

memorandum describing the matters relating to the exemption application, and indicating why consideration should be given to the granting of the exemption, or

(b) sent to the securities regulatory authority or, except in Québec, regulator, the letter or memorandum referred to in paragraph (a) after the date of the preliminary prospectus or the amendment to the preliminary prospectus or prospectus has been filed and receives a written acknowledgement from the securities regulatory authority or, except in Québec, regulator, that issuance of the receipt is evidence that the exemption is granted.

(3) A person must not rely on a receipt as evidence of an exemption if the securities regulatory authority or, except in Québec, regulator, has before, or concurrently with, the issuance of the receipt for the prospectus, sent notice to the person that the issuance of a receipt does not evidence the granting of the exemption.

(4) For the purpose of this section, a reference to a prospectus does not include a preliminary prospectus.

### 5.3. Financial Years ending between December 21 and 31, 2010

Despite subsections 3.1(2) and 4.1(2), Part 3 may be applied by an issuer or registrant to all financial statements, financial information, operating statements and *pro forma* financial statements for periods relating to a financial year that begins before January 1, 2011 if the immediately preceding financial year ends no earlier than December 21, 2010.

### 5.4. Rate-Regulated Activities

(1) Despite subsections 3.1(2) and 4.1(2),

(a) Part 3 may be applied by a qualifying entity to all financial statements, financial information, operating statements and *pro forma* financial statements as if the expression “January 1, 2011” in subsection 3.1(2) were read as “January 1, 2012”, and

(b) if the qualifying entity relies on paragraph (a) in respect of a period, Part 4 must be applied as if the expression “January 1, 2011” in subsection 4.1(2) were read as “January 1, 2012”.

(2) For the purposes of subsection (1), a “qualifying entity” means a person that

(a) has activities subject to rate regulation, as defined in Part V of the Handbook, and

(b) is permitted under Canadian GAAP to apply Part V of the Handbook.

## PART 6 REPEAL, TRANSITION AND EFFECTIVE DATE

### 6.1. Repeal

This Regulation replaces Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency approved by Ministerial Order No. 2005-08 dated May 19, 2005.

### 6.2. Effective Date

This Regulation comes into force on January 1, 2011.

### 6.3. Existing Exemptions

A person that has obtained an exemption from Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency approved by Ministerial Order No. 2005-08 dated May 19, 2005, in whole or in part, is exempt from any substantially similar provision of this Regulation to the same extent and on the same conditions, if any, as contained in the exemption, unless the regulator, except in Québec, or securities regulatory authority has revoked that exemption.

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## M.O., 2010-17

### Order number V-1.1-2010-17 of the Minister of Finance, dated December 3, 2010

Securities Act  
(R.S.Q., c. V-1.1)

CONCERNING concordant regulations to Regulation 52-107 respecting acceptable accounting principles and auditing standards

WHEREAS subparagraphs 1, 2, 3, 6, 8, 9, 9.1, 11, 19, 19.1, 19.2, 19.4, 20, 21, 22, 26, 27 et 34 of section 331.1 of the Securities Act (R.S.Q., c. V-1.1) provide that the Autorité des marchés financiers may make regulations concerning the matters referred to in those paragraphs;

WHEREAS the third and fourth paragraphs of section 331.2 of the said Act provide that a draft regulation shall be published in the Bulletin de l’Autorité des marchés financiers, accompanied with the notice required under section 10 of the Regulations Act (R.S.Q., c. R-18.1) and may not be submitted for approval or be made before 30 days have elapsed since its publication;

WHEREAS the first and fifth paragraphs of the said section provide that every regulation made under section 331.1 must be approved, with or without amendment, by the Minister of Finance and comes into force on the date of its publication in the *Gazette officielle du Québec* or on any later date specified in the regulation;

WHEREAS the following regulations have been approved by the Minister of Finance or made by the Autorité des marchés financiers:

— Regulation 11-102 respecting passport system approved by ministerial order no. 2008-04 dated March 4, 2008 (2008, *G.O.* 2, 787);

— Regulation 13-101 respecting the System for electronic document analysis and retrieval (SEDAR) adopted by decision no. 2001-C-0272 dated June 12, 2001 (Supplement to the Bulletin of the Commission des valeurs mobilières du Québec, Vol. 32, No. 26, dated June 29, 2001);

— Regulation 14-101 respecting definitions adopted by decision no. 2001-C-0274 dated June 12, 2001 (Supplement to the Bulletin of the Commission des valeurs mobilières du Québec, Vol. 32, No. 26, dated June 29, 2001);

— Regulation 21-101 respecting marketplace operation adopted by decision no. 2001-C-0409 dated August 28, 2001 (Supplement to the Bulletin of the Commission des valeurs mobilières du Québec, Vol. 32, No. 35, dated August 31, 2001);

— Regulation 31-103 respecting registration requirements and exemptions approved by ministerial order no. 2009-04 dated September 9, 2009 (2009, *G.O.* 2, 3309A);

— Regulation 33-109 respecting registration information approved by ministerial order no. 2009-05 dated September 9, 2009 (2009, *G.O.* 2, 3362A);

— Regulation 41-101 respecting general prospectus requirements approved by ministerial order no. 2008-05 dated March 4, 2008 (2008, *G.O.* 2, 810);

— Regulation 44-101 respecting short form prospectus distributions approved by ministerial order no. 2005-24 dated November 30, 2005 (2005, *G.O.* 2, 5183);

— Regulation 44-102 respecting shelf distributions adopted by decision no. 2001-C-0201 dated May 22, 2001 (Supplement to the Bulletin of the Commission des valeurs mobilières du Québec, Vol. 32, No. 22, dated June 1, 2001);

— Regulation 45-106 respecting prospectus and registration exemptions approved by ministerial order no. 2009-05 dated September 9, 2009 (2009, *G.O.* 2, 3362A);

— Regulation 51-102 respecting continuous disclosure obligations approved by ministerial order no. 2005-03 dated May 19, 2005 (2005, *G.O.* 2, 1507);

— Regulation 52-108 respecting auditor oversight approved by ministerial order no. 2005-16 dated August 2, 2005 (2005, *G.O.* 2, 3577);

— Regulation 52-109 respecting certification of disclosure in issuers' annual and interim filings approved by ministerial order no. 2008-16 dated November 25, 2008 (2008, *G.O.* 2, 5469);

— Regulation 52-110 respecting audit committees approved by ministerial order no. 2005-10 dated June 7, 2005 (2005, *G.O.* 2, 1997);

— Regulation 54-101 respecting communication with beneficial owners of securities of a reporting issuer adopted by decision no. 2003-C-0082 dated March 3, 2003 (Supplement to the Bulletin of the Commission des valeurs mobilières du Québec, Vol. 34, No. 19, dated May 16, 2003);

— Regulation 62-104 respecting take-over bids and issuer bids approved by ministerial order no. 2008-02 dated January 22, 2008 (2008, *G.O.* 2, 565);

— Regulation 71-102 respecting continuous disclosure and other exemptions relating to foreign issuers approved by ministerial order no. 2005-07 dated May 19, 2005 (2005, *G.O.* 2, 1591);

WHEREAS there is cause to amend or repeal those regulations;

WHEREAS Regulation to amend Regulation 14-101 respecting definitions was published in the Bulletin de l'Autorité des marchés financiers, volume 6, no. 38 of September 25, 2009;

WHEREAS the following draft regulations were published in the Bulletin de l'Autorité des marchés financiers, volume 7, no. 10 of March 12, 2010:

— Regulation to amend Regulation 31-103 respecting registration requirements and exemptions;

— Regulation to amend Regulation 33-109 respecting registration information;

— Regulation to amend Regulation 41-101 respecting general prospectus requirements;

— Regulation to amend Regulation 44-101 respecting short form prospectus distributions;

— Regulation to amend Regulation 44-102 respecting shelf distributions;

— Regulation to amend Regulation 45-106 respecting prospectus and registration exemptions;

— Regulation to amend Regulation 51-102 respecting continuous disclosure obligations;

— Regulation to amend Regulation 52-109 respecting certification of disclosure in issuers' annual and interim filings;

— Regulation to amend Regulation 71-102 respecting continuous disclosure and other exemptions relating to foreign issuers;

WHEREAS the following draft regulations were published in the Bulletin de l'Autorité des marchés financiers, volume 7, no. 39 of October 1st, 2010:

— Regulation to amend Regulation 11-102 respecting passport system;

— Regulation to amend Regulation 13-101 respecting System for electronic document analysis and retrieval (SEDAR);

— Regulation to amend Regulation 21-101 respecting marketplace operation;

— Regulation to amend Regulation 52-108 respecting auditor oversight;

— Regulation to amend Regulation 52-110 respecting audit committees;

— Regulation to amend Regulation 54-101 respecting communication with beneficial owners of securities of a reporting issuer;

— Regulation to amend Regulation 62-104 respecting take-over bids and issuer bids;

WHEREAS those draft regulations were made by the Autorité des marchés financiers by decision no. 2010-PDG-0216 dated November 22, 2010;

WHEREAS there is cause to approve those regulations without amendment;

CONSEQUENTLY, the Minister of Finance approves without amendment the following regulations appended hereto:

— Regulation to amend Regulation 11-102 respecting passport system;

— Regulation to amend Regulation 13-101 respecting System for electronic document analysis and retrieval (SEDAR);

— Regulation to amend Regulation 14-101 respecting definitions;

— Regulation to amend Regulation 21-101 respecting marketplace operation;

— Regulation to amend Regulation 31-103 respecting registration requirements and exemptions;

— Regulation to amend Regulation 33-109 respecting registration information;

— Regulation to amend Regulation 41-101 respecting general prospectus requirements;

— Regulation to amend Regulation 44-101 respecting short form prospectus distributions;

— Regulation to amend Regulation 44-102 respecting shelf distributions;

— Regulation to amend Regulation 45-106 respecting prospectus and registration exemptions;

— Regulation to amend Regulation 51-102 respecting continuous disclosure obligations;

— Regulation to amend Regulation 52-108 respecting auditor oversight;

— Regulation to amend Regulation 52-109 respecting certification of disclosure in issuers' annual and interim filings;

— Regulation to amend Regulation 52-110 respecting audit committees;

— Regulation to amend Regulation 54-101 respecting communication with beneficial owners of securities of a reporting issuer;

— Regulation to amend Regulation 62-104 respecting take-over bids and issuer bids;

— Regulation to amend Regulation 71-102 respecting continuous disclosure and other exemptions relating to foreign issuers.

December 3, 2010

RAYMOND BACHAND,  
*Minister of Finance*

## Regulation to amend Regulation 11-102 respecting Passport System\*

Securities Act  
(R.S.Q., c. V-1.1, s. 331.1, par. (11))

**1.** Appendix D of Regulation 11-102 respecting Passport System is amended:

(1) by replacing, in the column entitled “Provision”, “Accounting principles, auditing standards and reporting currency requirements” with the words “Accounting principles and auditing standards requirements”;

(2) by replacing, wherever they occur, “s.3.1 of Regulation 52-107” with “s.3.2 of Regulation 52-107”;

(3) by deleting “s.2(1) of Regulation 1015 (General) and”.

**2.** Appendix E of the Regulation is amended, under the title “**Québec**”, by replacing “Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency approved by Ministerial Order no. 2005-08 dated May 19, 2005” with “Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards approved by Ministerial Order (*indicate here the number and date of the Ministerial Order approving the Regulation*)”.

