164(3) of the General Securities Rules is amended by inserting “for an investment fund” after “The information contained in an information circular”.

(c) Subsection 164(10) of the General Securities Rules is amended by inserting “for an investment fund” after “There may be omitted from the information circular”.

(9) Section 166 of the General Securities Rules is amended by inserting “with respect to an investment fund” after “a proxy” in the portion before clause (a).

(10) Section 167 of the General Securities Rules is amended by inserting “with respect to an investment fund” after “No proxy” in the portion before clause (a).

(11) Section 168 of the General Securities Rules is amended by inserting “that is an investment fund” after “security holders of a reporting issuer” in the portion before clause (a).

(12) Section 169 of the General Securities Rules is amended by inserting “for an investment fund” after “every information circular”.

(13) The title of Form 27 of the General Securities Rules is

revoked and the following substituted:

**MATERIAL CHANGE REPORT OF AN INVESTMENT FUND
UNDER SUBSECTION 81(2) OF THE ACT**

(14) Forms 28 and 29 of the General Securities Rules are revoked.

(15) The title of Form 30 of the General Securities Rules is revoked and the following substituted:

INFORMATION CIRCULAR FOR INVESTMENT FUNDS

(16) Form 41 of the General Securities Rules is revoked.

Part 5 - Effective Date and Transition

5.1 Effective Date

This Rule comes into force on March 30, 2004.

5.2 Transition

- (1) Despite section 5.1, sections 3.1, 3.3 and paragraph 3.5(a) apply for financial years beginning on or after January 1, 2004.
- (2) Despite section 5.1, sections 3.2, 3.4 and paragraph 3.5(b) apply for interim periods in financial years beginning on or after January 1, 2004.
- (3) Despite section 5.1, sections 3.10, 3.11, 3.12 and 3.13 apply from and after June 1, 2004.
- (4) Despite section 5.1, subsections 4.1(7) to (12), 4.1(15) and 4.1(16) are effective from and after June 1, 2004.
- (5) Despite section 5.1, the revocation of sections 144 to 148 and 150 of the General Securities Rules in subsection 4.1(6) is effective from and after May 19, 2005.

* * *

The foregoing is hereby approved and, subject to the Act, is hereby made a rule of the Commission pursuant to the authority contained in section 150 of the Act.

IN WITNESS WHEREOF this instrument has been signed by the Chair and one member of the Commission, being the members 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 14th day of January, 2004.

"H. Leslie O'Brien"
H. Leslie O'Brien

"R. Daren Baxter"
R. Daren Baxter