**3.** This Regulation comes into force on January 1, 2011.

\* Regulation 11-102 respecting Passport System, approved by Ministerial Order No. 2008-04 dated March 4, 2008 (2008, *G.O.* 2, 787), was last amended by the regulation to amend the regulation approved by Ministerial Order No. 2010-08 dated April 7, 2010 (2010, *G.O.* 2, 923). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2010, updated to October 1, 2010.

## Regulation to amend Regulation 13-101 respecting System for Electronic Document Analysis and Retrieval (SEDAR)\*

Securities Act  
(R.S.Q., c. V-1.1, s. 331.1, par. (2) and (34))

**1.** Section 1.1 of Regulation 13-101 respecting System for Electronic Document Analysis and Retrieval (SEDAR) is amended by replacing, wherever they occur in the French text of paragraph (b) of the definition of “foreign issuer (SEDAR)”, the words “titres de participation” with the words “titres de capitaux propres”.

**2.** Appendix A of the Regulation is amended:

(1) in paragraph B of Part I:

(a) by replacing, in subparagraph 2, the words “Interim Financial Statements” with the words “Interim Financial Statements/Report”;

(b) by replacing, in the French text of subparagraph 11, the words “de vérificateur” with the words “d’auditeur”;

(c) by replacing, in the French text of subparagraph 14, the words “personnes reliées” with the words “parties liées”;

(2) in subparagraph (a) of paragraph B of Part II:

(a) by replacing, in subparagraph 4, the words “Interim Financial Statements” with the words “Interim Financial Statements/Report”;

(b) by replacing, in the French text of subparagraph 12, the words “de vérificateur” with the words “d’auditeur”;

(3) in paragraph D of Part II:

\* Regulation 13-101 respecting the System for Electronic Document Analysis and Retrieval (SEDAR), adopted on June 12, 2001 pursuant to Decision No. 2001-C-0272 and published in the Supplement to the Bulletin of the *Commission des valeurs mobilières du Québec*, Vol. 32, No. 26, dated June 29, 2001, was amended solely by the instruction adopted on June 12, 2001 pursuant to Decision No. 2001-C-0273 and published in the Supplement to the Bulletin of the *Commission des valeurs mobilières du Québec*, Vol. 32, No. 26, dated June 29, 2001 and by the regulations to amend the regulation approved by Ministerial Orders No. 2005-06 dated May 19, 2005 (2005, *G.O.* 2, 1500), No. 2005-17 dated August 2, 2005 (2005, *G.O.* 2, 3523), No. 2005-22 dated August 17, 2005 (2005, *G.O.* 2, 3643), and No. 2006-03 dated October 31, 2006 (2006, *G.O.* 2, 3586).

(a) by replacing, in the French text of the title, the words “personne reliée” with the words “partie liée”;

(b) by replacing, in the French text of subparagraph 2, the words “personne reliée” with the words “partie liée”.

**3.** This Regulation only applies to periods relating to financial years beginning on or after January 1, 2011.

**4.** This Regulation comes into force on January 1, 2011.

### Regulation to amend Regulation 14-101 respecting Definitions\*

Securities Act  
(R.S.Q., c. V-1.1, s. 331.1, par. (34))

**1.** Paragraph (3) of section 1.1 of Regulation 14-101 respecting Definitions is amended:

(1) by inserting, after the definition of “Handbook”, the following:

““IFRS” means the standards and interpretations adopted by the International Accounting Standards Board, as amended from time to time;”;

(2) by inserting, after the definition of “insider reporting requirement”, the following:

““International Standards on Auditing” means auditing standards set by the International Auditing and Assurance Standards Board, as amended from time to time;”;

(3) by deleting the definition of “Canadian auditor’s report”;

(4) by replacing, in the French text of the definition of “equity security”, the words “titre de participation” with the words “titre de capitaux propres” and the definition of “NVGR canadiennes” with the following:

\* Regulation 14-101 respecting Definitions, adopted on June 12, 2001 pursuant to Decision No. 2001-C-0274 and published in the Supplement to the Bulletin of the *Commission des valeurs mobilières du Québec*, Vol. 32, No. 26, dated June 29, 2001, was amended solely by the Amendments to National Instrument 14-101, Definitions adopted on September 10, 2002 pursuant to Decision No. 2002-C-0324 and published in the Supplement to the Bulletin of the *Commission des valeurs mobilières du Québec*, Vol. 33, No. 41, dated October 18, 2002, by the Regulation to amend National Instrument 14-101, Definitions approved by Ministerial Order No. 2008-06 dated March 4, 2008 (2008, *G.O.* 2, 726) and by the regulations to amend the regulation approved by Ministerial Orders No. 2009-05 dated September 9, 2009 (2009, *G.O.* 2, 3362A) and No. 2010-08 dated April 7, 2010 (2010, *G.O.* 2, 923).

“« NAGR canadiennes »: les normes d’audit généralement reconnues établies selon le Manuel de l’ICCA;”.

**2.** This Regulation comes into force on January 1, 2011.

### Regulation to amend Regulation 21-101 respecting Marketplace Operation\*

Securities Act  
(R.S.Q., c. V-1.1, s. 331.1, par. (1), (3), (8) and (9.1))

**1.** Form 21-101F1 of Regulation 21-101 respecting Marketplace Operation is amended:

(1) by deleting, in paragraph 4 of the subsection entitled “Exhibit D” of section 1, the sentence “Such financial statements shall consist, at a minimum, of a balance sheet and an income statement prepared in accordance with, or if the affiliated entity is organized under the laws of a foreign jurisdiction, reconciled with Canadian GAAP.”;

(2) by replacing, in the French text of the subsection entitled “Exhibit O” of the section 7, the word “vérifiés” with the word “audités” and the word “vérificateur” with the word “auditeur”;

(3) by replacing, in the French text, “**7. RÉGLEMENTATION**” with “**8. RÉGLEMENTATION**”.

**2.** Form 21-101F2 of the Regulation is amended by replacing, in the French text of paragraph 1 of the subsection entitled “Exhibit B”, the words “titres de participation” with the words “titres de capitaux propres”.

**3.** Form 21-101F3 of the Regulation is amended by replacing, wherever it occurs in the French text, the word “Actions” with the words “Titres de capitaux propres”.

\* Regulation 21-101 respecting Marketplace Operation, adopted on August 28, 2001 pursuant to Decision No. 2001-C-0409 and published in the Supplement to the Bulletin of the *Commission des valeurs mobilières du Québec*, Vol. 32, No. 35, dated August 31, 2001, was amended solely by the regulation adopted on March 28, 2002 pursuant to Decision No. 2002-C-0128 and published in the Supplement to the Bulletin of the *Commission des valeurs mobilières du Québec*, Vol. 33, No. 23, dated June 14, 2002, by the Regulation to amend National Instrument 21-101, Marketplace Operation approved by Ministerial Order No. 2007-01 dated March 6, 2007 (2007, *G.O.* 2, 1263) and by the regulations to amend the Regulation approved by Ministerial Orders No. 2008-14 dated August 22, 2008 (2008, *G.O.* 2, 4547) and No. 2010-01 dated January 15, 2010 (2010, *G.O.* 2, 469).

**4.** Form 21-101F5 of the Regulation is amended, in the French text:

(1) in section 3:

(a) by replacing, in the subsection entitled “Exhibit M”, the word “vérifiés” with the word “audités” and the word “vérificateur” with the word “auditeur”;

(b) by replacing, in the subsection entitled “Exhibit N”, the word “produits” with the words “produits des activités ordinaires”;

(2) in section 4:

(a) by replacing, in the title, the word “produits” with the words “produits des activités ordinaires”;

(b) by replacing, in the subsection entitled “Exhibit O”, the word “produits” with the words “produits des activités ordinaires provenant”.

**5.** The Regulation is amended by replacing, wherever they occur in the French text, the words “de vérification” with the words “d’audit” and the word “vérifiés” with the word “audités”.

**6.** This Regulation only applies to periods relating to financial years beginning on or after January 1, 2011.

**7.** This Regulation comes into force on January 1, 2011.

## Regulation to amend Regulation 31-103 respecting Registration Requirements and Exemptions\*

Securities Act  
(R.S.Q., c. V-1.1, s. 331.1, par. (1), (3), (8), (9), (11) and (34))

**1.** Section 1.1 of Regulation 31-103 respecting Registration Requirements and Exemptions is amended by inserting, after the definition of “IIROC”, the following:

““interim period” means a period commencing on the first day of the financial year and ending 9, 6 or 3 months before the end of the financial year;”.

**2.** Section 8.26 of the Regulation is amended, in the French text:

(1) by replacing, in paragraph (2), the definition of “aggregate consolidated gross revenue” with the following:

“« total des produits des activités ordinaires bruts consolidés » : les produits des activités ordinaires bruts consolidés à l’exclusion de ceux de tout membre du même groupe que le conseiller qui est inscrit dans un territoire du Canada;”;

(2) by replacing, in subparagraph (d) of paragraph (4), the words “de leur chiffre d’affaires brut consolidé total” with the words “du total des produits des activités ordinaires bruts consolidés”.

**3.** Paragraph (1) of section 8.28 of the Regulation is amended by replacing, in the French text, the word “déterminées” with the word “définies”.

**4.** Section 11.5 of the Regulation is amended, in the French text:

(1) by replacing, in paragraph (2), the words “la vérification” with the words “l’audit”;

(2) by replacing, in subparagraph (h) of paragraph (2), the words “de vérification” with the words “d’audit”.

**5.** Section 12.2 of the Regulation is amended, in the French text, by replacing the words “d’apparentés” with the words “de parties liées”.

**6.** The title of division 3 and sections 12.8 and 12.9 of the Regulation are replaced, in the French text, with the following:

### “Section 3 Audits

#### “12.8. Demande de l’agent responsable ou de l’autorité en valeurs mobilières d’effectuer un audit ou un examen

La société inscrite donne par écrit à son auditeur des instructions selon lesquelles il doit exécuter tout audit ou examen exigé par l’agent responsable ou, au Québec, l’autorité en valeurs mobilières pendant la durée de l’inscription de la société, et transmet une copie de ces instructions à l’agent responsable ou à l’autorité en valeurs mobilières selon les modalités suivantes:

a) elle la joint à sa demande d’inscription;

b) elle la transmet au plus tard le 7<sup>e</sup> jour après qu’elle a changé d’auditeur.

\* Regulation 31-103 respecting Registration Requirements and Exemptions, approved by Ministerial Order No. 2009-04 dated September 9, 2009 (2009, G.O. 2, 3309A), has not been amended since its approval.

## 12.9. Coopération avec l'auditeur

La personne inscrite ne doit pas, au cours de l'audit, retenir, détruire ou dissimuler de renseignements ou de documents ou refuser de toute autre façon de coopérer pour donner suite à une demande raisonnable de son auditeur.”.

### 7. Section 12.10 of the Regulation is amended:

(1) by replacing paragraph (1) with the following:

“(1) Annual financial statements delivered to the regulator under this Division for financial years beginning on or after January 1, 2011 must include the following:

(a) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows, each prepared for the most recently completed financial year and the financial year immediately preceding the most recently completed financial year, if any;

(b) a statement of financial position, signed by at least one director of the registered firm, as at the end of the most recently completed financial year and the financial year immediately preceding the most recently completed financial year, if any;

(c) notes to the financial statements.”;

(2) in the French text of paragraph (2), by replacing the word “vérifiés” with the word “audités”;

(3) by deleting paragraph (3).

### 8. Section 12.11 of the Regulation is amended by replacing paragraph (1) with the following:

“(1) Interim financial information delivered to the regulator under this Division for interim periods relating to financial years beginning on or after January 1, 2011 may be limited to the following:

(a) a statement of comprehensive income for the 3-month period ending on the last day of the interim period and for the same period of the immediately preceding financial year, if any;

(b) a statement of financial position, signed by at least one director of the registered firm, as at the end of the interim period and as at the end of the same interim period of the immediately preceding financial year, if any.”.

### 9. Section 12.12 of the Regulation is amended:

(1) by replacing, wherever it occurs in paragraph (2), the word “quarter” with the words “interim period”;

(2) by replacing, in the second paragraph (2), “(2)” with “(3)”.

**10.** Paragraph (2) of section 12.14 of the Regulation is amended by replacing, wherever it occurs, the word “quarter” with the words “interim period”.

**11.** The Regulation is amended by adding, after section 12.14, the following:

### “12.15. Exemptions for financial years beginning in 2011

(1) Despite subsections 12.10(1), 12.11(1), 12.12(1) and (2), 12.13 and 12.14(1) and (2), the annual financial statements, the interim financial information, and the completed Form 31-103F1 Calculation of Excess Working Capital, for a financial year beginning in 2011 or for interim periods relating to a financial year beginning in 2011 may exclude comparative information for the preceding financial period.

(2) Despite subsection 12.12(2), the first interim financial information, and the first completed Form 31-103F1 Calculation of Excess Working Capital, required to be delivered in respect of an interim period beginning on or after January 1, 2011 must be delivered no later than the 45<sup>th</sup> day after the end of the interim period.

(3) Despite subsection 12.14(2), the first interim financial information, the first completed Form 31-103F1 Calculation of Excess Working Capital, and the description of any net asset value adjustment, required to be delivered in respect of an interim period beginning on or after January 1, 2011 must be delivered no later than the 45<sup>th</sup> day after the end of the interim period.”.

**12.** Form 31-103F1 of the Regulation is amended:

(1) by replacing, wherever they occur in the French text of the table, the words “à court terme” with the word “courant”;

(2) by replacing, in the French text of point 5 of the table, the words “d'apparentés” with the words “de parties liées”;

(3) by replacing, in the paragraph entitled “Notes”, the words “unconsolidated basis” with the words “non-consolidated basis; registrants must account for investments in subsidiaries, jointly controlled entities and associates as specified for separate financial statements in International Accounting Standard 27 *Consolidated and Separate Financial Statements*”;

(4) by replacing, in the paragraph entitled “**Line 11. Guarantees**”, the words “balance sheet” with the words “statement of financial position”;

(5) by replacing, in the French text of the first paragraph of Schedule 1, the words “Actifs à court terme” with the words “Actif courant”.

**13.** This Regulation only applies to annual financial statements and interim financial information in respect of periods relating to financial years beginning on or after January 1, 2011.

**14.** This Regulation comes into force on January 1, 2011.

### Regulation to amend Regulation 33-109 respecting Registration Information\*

Securities Act

(R.S.Q., c. V-1.1, s. 331.1, par. (1), (3), (26) and (27))

**1.** Subparagraph (d) of paragraph (3) of section 3.1 of Regulation 33-109 respecting Registration Information is amended, in the French text:

(1) in subsection (iv), by replacing the word “vérifiés” with the word “audités”;

(2) in subparagraph (v), by replacing the words “au vérificateur” with the words “à l’auditeur”.

**2.** Paragraph (3) of section 6.2 of the Regulation is amended by replacing, in the French text, the words “de vérificateur” with the words “d’auditeur”.

**3.** Form 33-109F6 of the Regulation is amended:

(1) in the French text and under the title “Contents of the form”:

(a) in point 8, by replacing the word “vérifiés” with the word “audités”;

(b) in point 9, by replacing the words “au vérificateur” with the words “à l’auditeur”;

(2) in the French text of section 5.12, by replacing the words “vérifie”, “vérificateur” and “du vérificateur” with, respectively, the words “audite”, “auditeur” and “de l’auditeur”;

(3) in section 5.13, by replacing the words “balance sheet” with the words “statement of financial position”;

(4) in the French text of section 5.14, by replacing the words “au vérificateur”, “le vérificateur” and “vérification” with, respectively, the words “à l’auditeur”, “l’auditeur” and “audit”;

(5) in the French text of Schedule C:

(a) by replacing, wherever they occur in the table, the words “à court terme” with the word “courant”;

(b) by replacing, in point 5 of the table, the words “d’apparentés” with the words “de parties liées”;

(c) by replacing, in the paragraph entitled “**Line 11. Guarantees**”, the words “passif à court terme dans le bilan” with the words “passif courant dans l’état de la situation financière”;

(6) in the first paragraph of Schedule 1 of Form 31-103F1, by replacing the words “Actifs à court terme” with the words “Actif courant”.

**4.** This Regulation only applies to filings of Form 33-109F6 Firm Registration that include annual financial statements or interim financial information for periods relating to financial years beginning on or after January 1, 2011.

**5.** This Regulation comes into force on January 1, 2011.

### Regulation to amend Regulation 41-101 respecting General Prospectus Requirements\*

Securities Act

(R.S.Q., c. V-1.1, s. 331.1, par. (1), (3), (6), (8), (11), (19.1) and (34))

**1.** Section 1.1 of Regulation 41-101 respecting General Prospectus Requirements is amended:

(1) by inserting the following after the definition of “acquisition”:

\* Regulation 41-101 respecting General Prospectus Requirements, approved by Ministerial Order No. 2008-05 dated March 4, 2008 (2008, *G.O.* 2, 810), was last amended by the regulation to amend the regulation approved by Ministerial Order No. 2010-09 dated June 1, 2010 (2010, *G.O.* 2, 1493). For previous amendments, refer to the “Tableau des modifications et Index sommaire”, Éditeur officiel du Québec, 2010, updated to October 1, 2010.

\* Regulation 33-109 respecting Registration Information, approved by Ministerial Order No. 2009-05 dated September 9, 2009 (2009, *G.O.* 2, 3362A), has not been amended since its approval.



““acquisition date” has the same meaning as in section 1.1 of Regulation 51-102 respecting Continuous Disclosure Obligations;”;

(2) by deleting the definition of “date of acquisition”;

(3) by inserting the following after the definition of “custodian”:

““date of transition to IFRS” has the same meaning as in section 1.1 of Regulation 51-102 respecting Continuous Disclosure Obligations;”;

(4) by inserting, after the definition of “private issuer”, the following:

““profit or loss attributable to owners of the parent” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;

“profit or loss from continuing operations attributable to owners of the parent” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;

“publicly accountable enterprise” has the same meaning as in Part 3 of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards;”;

(5) by replacing, in the definition of “SEC issuer” the words “Acceptable Accounting Principles, Auditing Standards and Reporting Currency” with the words “Acceptable Accounting Principles and Auditing Standards”;

(6) by inserting, after the definition of “transition year”, the following:

““U.S. AICPA GAAS” has the same meaning as in section 1.1 of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards;”;

(7) by inserting, after the definition of “U.S. marketplace”, the following:

““U.S. PCAOB GAAS” has the same meaning as in section 1.1 of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards;”;

(8) by deleting the definition of “U.S. GAAS”;

(9) by inserting, after the definition of “restructuring transaction”, the following:

““retrospective” has the same meaning as in section 1.1 of Regulation 51-102 respecting Continuous Disclosure Obligations;

“retrospectively” has the same meaning as in section 1.1 of Regulation 51-102 respecting Continuous Disclosure Obligations;”;

(10) by replacing, in the definitions of “U.S. GAAP” and “issuer’s GAAP”, the words “Acceptable Accounting Principles, Auditing Standards and Reporting Currency” with the words “Acceptable Accounting Principles and Auditing Standards”;

(11) by replacing the definition of “junior issuer” with the following:

““junior issuer” means an issuer

(a) that files a preliminary prospectus;

(b) that is not a reporting issuer in any jurisdiction;

(c) whose total consolidated assets as at the date of the most recent statement of financial position of the issuer included in the preliminary prospectus are less than \$10,000,000;

(d) whose consolidated revenue as shown in the most recent annual statement of comprehensive income of the issuer included in the preliminary prospectus is less than \$10,000,000; and

(e) whose equity as at the date of the most recent statement of financial position of the issuer included in the preliminary prospectus is less than \$10,000,000;

taking into account all adjustments to asset, revenue and equity calculations necessary to reflect each significant proposed acquisition of a business or related business by an issuer that has progressed to a state where a reasonable person would believe that the likelihood of the issuer completing the acquisition is high, and each completed significant acquisition of a business or related business that was completed,

(f) for paragraphs (c) and (e), before the date of the preliminary prospectus and after the date of the issuer’s most recent statement of financial position included in the preliminary prospectus as if each acquisition had taken place as at the date of the issuer’s most recent statement of financial position included in the preliminary prospectus; and

(g) for paragraph (d), after the last day of the most recent annual statement of comprehensive income of the issuer included in the preliminary prospectus as if each acquisition had taken place at the beginning of the issuer’s most recently completed financial year for which a statement of comprehensive income is included in the preliminary prospectus;”;

(12) by inserting the following after the definition of “executive officer”:

““financial statements” includes interim financial reports;

“first IFRS financial statements” has the same meaning as in section 1.1 of Regulation 51-102 respecting Continuous Disclosure Obligations;”;

(13) by replacing, in the definition of “foreign disclosure requirements”, the words “Acceptable Accounting Principles, Auditing Standards and Reporting Currency” with the words “Acceptable Accounting Principles and Auditing Standards”;

(14) by deleting the definition of “income from continuing operations”;

(15) by replacing the definition of “designated foreign jurisdiction” with the following:

““designated foreign jurisdiction” has the same meaning as in section 1.1 of Regulation 52-107 respecting Accounting Principles and Auditing Standards approved by Ministerial Order (*indicate the number and date of the Ministerial Order approving the Regulation*);”;

(16) by replacing, in the French text, the definition of “titre de participation” with the following:

“« titre de capitaux propres »: tout titre d’un émetteur qui comporte le droit résiduel de participer au résultat de celui-ci et au partage de ses actifs en cas de liquidation;”;

(17) in the French text of the definition of “restricted security”:

(a) by replacing, in paragraph (c), the words “bénéfice” and “titres de participation” with, respectively, the words “résultat” and “titres de capitaux propres”;

(b) by replacing, wherever they occur, the words “titre de participation” and “titres de participation” with, respectively, the words “titre de capitaux propres” and “titres de capitaux propres”.

**2.** Section 4.2 of the Regulation is replaced with the following:

#### “4.2. Audit of financial statements

(1) Any financial statements included in a long form prospectus filed in the form of Form 41-101F1 must be audited in accordance with Regulation 52-107

respecting Acceptable Accounting Principles and Auditing Standards unless an exception in section 32.5 or subsection 35.1(3) of Form 41-101F1 applies.

(2) Any financial statements, other than an interim financial report, included in or incorporated by reference into a long form prospectus of an investment fund filed in the form of Form of 41-101F2 must meet the audit requirements of Part 2 of Regulation 81-106 respecting Investment Fund Continuous Disclosure.”.

**3.** Section 4.3 of the Regulation is amended:

(1) by replacing paragraphs (1) and (2) with the following:

“(1) Any unaudited financial statements included in, or incorporated by reference into, a long form prospectus must have been reviewed in accordance with the relevant standards set out in the Handbook for a review of financial statements by the person’s auditor or a review of financial statements by a public accountant.

(2) Subsection (1) does not apply to an investment fund’s unaudited financial statements filed after the date of filing of the prospectus that are incorporated by reference into the prospectus under Part 15.”;

(2) in paragraph (3):

(a) by replacing the introductory sentence and subparagraph (a) with the following:

“(3) If Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards permits the financial statements of the person in subsection (1) to be audited in accordance with

(a) U.S. AICPA GAAS, the unaudited financial statements may be reviewed in accordance with the review standards issued by the American Institute of Certified Public Accountants;”;

(b) by inserting, after subparagraph (a), the following:

“(a.1) U.S. PCAOB GAAS, the unaudited financial statements may be reviewed in accordance with the review standards issued by the Public Company Accounting Oversight Board (United States of America);”;

(c) by replacing subparagraphs (b) and (c) with the following:

“(b) International Standards on Auditing, the unaudited financial statements may be reviewed in accordance with International Standards on Review Engagement issued by the International Auditing and Assurance Standards Board, or

“(c) auditing standards that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the person is subject, the unaudited financial statements

(i) may be reviewed in accordance with review standards that meet the foreign disclosure requirements of the designated foreign jurisdiction, or

(ii) do not have to be reviewed if

(A) the designated foreign jurisdiction does not have review standards for unaudited financial statements, and

(B) the long form prospectus includes disclosure that the unaudited financial statements have not been reviewed.”.

**4.** Section 14.2 of the Regulation is amended by deleting, wherever it occurs, the word “shareholders”.

**5.** Section 14.9 of the Regulation is amended, in the French text, by replacing the words “frais d’exploitation” with the words “charges opérationnelles”.

**6.** Section 20.1 of the Regulation is repealed.

**7.** Schedule 3 of Appendix A to the Regulation is amended:

(1) by inserting, in the paragraph opposite “Nunavut”, the words “Superintendent of Securities” before the words “Government of Nunavut”;

(2) by replacing, in the paragraph opposite “Northwest Territories”, the words “Securities Registries” and “www.justice.gov.nt.ca/SecuritiesRegistry/SecuritiesRegistry.html” with, respectively, the words “Superintendent of Securities” and “www.justice.gov.nt.ca/SecuritiesRegistry”;

(3) by replacing, in the paragraph opposite “Yukon”, the words “Registrar of Securities” with the words “Superintendent of Securities”.

**8.** Form 41-101F1 of the Regulation is amended:

(1) in instruction (3), by deleting the sentence “*This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.*”;

(2) in instruction (5), by replacing “(*indicate the number and the date of the decision adopting this Policy Statement*)” with “2008-PDG-0055 dated 28 February 2008”;

(3) in instruction (7), by replacing the words “*the Handbook*” with the words “*Canadian GAAP applicable to publicly accountable enterprises*”;

(4) in instruction (8), by replacing the word “*vehicle*” with the word “*entity*”;

(5) in instruction (10), by replacing the words “*disclose the currency in which the financial information is disclosed*” with the words “*display the presentation currency*”;

(6) in instruction (15), by replacing the words “*Forward-looking information included*” with the words “*Forward-looking information, as defined in Regulation 51-102 respecting Continuous Disclosure Obligations, included*”;

(7) in section 1.5, by deleting the word “reporting”;

(8) in the French text of the instruction to section 1.11, by replacing the words “à base de” with the words “fondée sur des”;

(9) in the French text of section 1.14, by replacing, wherever they occur, the words “par les bénéfices” with the words “par le résultat”;

(10) in the French text of paragraph (2) of section 3.1:

(a) by replacing, in subparagraph (b), the word “vérifiés” with the word “audités”;

(b) by replacing, in subparagraph (c), the word “vérifiée” with the word “auditée”;

(c) by replacing, in subparagraph (d), the word “vérifiés” with the word “audités”;

(11) in paragraph (4) of section 4.2, by replacing subparagraph (b) with the following:

“(b) the revenue of the subsidiary does not exceed 10% of the consolidated revenue of the issuer, and”;

(12) in paragraph (1) of section 5.1, by replacing the words “as those terms are used in the Handbook” with the words “as those terms are described in the issuer’s GAAP”;

(13) in section 5.5:

(a) in paragraph (1):

(i) by replacing, wherever they occur in subparagraph (a), the words “balance sheet” with the words “statement of financial position”;

(ii) by replacing, in subparagraph (b), the words “balance sheet” and “income statement” with, respectively, the words “statement of financial position” and “statement of comprehensive income”;

(b) by replacing, in paragraph (4), the words “balance sheet” with the words “statement of financial position”;

(14) in paragraph (1) of section 8.1, by deleting the words “or Item 303 of Regulation S-B”;

(15) in section 8.2:

(a) by replacing, in subparagraph (b) of paragraph (1), the words “interim financial statements” with the words “interim financial report”;

(b) by replacing, in paragraph (2), the words “If the prospectus includes the issuer’s annual income statements, statements of retained earnings, and cash flow statements” with the words “If the prospectus includes the issuer’s annual statements of comprehensive income, statements of changes in equity, and statements of cash flow”;

(c) by replacing, in paragraph (3), the words “balance sheet” with the words “statement of financial position”;

(16) by deleting section 8.3;

(17) in section 8.6:

(a) by replacing subparagraphs (a) to (e) of paragraph (1) with the following:

“(a) exploration and evaluation assets or expenditures,

(b) expensed research and development costs,

(c) intangible assets arising from development,

(d) general and administrative expenses, and

(e) any material costs, whether expensed or recognized as assets, not referred to in paragraphs (a) through (d).”;

(b) by replacing, in paragraph (2), the words « la mise en valeur » with the words « le développement » in the French text, and the words “capitalized or expensed exploration and development costs” with the words “exploration and evaluation assets or expenditures”;

(c) by replacing, in subparagraph (b) of paragraph (3), the words “interim financial statements” with the words “interim financial report”;

(18) by replacing sections 8.7 and 8.8 with the following:

#### **“8.7. Additional disclosure for junior issuers**

For a junior issuer that had negative cash flow from operating activities in its most recently completed financial year for which financial statements have been included in the prospectus, disclose

(a) the period of time the proceeds raised under the prospectus are expected to fund operations,

(b) the estimated total operating costs necessary for the issuer to achieve its stated business objectives during that period of time, and

(c) the estimated amount of other material capital expenditures during that period of time.

In determining cash flow from operating activities, the issuer must include cash payments related to dividends and borrowing costs.

#### **“8.8. Additional disclosure for issuers with significant equity investees**

(1) An issuer that has a significant equity investee must disclose

(a) summarized financial information of the equity investee, including the aggregated amounts of assets, liabilities, revenue and profit or loss, and

(b) the issuer’s proportionate interest in the equity investee and any contingent issuance of securities by the equity investee that might significantly affect the issuer’s share of profit or loss.

(2) Provide the disclosure in subsection (1) for the following periods:

(a) the two most recently completed financial years;

(b) the most recent year-to-date interim period and the comparative year-to-date period presented in the interim financial report included in the prospectus, if any.

(3) Subsection (1) does not apply if

(a) the information required under that subsection has been disclosed in the financial statements included in the prospectus, or

(b) the issuer includes in the prospectus separate financial statements of the equity investee for the periods referred to in subsection (2).”;

(19) by replacing, in the French text of the title of Item 9, the words “**les bénéfiques**” with the words “**le résultat**”;

(20) in Item 9.1:

(a) by replacing paragraph (1) with the following:

“(1) If the securities being distributed are debt securities having a term to maturity in excess of one year or are preferred shares, disclose the following earnings coverage ratios adjusted in accordance with subsection (2):

(a) the earnings coverage ratio based on the most recent 12-month period included in the issuer’s annual financial statements included in the prospectus,

(b) if there has been a change in year end and the issuer’s most recent financial year is less than nine months in length, the earnings coverage calculation for its old financial year, and

(c) the earnings coverage ratio based on the 12-month period ended on the last day of the most recently completed period for which an interim financial report of the issuer has been included in the prospectus.”;

(b) by replacing, in paragraph (2), subparagraphs (a) to (e) with the following:

“(a) the issuance of the securities being distributed under the prospectus, based on the price at which these securities are expected to be distributed,

“(b) in the case of a distribution of preferred shares,

(i) the issuance of all preferred shares since the date of the annual financial statements or interim financial report, and

(ii) the repurchase, redemption or other retirement of all preferred shares repurchased, redeemed, or otherwise retired since the date of the annual financial statements or interim financial report and of all preferred shares to be repurchased, redeemed, or otherwise retired from the proceeds to be realized from the sale of securities under the prospectus,

“(c) the issuance of all financial liabilities, as defined in accordance with the issuer’s GAAP, since the date of the annual financial statements or interim financial report, and

“(d) the repayment, redemption or other retirement of all financial liabilities, as defined in accordance with the issuer’s GAAP, since the date of the annual financial statements or interim financial report and all financial liabilities to be repaid or redeemed from the proceeds to be realized from the sale of securities distributed under the prospectus.”;

(c) by deleting paragraph (3);

(d) by replacing paragraphs (4) and (5) with the following:

“(4) If the earnings coverage ratio is less than one-to-one, disclose in the prospectus the dollar amount of the numerator required to achieve a ratio of one-to-one.

“(5) If the prospectus includes a pro forma income statement, calculate the pro forma earnings coverage ratios for the periods of the pro forma income statement, and disclose them in the prospectus.”;

(e) in the instructions:

(i) by replacing paragraphs (1) and (2) with the following:

“(1) *Cash flow coverage may be disclosed but only as a supplement to earnings coverage and only if the method of calculation is fully disclosed.*

“(2) *Earnings coverage is calculated by dividing an entity’s profit or loss attributable to owners of the parent (the numerator) by its borrowing costs and dividend obligations (the denominator).*”;

(ii) in paragraph (3):

(A) by replacing the introductory sentence and subparagraphs (a) and (b) with the following:

“(3) *For the earnings coverage calculation*

*(a) the numerator should be calculated using consolidated profit or loss attributable to owners of the parent before borrowing costs and income taxes;*

*(b) imputed interest income from the proceeds of a distribution should not be added to the numerator;*”;

(B) by deleting subparagraph (c);

(C) by replacing subparagraphs (d) to (f) with the following:

*“(d) for distributions of debt securities, the appropriate denominator is borrowing costs, after giving effect to the new debt securities issue and any retirement of obligations, plus the borrowing costs that have been capitalized during the period;*

*“(e) for distributions of preferred shares*

*(i) the appropriate denominator is dividends declared during the period, together with undeclared dividends on cumulative preferred shares, after giving effect to the new preferred share issue, plus the issuer’s annual borrowing cost requirements, including the borrowing costs that have been capitalized during the period, less any retirement of obligations, and*

*(ii) dividends should be grossed-up to a before-tax equivalent using the issuer’s effective income tax rate; and*

*“(f) for distributions of both debt securities and preferred shares, the appropriate denominator is the same as for a preferred share issue, except that the denominator should also reflect the effect of the debt securities being offered pursuant to the prospectus.”;*

(iii) by replacing paragraph (4) with the following:

*“(4) The denominator represents a pro forma calculation of the aggregate of an issuer’s borrowing cost obligations on all financial liabilities and dividend obligations (including both dividends declared and undeclared dividends on cumulative preferred shares) with respect to all outstanding preferred shares, as adjusted to reflect*

*(a) the issuance of all financial liabilities and, in addition in the case of an issuance of preferred shares, all preferred shares issued, since the date of the annual financial statements or interim financial report;*

*(b) the issuance of the securities that are to be distributed under the prospectus, based on a reasonable estimate of the price at which these securities will be distributed; and*

*(c) the repayment or redemption of all financial liabilities since the date of the annual financial statements or interim financial report, all financial liabilities to be repaid or redeemed from the proceeds to be realized from the sale of securities under the prospectus and, in addition, in the case of an issuance of preferred shares, all preferred shares repaid or redeemed since the date of the annual financial statements or interim*

*financial report and all preferred shares to be repaid or redeemed from the proceeds to be realized from the sale of securities under the prospectus.”;*

(iv) by deleting paragraph (5);

(v) by replacing paragraphs (6) to (8) with the following:

*“(6) For debt securities, disclosure of earnings coverage shall include language similar to the following, with the bracketed and bulleted information completed:*

*“[Name of the issuer]’s borrowing cost requirements, after giving effect to the issue of [the debt securities to be distributed under the prospectus], amounted to \$• for the 12 months ended •. [Name of the issuer]’s profit or loss attributable to owners of the parent before borrowing costs and income tax for the 12 months then ended was \$•, which is • times [name of the issuer]’s borrowing cost requirements for this period.”*

*“(7) For preferred share issues, disclosure of earnings coverage shall include language similar to the following, with the bracketed and bulleted information completed:*

*“[Name of the issuer]’s dividend requirements on all of its preferred shares, after giving effect to the issue of [the preferred shares to be distributed under the prospectus], and adjusted to a before-tax equivalent using an effective income tax rate of •%, amounted to \$• for the 12 months ended •. [Name of the issuer]’s borrowing cost requirements for the 12 months then ended amounted to \$•. [Name of the issuer]’s profit or loss attributable to owners of the parent before borrowing costs and income tax for the 12 months ended • was \$•, which is • times [name of the issuer]’s aggregate dividend and borrowing cost requirements for this period.”*

*“(8) Other earnings coverage calculations may be included as supplementary disclosure to the required earnings coverage calculations outlined above as long as their derivation is disclosed and they are not given greater prominence than the required earnings coverage calculations.”;*

(21) by replacing, in subparagraph (b) of paragraph (8) of section 10.3, the word “income” with the word “profit”;

(22) by replacing, in the instruction under section 10.9, the word “derivatives” with the words “derivative instruments”;

(23) by replacing, in the French text of the title of Item 26, the word “**Vérificateurs**” with the word “**Auditeurs**”;

(24) by replacing the French text of section 26.1 with the following:

**“26.1. Auditeurs**

Indiquer le nom et l’adresse de l’auditeur de l’émetteur.”;

(25) by replacing paragraph (c) of section 32.1 with the following:

“(c) the restated combined financial statements of the issuer and any other entity with which the issuer completed a transaction within three years before the date of the prospectus or proposes to complete a transaction, if the issuer accounted for or will account for the transaction as a combination in which all of the combining entities or businesses ultimately are controlled by the same party or parties both before and after the combination, and that control is not temporary.”;

(26) in section 32.2:

(a) by replacing, in paragraph (1), subparagraphs (a) to (c) with the following:

“(a) a statement of comprehensive income, a statement of changes in equity, and a statement of cash flows for each of the three most recently completed financial years ended more than

(i) 90 days before the date of the prospectus, or

(ii) 120 days before the date of the prospectus, if the issuer is a venture issuer,

“(b) a statement of financial position as at the end of the two most recently completed financial years described in paragraph (a),

“(c) a statement of financial position as at the beginning of the earliest comparative period for which financial statements that are included in the prospectus comply with IFRS in the case of an issuer that

(i) discloses in its annual financial statements an unreserved statement of compliance with IFRS, and

(ii) does any of the following

(A) applies an accounting policy retrospectively in its annual financial statements,

(B) makes a retrospective restatement of items in its annual financial statements, or

(C) reclassifies items in its annual financial statements,

“(d) in the case of an issuer’s first IFRS financial statements, the opening IFRS statement of financial position at the date of transition to IFRS, and

“(e) notes to the annual financial statements.”;

(b) by inserting, after paragraph (1), the following:

“(1.1) If an issuer presents the components of profit or loss in a separate income statement, the separate income statement must be displayed immediately before the statement of comprehensive income filed under subsection (1).”;

(c) by replacing paragraphs (2) to (6) with the following:

“(2) If the issuer has not completed three financial years, include the financial statements described under subsection (1) for each completed financial year ended more than

(a) 90 days before the date of the prospectus, or

(b) 120 days before the date of the prospectus, if the issuer is a venture issuer.

“(3) If the issuer has not included in the prospectus financial statements for a completed financial year, include the financial statements described under subsection (1) or (2) for a period from the date the issuer was formed to a date not more than 90 days before the date of the prospectus.

“(4) If an issuer changed its financial year end during any of the financial years referred to in this section and the transition year is less than nine months, the transition year is deemed not to be a financial year for the purposes of the requirement to provide financial statements for a specified number of financial years in this section.

“(5) Despite subsection (4), all financial statements of the issuer for a transition year referred to in subsection (4) must be included in the prospectus.

“(6) Subject to section 32.4, if financial statements of any predecessor entity, business or businesses acquired by the issuer, or of any other entity are required under this section, then include

(a) statements of comprehensive income, statements of changes in equity, and statements of cash flow for the entities or businesses for as many periods before the acquisition as may be necessary so that when these periods are added to the periods for which the issuer's statements of comprehensive income, statements of changes in equity, and statements of cash flow are included in the prospectus, the results of the entities or businesses, either separately or on a consolidated basis, total three years,

(b) statements of financial position for the entities or businesses for as many periods before the acquisition as may be necessary so that when these periods are added to the periods for which the issuer's statements of financial position are included in the prospectus, the financial position of the entities or businesses, either separately or on a consolidated basis, total two years,

(c) if the entities or businesses have not completed three financial years, the financial statements described under paragraphs (a) and (b) for each completed financial year of the entities or businesses for which the issuer's financial statements in the prospectus do not include the financial statements of the entities or businesses, either separately or on a consolidated basis, and ended more than

(i) 90 days before the date of the prospectus, or

(ii) 120 days before the date of the prospectus, if the issuer is a venture issuer,

(d) if an entity's or business's first IFRS financial statements are included under paragraphs (a), (b) or (c), the opening IFRS statement of financial position at the date of transition to IFRS, and

(e) a statement of financial position as at the beginning of the earliest comparative period for which financial statements that are included in the prospectus comply with IFRS in the case of an issuer that

(i) discloses in its annual financial statements an unreserved statement of compliance with IFRS, and

(ii) does any of the following

(A) applies an accounting policy retrospectively in its financial statements,

(B) makes a retrospective restatement of items in its financial statements, or

(C) reclassifies items in its financial statements.”;

(27) by replacing sections 32.3 and 32.4 with the following:

### “32.3. Interim financial report

(1) Include a comparative interim financial report of the issuer for the most recent interim period, if any, ended

(a) subsequent to the most recent financial year in respect of which annual financial statements of the issuer are included in the prospectus, and

(b) more than

(i) 45 days before the date of the prospectus, or

(ii) 60 days before the date of the prospectus if the issuer is a venture issuer.

(2) The interim financial report referred to in subsection (1) must include

(a) a statement of financial position as at the end of the interim period and a statement of financial position as at the end of the immediately preceding financial year, if any,

(b) a statement of comprehensive income, a statement of changes in equity, and a statement of cash flows, all for the year-to-date interim period, and comparative financial information for the corresponding interim period in the immediately preceding financial year, if any,

(c) for interim periods other than the first interim period in an issuer's financial year, a statement of comprehensive income for the three month period ending on the last day of the interim period and comparative financial information for the corresponding period in the immediately preceding financial year, if any,

(d) a statement of financial position as at the beginning of the earliest comparative period for which financial statements that are included in the prospectus comply with IFRS in the case of an issuer that

(i) discloses in its interim financial report an unreserved statement of compliance with International Accounting Standard 34 *Interim Financial Reporting*, and

(ii) does any of the following

(A) applies an accounting policy retrospectively in its interim financial report,



(B) makes a retrospective restatement of items in its interim financial report, or

(C) reclassifies items in its interim financial report,

(e) in the case of the first interim financial report required to be filed in the year of adopting IFRS, the opening IFRS statement of financial position at the date of transition to IFRS, and

(f) notes to the interim financial report.

(3) If an issuer presents the components of profit or loss in a separate income statement, the separate income statement must be displayed immediately before the statement of comprehensive income filed under subsection (2).

(4) If the issuer is required to include under subsection 32.3(1), a comparative interim financial report of the issuer for the second or third interim period in the year of adopting IFRS, include

(a) the issuer's first interim financial report in the year of adopting IFRS, or

(b) both

(i) the opening IFRS statement of financial position at the date of transition to IFRS, and

(ii) the annual and date of transition to IFRS reconciliations required by IFRS 1 *First-time Adoption of International Financial Reporting Standards* to explain how the transition from previous GAAP to IFRS affected the issuer's reported financial position, financial performance and cash flows.

(5) Subsection (4) does not apply to an issuer that was a reporting issuer in at least one jurisdiction immediately before filing the prospectus.

#### **“32.4. Exceptions to financial statement requirements**

Despite section 32.2, an issuer is not required to include the following financial statements in a prospectus

(a) the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the third most recently completed financial year, if the issuer is a reporting issuer in at least one jurisdiction immediately before filing the prospectus,

(b) the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the third most recently completed financial year, and the financial statements for the second most recently completed financial year, if

(i) the issuer is a reporting issuer in at least one jurisdiction immediately before filing the prospectus, and

(ii) the issuer includes financial statements for a financial year ended less than

(A) 90 days before the date of the prospectus, or

(B) 120 days before the date of the prospectus, if the issuer is a venture issuer,

(c) the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the third most recently completed financial year, and the statement of financial position for the second most recently completed financial year, if the issuer includes financial statements for a financial year ended less than 90 days before the date of the prospectus,

(d) the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the third most recently completed financial year, and the financial statements for the second most recently completed financial year, if

(i) the issuer is a reporting issuer in at least one jurisdiction immediately before filing the prospectus,

(ii) the issuer includes audited financial statements for a period of at least nine months commencing the day after the most recently completed financial year for which financial statements are required under section 32.2,

(iii) the business of the issuer is not seasonal, and

(iv) none of the financial statements required under section 32.2 are for a financial year that is less than nine months,

(e) the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the third most recently completed financial year, and the statement of financial position for the second most recently completed financial year, if

(i) the issuer includes audited financial statements for a period of at least nine months commencing the day after the most recently completed financial year for which financial statements are required under section 32.2,

(ii) the business of the issuer is not seasonal, and

(iii) none of the financial statements required under section 32.2 are for a financial year that is less than nine months, or

(f) the separate financial statements of the issuer and the other entity for periods prior to the date of the transaction, if the restated combined financial statements of the issuer and the other entity are included in the prospectus under paragraph 32.1(c).”;

(28) in section 32.5:

(a) by replacing, in the French text of subparagraph (ii) of paragraph (a), the words “le vérificateur” with the words “l’auditeur”;

(b) by replacing, in paragraph (c), the words “interim financial statements” with the words “interim financial report”;

(c) by replacing, wherever they occur in the French text, the words “la vérification” with the words “l’audit”;

(29) in section 34.1:

(a) in paragraph (1):

(i) by replacing, in subparagraph (c), the word “revenues” with the word “revenue”;

(ii) by replacing subparagraph (g) with the following:

“(g) “summary financial information” includes the following line items:

(i) revenue;

(ii) profit or loss from continuing operations attributable to owners of the parent;

(iii) profit or loss attributable to owners of the parent; and

(iv) unless the accounting principles used to prepare the financial statements of the entity permits the preparation of the entity’s statement of financial position without classifying assets and liabilities between current and non-current and the entity provides alternative meaningful financial information which is more appropriate to the industry,

(A) current assets;

(B) non-current assets;

(C) current liabilities; and

(D) non-current liabilities.”;

(iii) by adding, after subparagraph (g), the following:

*“INSTRUCTION*

*See section 1.1 of the Regulation for the definitions of “profit or loss attributable to owners of the parent” and “profit or loss from continuing operations attributable to owners of the parent”.*”

(b) by replacing, in the French text of paragraphs (b) and (c) of paragraph (2), the words “à la valeur de consolidation” with the words “selon la méthode de la mise en équivalence”;

(30) by replacing, in subparagraph (ii) of paragraph (e) of section 34.2, the words “interim and annual consolidated” with the words “consolidated interim financial report and consolidated annual”.

(31) in section 35.1:

(a) by deleting, in paragraph (1), the words “accounted for as”;

(b) by replacing, in the French text of paragraph (3), the words “de vérification” with the words “d’audit”;

(c) in paragraph (4):

(i) in subparagraph (b):

(A) by replacing, in subparagraph (iv), the word “income” with the words “profit or loss”;

(B) by replacing, in subparagraph (vi), the words “annual audited statements” with the words “audited annual statements”;

(ii) by replacing, wherever they occur, the words “date of the acquisition” with the words “acquisition date”;

(32) in section 35.3:

(a) by replacing, in the title, the words “**date of acquisition**” with the words “**acquisition date**”;

(b) by replacing, in subparagraph (b) of paragraph (1), the words “date of the acquisition” with the words “acquisition date”;

(c) by replacing, in subparagraphs (a) and (c) of paragraph (2), the words “date of the acquisition” with the words “acquisition date”;

(33) in section 35.4:

(a) by replacing, in the title, the word “**Results**” with the words “**Financial Performance**”;

(b) by replacing the word “operations” with the words “financial performance”;

(c) by replacing, in the French text, the word “vérifiés” with the word “audités”;

(34) by replacing, in subparagraphs (a) and (b) of paragraph 3 of section 35.5, the words “date of acquisition” with the words “acquisition date”;

(35) by replacing, in subparagraphs (a) and (b) of paragraph 3 of section 35.6, the words “date of acquisition” with the words “acquisition date”;

(36) by replacing, in paragraph (1) of section 35.8, the words “annual and interim financial statements” with the words “annual financial statements and an interim financial report”, and the words “date of the acquisition” with the words “acquisition date”;

(37) by adding the following after section 37.5:

## “Item 38 Transition

### 38.1. Interim financial report

(1) Despite subsection 32.3(1), an issuer may include a comparative interim financial report of the issuer for the most recent interim period, if any, ended

(a) subsequent to the most recent financial year in respect of which annual financial statements of the issuer are included in the prospectus, and

(b) more than

(i) 75 days before the date of the prospectus, or

(ii) 90 days before the date of the prospectus if the issuer is a venture issuer.

(2) Subsection (1) does not apply unless

(a) the comparative interim financial report is the first interim financial report required to be filed in the year of adopting IFRS in respect of an interim period beginning on or after January 1, 2011,

(b) the issuer

(i) is disclosing, for the first time, a statement of compliance with International Accounting Standard 34 *Interim Financial Reporting*, and

(ii) did not previously file financial statements that disclosed compliance with IFRS,

(c) the issuer is a reporting issuer in any jurisdiction immediately before the date of the final long form prospectus, and

(d) the final long form prospectus is filed before July 5, 2012.

### “38.2. Asset-backed securities

(1) Despite subsection 10.3(5), all financial disclosure that describes the underlying pool of financial assets of the issuer for a transition year must be included in the prospectus for the most recent interim period, if any, ended

(a) subsequent to the most recent financial year referred to in paragraphs 10.3(3)(a) and 10.3(3)(b) in respect of which financial disclosure on the underlying pool of financial assets is included in the prospectus, and

(b) more than

(i) 75 days before the date of the prospectus, or

(ii) 90 days before the date of the prospectus if the issuer is a venture issuer.

(2) Subsection (1) does not apply unless

(a) the financial disclosure in respect of the interim period is the first interim financial report required to be filed in the year of adopting IFRS in respect of an interim period beginning on or after January 1, 2011,

(b) the issuer

(i) is disclosing, for the first time, a statement of compliance with International Accounting Standard 34 *Interim Financial Reporting*, and

(ii) did not previously file financial statements that disclosed compliance with IFRS,

(c) the issuer is a reporting issuer in any jurisdiction immediately before the date of the final long form prospectus, and

(d) the final long form prospectus is filed before July 5, 2012.”;

(38) by replacing, wherever they occur in the French text, the words “titres de participation” with the words “titres de capitaux propres”.

**9.** The Regulation is amended by replacing, wherever they occur in the French text, the words “états financiers distincts”, “vérification”, “vérificateur”, “vérifiés”, “titre de participation” and “titres de participation” with, respectively, the words “états financiers individuels”, “audit”, “auditeur”, “audités”, “titre de capitaux propres” and “titres de capitaux propres”, and making the necessary changes.

**10.** This Regulation only applies to a preliminary prospectus, an amendment to a preliminary prospectus, a final prospectus or an amendment to a final prospectus of an issuer which includes or incorporates by reference financial statements of the issuer in respect of periods relating to financial years beginning on or after January 1, 2011.

However, an issuer may apply the amendments set out in this Regulation to a document referred to in the first paragraph which includes or incorporates by reference financial statements of the issuer in respect of periods relating to a financial year that begins before January 1, 2011 if the immediately preceding financial year ends no earlier than December 21, 2010 and if the issuer is relying on the exemption in section 5.3 of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards.

**11.** This Regulation comes into force on January 1, 2011.

## Regulation to amend Regulation 44-101 respecting Short Form Prospectus Distributions\*

Securities Act  
(R.S.Q., c. V-1.1, s. 331.1, par. (1), (3), (6), (9) and (34))

**1.** Section 1.1 of Regulation 44-101 respecting Short Form Prospectus Distributions is amended:

(1) by replacing, in the definition of “short form eligible exchange”, the words “Canadian Trading and Quotation System Inc.” with the words “Canadian National Stock Exchange”;

(2) by replacing, wherever they occur in the French text of the definition of “current annual financial statements”, the words “de vérificateur” and “de vérification” with, respectively, the words “d’auditeur” and “d’audit”.

**2.** Paragraph (e) of section 2.2 of the Regulation is amended by replacing, in the French text, the words “titres de participation” with the words “titres de capitaux propres”.

**3.** Subparagraph (b) of paragraph (1) of section 2.7 of the Regulation is amended by replacing, in the French text, the words “rapport de vérification et, s’il y a eu changement de vérificateur depuis l’exercice précédent, d’un rapport de vérification” with the words “rapport d’audit et, s’il y a eu changement d’auditeur depuis l’exercice précédent, d’un rapport d’audit”.

**4.** Subparagraph (ii) of paragraph (b) of section 4.1 of the Regulation is amended by replacing, in the French text, the words “le vérificateur” with the words “l’auditeur”, and the words “rapport du vérificateur” with the words “rapport d’audit”.

**5.** Section 4.3 of the Regulation is amended:

(1) in the French text of the title, by replacing the word “vérifiés” with the word “audités”;

(2) in the French text of paragraph (1), by replacing the words “vérifiés” and “vérificateur” with, respectively, the words “audités” and “auditeur”;

(3) in paragraph (2):

(a) by replacing the introductory sentence and subparagraph (a) with the following:

“(2) If Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards approved by Ministerial Order (*indicate the number and date of the Ministerial Order approving the Regulation*) permits the financial statements of the person in subsection (1) to be audited in accordance with

(a) U.S. AICPA GAAS, the unaudited financial statements may be reviewed in accordance with the review standards issued by the American Institute of Certified Public Accountants,”;

\* Regulation 44-101 respecting Short Form Prospectus Distributions, approved by Ministerial Order No. 2005-24 dated November 30, 2005 (2005, *G.O.* 2, 5183), was last amended by the regulation to amend the regulation approved by Ministerial Order No. 2008-06 dated March 4, 2008 (2008, *G.O.* 2, 726). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2010, updated to October 1, 2010.

(b) by inserting, after subparagraph (a), the following:

“(a.1) U.S. PCAOB GAAS, the unaudited financial statements may be reviewed in accordance with the review standards issued by the Public Company Accounting Oversight Board (United States of America),”;

(c) by replacing subparagraphs (b) and (c) with the following:

“(b) International Standards on Auditing, the unaudited financial statements may be reviewed in accordance with International Standards on Review Engagement issued by the International Auditing and Assurance Standards Board, or

“(c) auditing standards that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the issuer is subject, the unaudited financial statements

(i) may be reviewed in accordance with review standards that meet the foreign disclosure requirements of the designated foreign jurisdiction, or

(ii) do not have to be reviewed if

(A) the designated foreign jurisdiction does not have review standards for unaudited financial statements, and

(B) the short form prospectus includes disclosure that the unaudited financial statements have not been reviewed.”.

**6.** Form 44-101F1 of the Regulation is amended:

(1) in instruction (3), by deleting the sentence: “*This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.*”;

(2) in instruction (8), by replacing the words “*the Handbook*” with the words “*Canadian GAAP applicable to publicly accountable enterprises*”.

(3) in the French text of instruction (9), by replacing the words “*structure d’accueil*” with the words “*entité ad hoc*”;

(4) in instruction (14), by replacing the words “*disclose the currency in which the financial information is disclosed*” with the words “*display the presentation currency*”;

(5) in section 1.6.1, by deleting the word “reporting”;

(6) in the French text of the instructions of section 1.10, by replacing the words “*à base de*” with the words “*fondée sur des*”;

(7) in item 6:

(a) by replacing, in the French text of the title, the words “*les bénéfices*” with the words “*le résultat*”;

(b) in section 6.1:

(i) by replacing paragraphs (1) and (2) with the following:

“(1) If the securities being distributed are debt securities having a term to maturity in excess of one year or are preferred shares, disclose the following earnings coverage ratios adjusted in accordance with subsection (2):

(a) the earnings coverage ratio based on the most recent 12-month period included in the issuer’s current annual financial statements included in the short form prospectus,

(b) if there has been a change in year end and the issuer’s most recent financial year is less than nine months in length, the earnings coverage calculation for its old financial year, and

(c) the earnings coverage ratio based on the 12-month period ended on the last day of the most recently completed period for which an interim financial report of the issuer has been included in the short form prospectus.

(2) Adjust the ratios referred to in subsection (1) to reflect

(a) the issuance of the securities being distributed under the short form prospectus, based on the price at which these securities are expected to be distributed;

(b) in the case of a distribution of preferred shares,

(i) the issuance of all preferred shares since the date of the annual financial statements or interim financial report, and

(ii) the repurchase, redemption or other retirement of all preferred shares repurchased, redeemed, or otherwise retired since the date of the annual financial statements or interim financial report and of all preferred shares to be repurchased, redeemed, or otherwise retired from the proceeds to be realized from the sale of securities under the short form prospectus;

(c) the issuance of all financial liabilities, as defined in accordance with the issuer’s GAAP, since the date of the annual financial statements or interim financial report; and

(d) the repayment, redemption or other retirement of all financial liabilities, as defined in accordance with the issuer's GAAP, since the date of the annual financial statements or interim financial report and all financial liabilities to be repaid or redeemed from the proceeds to be realized from the sale of securities distributed under the short form prospectus.”;

(ii) by deleting paragraph (3);

(iii) by replacing paragraphs (4) and (5) with the following:

“(4) If the earnings coverage ratio is less than one-to-one, disclose in the short form prospectus the dollar amount of the numerator required to achieve a ratio of one-to-one.

“(5) If the short form prospectus includes a pro forma income statement, calculate the pro forma earnings coverage ratios for the periods of the pro forma income statement, and disclose them in the short form prospectus.”;

(iv) in the instructions:

(A) by replacing instructions (1) and (2) with the following:

“(1) Cash flow coverage may be disclosed but only as a supplement to earnings coverage and only if the method of calculation is fully disclosed.

“(2) Earnings coverage is calculated by dividing an entity's profit or loss attributable to owners of the parent (the numerator) by its borrowing costs and dividend obligations (the denominator).”;

(B) in instruction (3):

(i) by replacing the introductory sentence and paragraphs (a) and (b) with the following:

“(3) For the earnings coverage calculation

(a) the numerator should be calculated using consolidated profit or loss attributable to owners of the parent before borrowing costs and income taxes;

(b) imputed interest income from the proceeds of a distribution should not be added to the numerator;”;

(ii) by deleting paragraph (c);

(iii) by replacing paragraphs (d) to (f) with the following:

“(d) for distributions of debt securities, the appropriate denominator is borrowing costs, after giving effect to the new debt securities issue and any retirement of obligations, plus the borrowing costs that have been capitalized during the period;

“(e) for distributions of preferred shares

(i) the appropriate denominator is dividends declared during the period, together with undeclared dividends on cumulative preferred shares, after giving effect to the new preferred share issue, plus the issuer's annual borrowing cost requirements, including the borrowing costs that have been capitalized during the period, less any retirement of obligations, and

(ii) dividends should be grossed-up to a before-tax equivalent using the issuer's effective income tax rate; and

“(f) for distributions of both debt securities and preferred shares, the appropriate denominator is the same as for a preferred share issue, except that the denominator should also reflect the effect of the debt securities being offered pursuant to the short form prospectus.”;

(C) by replacing instruction (4) with the following:

“(4) The denominator represents a pro forma calculation of the aggregate of an issuer's borrowing cost obligations on all financial liabilities and dividend obligations (including both dividends declared and undeclared dividends on cumulative preferred shares) with respect to all outstanding preferred shares, as adjusted to reflect

(a) the issuance of all financial liabilities and, in addition in the case of an issuance of preferred shares, all preferred shares issued, since the date of the annual financial statements or interim financial report;

(b) the issuance of the securities that are to be distributed under the short form prospectus, based on a reasonable estimate of the price at which these securities will be distributed; and

(c) the repayment or redemption of all financial liabilities since the date of the annual financial statements or interim financial report, all financial liabilities to be repaid or redeemed from the proceeds to be realized from the sale of securities under the short form prospectus and, in addition, in the case of an issuance of preferred shares, all preferred shares repaid or redeemed since the date of the annual financial statements or interim financial report and all preferred shares to be repaid or redeemed from the proceeds to be realized from the sale of securities under the short form prospectus.”;

(D) by deleting instruction (5);

(E) by replacing instructions (6) and (7) with the following:

*“(6) For debt securities, disclosure of earnings coverage shall include language similar to the following, with the bracketed and bulleted information completed:*

*“[Name of the issuer]’s borrowing cost requirements, after giving effect to the issue of [the debt securities to be distributed under the short form prospectus], amounted to \$• for the 12 months ended •. [Name of the issuer]’s profit or loss attributable to owners of the parent before borrowing costs and income tax for the 12 months then ended was \$•, which is • times [name of the issuer]’s borrowing cost requirements for this period.”.*

*“(7) For preferred share issues, disclosure of earnings coverage shall include language similar to the following, with the bracketed and bulleted information completed:*

*“[Name of the issuer]’s dividend requirements on all of its preferred shares, after giving effect to the issue of [the preferred shares to be distributed under the short form prospectus], and adjusted to a before-tax equivalent using an effective income tax rate of •%, amounted to \$• for the 12 months ended •. [Name of the issuer]’s borrowing cost requirements for the 12 months then ended amounted to \$•. [Name of the issuer]’s profit or loss attributable to owners of the parent before borrowing costs and income tax for the 12 months ended • was \$•, which is • times [name of the issuer]’s aggregate dividend and borrowing cost requirements for this period.”.*”;

(F) by replacing instruction (9) with the following:

*“(9) Other earnings coverage calculations may be included as supplementary disclosure to the required earnings coverage calculations outlined above as long as their derivation is disclosed and they are not given greater prominence than the required earnings coverage calculations.”;*

(8) in subparagraph (b) of paragraph (3) of section 7.3, by replacing the word “income” with the word “profit”;

(9) in subparagraph 3 of paragraph (1) of section 11.1, by replacing the words “interim financial statements” with the words “interim financial report”;

(10) in section 13.1:

(a) in paragraph (1):

(i) in subparagraph (c), by replacing the word “revenues” with the word “revenue”;

(ii) by replacing subparagraph (g) with the following:

“(g) “summary financial information” includes the following line items:

(i) revenue;

(ii) profit or loss from continuing operations attributable to owners of the parent;

(iii) profit or loss attributable to owners of the parent; and

(iv) unless the issuer’s GAAP permits the preparation of the credit support issuer’s statement of financial position without classifying assets and liabilities between current and non-current and the credit support issuer provides alternative meaningful financial information which is more appropriate to the industry,

(A) current assets;

(B) non-current assets;

(C) current liabilities; and

(D) non-current liabilities.”;

(iii) by adding, after paragraph (g), the following:

“INSTRUCTION

*See section 1.1 of Regulation 41-101 respecting General Prospectus Requirements for the definitions of “profit or loss attributable to owners of the parent” and “profit or loss from continuing operations attributable to owners of the parent”.*”;

(b) in the French text of subparagraphs (b) and (c) of paragraph (2), by replacing the words “à la valeur de consolidation” with the words “selon la méthode de la mise en équivalence”;

(11) in section 13.2:

(a) in the French text of the introductory paragraph, by replacing the words “couverture par les bénéficiaires” with the words “couverture par le résultat”;

(b) in the French text of subparagraph (d), by replacing the words “titres de participation” with the words “titres de capitaux propres”;

(c) in subparagraph (ii) of subparagraph (f), by replacing the words “interim and annual consolidated” with the words “consolidated interim financial report and consolidated annual”;

(12) by replacing, wherever they occur in the French text, the words “titres de participation” and “couverture par les bénéficiaires” with, respectively, the words “titres de capitaux propres” and “couverture par le résultat”;

**7.** This Regulation only applies to a preliminary short form prospectus, an amendment to a preliminary short form prospectus, a final short form prospectus or an amendment to a final short form prospectus of an issuer which includes or incorporates by reference financial statements of the issuer in respect of periods relating to financial years beginning on or after January 1, 2011.

However, an issuer may apply the amendments set out in this Regulation to a document referred to in the first paragraph which includes or incorporates by reference financial statements of the issuer in respect of periods relating to a financial year that begins before January 1, 2011 if the immediately preceding financial year ends no earlier than December 21, 2010 and if the issuer is relying on the exemption in section 5.3 of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards.

**8.** This Regulation comes into force on January 1, 2011.

## Regulation to amend Regulation 44-102 respecting Shelf Distributions\*

Securities Act  
(R.S.Q., c. V-1.1, s. 331.1, par. (1), (3), (6), (9) and (11))

**1.** Section 6.2 of Regulation 44-102 respecting Shelf Distributions is amended:

(1) in the French text of paragraph (3), by replacing the words “vérifiés” and “vérificateur” with, respectively, the words “audités” and “auditeur”;

(2) in paragraph (4):

(a) by replacing the introductory sentence and subparagraph (a) with the following:

“(4) If Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards approved by Ministerial Order (*indicate the number and date of the Ministerial Order approving the Regulation*), permits the financial statements of the person in subsection (3) to be audited in accordance with

(a) U.S. AICPA GAAS, the unaudited financial statements may be reviewed in accordance with the review standards issued by the American Institute of Certified Public Accountants,”;

(b) by inserting, after subparagraph (a), the following:

“(a.1) U.S. PCAOB GAAS, the unaudited financial statements may be reviewed in accordance with the review standards issued by the Public Company Accounting Oversight Board (United States of America),”;

(c) by replacing subparagraphs (b) and (c) with the following:

“(b) International Standards on Auditing, the unaudited financial statements may be reviewed in accordance with International Standards on Review Engagement issued by the International Auditing and Assurance Standards Board, or

“(c) auditing standards that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the issuer is subject, the unaudited financial statements

(i) may be reviewed in accordance with review standards that meet the foreign disclosure requirements of the designated foreign jurisdiction, or

(ii) do not have to be reviewed if

(A) the designated foreign jurisdiction does not have review standards for unaudited financial statements, and

(B) the base shelf prospectus includes disclosure that the unaudited financial statements have not been reviewed.”.

**2.** Paragraph 1 of section 7.2 of the Regulation is amended by replacing, in the French text, the words “du vérificateur” with the words “de l’auditeur”.

**3.** Section 8.4 of the Regulation is amended:

\* Regulation 44-102 respecting Shelf Distributions, adopted on May 22, 2001 pursuant to Decision No. 2001-C-0201 and published in the Supplement to the Bulletin of the *Commission des valeurs mobilières du Québec*, Vol. 32, No. 22, dated June 1, 2001, was amended solely by the regulations to amend the regulation approved by Ministerial Orders No. 2005-19 dated August 10, 2005 (2005, *G.O.* 2, 3516), No. 2005-25 dated November 30, 2005 (2005, *G.O.* 2, 5221) and No. 2008-06 dated March 4, 2008 (2008, *G.O.* 2, 726).



(1) by replacing, wherever they occur in the French text, the words “les bénéfiques” with the words “le résultat”, and making the necessary changes;

(2) by replacing, in paragraph (a), the word “interim” with the words “an interim financial report”.

**4.** The Regulation is amended by replacing, wherever they occur in the French text, the words “titres de participation” with the words “titres de capitaux propres”, and making the necessary changes.

**5.** This Regulation only applies to a preliminary base shelf prospectus, an amendment to a preliminary base shelf prospectus, a base shelf prospectus, an amendment to a base shelf prospectus or a shelf prospectus supplement of an issuer which includes or incorporates by reference financial statements of the issuer in respect of periods relating to financial years beginning on or after January 1, 2011.

However, an issuer may apply the amendments set out in this Regulation to a document referred to in the first paragraph which includes or incorporates by reference financial statements of the issuer in respect of periods relating to a financial year that begins before January 1, 2011 if the immediately preceding financial year ends no earlier than December 21, 2010 and if the issuer is relying on the exemption in section 5.3 of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards.

**6.** This Regulation comes into force on January 1, 2011.

## Regulation to amend Regulation 45-106 respecting Prospectus and Registration Exemptions\*

Securities Act  
(R.S.Q., c. V-1.1, s. 331.1, par. (1), (3), (11), (19) and (34))

**1.** Section 1.1 of Regulation 45-106 respecting Prospectus and Registration Exemptions is amended:

(1) by adding the following after the definition of “financial assets”:

““financial statements” includes interim financial reports;”;

\* Regulation 45-106 respecting Prospectus and Registration Exemptions, approved by Ministerial Order No. 2009-05 dated September 9, 2009 (2009, G.O. 2, 3362A), has not been amended since its approval.

(2) by adding the following after the definition of “accredited investor”:

““acquisition date” has the same meaning as in the issuer’s GAAP;”;

(3) by adding the following after the definition of “non-redeemable investment fund”:

““private enterprise” has the same meaning as in Part 3 of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards;

“publicly accountable enterprise” has the same meaning as in Part 3 of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards;”;

(4) by adding the following after the definition of “investment fund”:

““issuer’s GAAP” has the same meaning as in Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards approved by Ministerial Order (*indicate here the number and date of the Ministerial Order approving the Regulation*);”;

(5) by adding the following after the definition of “related liabilities”:

““retrospective” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;

“retrospectively” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;”.

**2.** Subparagraph (C) of subparagraph (i) of paragraph (e) of section 5.2 of the Regulation is amended by replacing the word “statements” with the word “reports”.

**3.** Paragraph (1) of section 6.2 of the Regulation is amended by replacing the words “section 6.1(a)” with the words “section 6.1(1)(a)”.

**4.** Paragraph (1) of section 6.5 of the Regulation is amended by replacing the words “subsection 2.9(12) or subsection 3.9(12)” with the words “subsection 2.9(15)”.

**5.** Item 3 of Form 45-106F1 of the Regulation is amended, in the French text, by replacing the words “mise en valeur” with the word “développement”.

**6.** Form 45-106F2 of the Regulation is amended:

(1) in section 1.1:

(a) in the French text, by replacing the word “vérificateurs” with the word “auditeurs”;

(b) by replacing, in the table, the letter “H” with the letter “G”;

(2) in the French text of section 1.2, by replacing the words “partie apparentée” with the words “partie liée”;

(3) in the French text of section 2.1, by replacing the words “d’aménagement” with the words “de développement” and the words “de l’aménagement” with the words “du développement”;

(4) in the French text of sections 2.7 and 3.1, by replacing, wherever they occur, the words “partie apparentée” with the words “partie liée”;

(5) in section 4.2:

(a) in the title, by replacing the word “**Debt**” with the word “**Debt Securities**”;

(b) in the second sentence, by replacing the words “the current portion of the long-term debt” with the words “the portion of the debt”;

(6) in paragraph (b) of item 8, by replacing the word “sales” with the word “revenue”;

(7) in the part entitled “Instructions for Completing Form 45-106F2 Offering Memorandum for Non-Qualifying Issuers”:

(a) by replacing, in the French text of instructions 6 and 7 of part A, the words “partie apparentée” with the words “partie liée”;

(b) in Part B:

(i) by replacing instruction 1 with the following:

“1. All financial statements, operating statements for an oil and gas property that is an acquired business or a business to be acquired and summarized financial information as to the aggregated amounts of assets, liabilities, revenue and profit or loss of an acquired business or business to be acquired that is, or will be, an investment accounted for by the issuer using the equity method included in the offering memorandum must comply with Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards, regardless of whether the issuer is a reporting issuer or not.

Under Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards, financial statements are generally required to be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises. An issuer using this form cannot use Canadian GAAP applicable to private enterprises, except, subject to the requirements of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards, certain issuers may use Canadian GAAP applicable to private enterprises for financial statements for a business referred to in C.1. An issuer that is not a reporting issuer may prepare acquisition statements in accordance with the requirements of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards as if the issuer were a venture issuer as defined in Regulation 51-102 respecting Continuous Disclosure Obligations. For the purposes of Form 45-106F2, the “applicable time” in the definition of a venture issuer is the acquisition date.”;

(ii) by replacing instructions 3 and 4 with the following:

“3. If the issuer has not completed one financial year or its first financial year end is less than 120 days from the date of the offering memorandum, include in the offering memorandum financial statements of the issuer consisting of:

(a) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for the period from inception to a date not more than 90 days before the date of the offering memorandum,

(b) a statement of financial position as at the end of the period referred to in paragraph (a), and

(c) notes to the financial statements.

“4. If the issuer has completed one or more financial years, include in the offering memorandum annual financial statements of the issuer consisting of:

(a) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for

(i) the most recently completed financial year that ended more than 120 days before the date of the offering memorandum, and

(ii) the financial year immediately preceding the financial year in clause (i), if any,

(b) a statement of financial position as at the end of each of the periods referred to in paragraph (a),

(c) a statement of financial position as at the beginning of the earliest comparative period for which financial statements that are included in the offering memorandum comply with IFRS in the case of an issuer that

(i) discloses in its annual financial statements an unreserved statement of compliance with IFRS, and

(ii) does any of the following:

(A) applies an accounting policy retrospectively in its annual financial statements;

(B) makes a retrospective restatement of items in its annual financial statements;

(C) reclassifies items in its annual financial statements,

(d) in the case of an issuer's first IFRS financial statements as defined in Regulation 51-102, the opening IFRS statement of financial position at the date of transition to IFRS as defined in Regulation 51-102, and

(e) notes to the financial statements.”;

(iii) by inserting, after instruction 4, the following:

“4.1 If an issuer presents the components of profit or loss in a separate income statement, the separate income statement must be displayed immediately before the statement of comprehensive income filed under Item 4 above.”;

(iv) by replacing instruction 5 with the following:

“5. If the issuer has completed one or more financial years, include in the offering memorandum an interim financial report of the issuer comprised of:

(a) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for the most recently completed interim period that ended

(i) more than 60 days before the date of the offering memorandum, and

(ii) after the year-end date of the financial statements required under B.4(a)(i),

(b) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for the corresponding period in the immediately preceding financial year, if any,

(c) a statement of financial position as at the end of the period required by paragraph (a) and the end of the immediately preceding financial year,

(d) a statement of financial position as at the beginning of the earliest comparative period for which financial statements that are included in the offering memorandum comply with IFRS in the case of an issuer that

(i) discloses in its interim financial report an unreserved statement of compliance with International Accounting Standard 34 *Interim Financial Reporting*, and

(ii) does any of the following:

(A) applies an accounting policy retrospectively in its interim financial report;

(B) makes a retrospective restatement of items in its interim financial report;

(C) reclassifies items in its interim financial report,

(e) in the case of the first interim financial report in the year of adopting IFRS, the opening IFRS statement of financial position at the date of transition to IFRS,

(f) for an issuer that is not a reporting issuer in at least one jurisdiction of Canada immediately before filing the offering memorandum, if the issuer is including an interim financial report of the issuer for the second or third interim period in the year of adopting IFRS include

(i) the issuer's first interim financial report in the year of adopting IFRS, or

(ii) both

(A) the opening IFRS statement of financial position at the date of transition to IFRS, and

(B) the annual and date of transition to IFRS reconciliations required by IFRS 1 *First-time Adoption of International Financial Reporting Standards* to explain how the transition from previous GAAP to IFRS affected the issuer's reported financial position, financial performance and cash flows, and

(g) notes to the financial statements.”;

(v) by inserting, after instruction 5, the following:

“5.1 If an issuer presents the components of profit or loss in a separate income statement, the separate income statement must be displayed immediately before the statement of comprehensive income filed under item 5 above.”;

(vi) by replacing instruction 8 with the following:

“8. The comparative financial information required under B.5(b) and (c) may be omitted if the issuer has not previously prepared financial statements in accordance with its current or, if applicable, its previous GAAP.”;

(vii) in the French text of instruction 9, by replacing the words “vérifiés”, “de vérifier” and “de vérification” with, respectively, the words “audités”, “d’auditer” and “d’audit”;

(viii) in the French text of instruction 10, by replacing the word “vérificateurs” with the word “auditeurs”;

(ix) in the French text of instruction 11, by replacing the word “vérifiés” with the word “audités”;

(x) in the French text of instruction 12, by replacing the words “vérifiés” and “de vérification” with, respectively, the words “audités” et “d’audit”;

(xi) in instruction 13, by replacing the word “statements” with the word “reports”;

(xii) in instruction 14, by adding the words “, as defined in Regulation 51-102,” after the words “Forward looking information”;

(xiii) by adding the following after instruction 15:

“16. Despite section B.5, an issuer may include a comparative interim financial report of the issuer for the most recent interim period, if any, ended

(a) subsequent to the most recent financial year in respect of which annual financial statements of the issuer are included in the offering memorandum, and

(b) more than 90 days before the date of the offering memorandum.

This section does not apply unless

(a) the comparative interim financial report is the first interim financial report required to be filed in the year of adopting IFRS, and the issuer is disclosing, for the first time, a statement of compliance with International Accounting Standard 34 *Interim Financial Reporting*,

(b) the issuer is a reporting issuer in the local jurisdiction immediately before the date of the offering memorandum, and

(c) the offering memorandum is dated before June 29, 2012.”;

(c) in Part C:

(i) in the French text of instruction 1, by replacing the word “vérifiés” with the word “audités”;

(ii) in instruction 2:

(A) in paragraph (a), by replacing the words “date of acquisition” with the words “acquisition date”;

(B) in paragraph (b), by replacing the words “date of acquisition” with the words “acquisition date” and by adding the following at the end:

“For information about how to perform the investment test in this paragraph, please refer to subsections 8.3(4.1) and (4.2) of Regulation 51-102. Additional guidance may be found in the Policy Statement to Regulation 51-102.”;

(iii) by deleting instruction 2.1;

(iv) by replacing instruction 4 with the following:

“4. If under C.2 you must include in an offering memorandum financial statements for a business, the financial statements must include:

(a) If the business has not completed one financial year or its first financial year end is less than 120 days from the date of the offering memorandum

(i) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows

(A) for the period from inception to a date not more than 90 days before the date of the offering memorandum, or

(B) if the acquisition date precedes the ending date of the period referred to in (A), for the period from inception to the acquisition date or a date not more than 45 days before the acquisition date,

(ii) a statement of financial position dated as at the end of the period referred to in clause (i), and

(iii) notes to the financial statements.

(b) If the business has completed one or more financial years include

(i) annual financial statements comprised of:

(A) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for the following annual periods:

i. the most recently completed financial year that ended before the acquisition date and more than 120 days before the date of the offering memorandum, and

ii. the financial year immediately preceding the most recently completed financial year specified in clause i, if any,

(B) a statement of financial position as at the end of each of the periods specified in (A),

(C) notes to the financial statements, and

(ii) an interim financial report comprised of

A) either

(i) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for the most recently completed year-to-date interim period ending on the last date of the interim period that ended before the acquisition date and more than 60 days before the date of the offering memorandum and ended after the date of the financial statements required under subclause (b)(i)(A)(i), and a statement of comprehensive income and a statement of changes in equity for the three month period ending on the last date of the interim period that ended before the acquisition date and more than 60 days before the date of the offering memorandum and ended after the date of the financial statements required under subclause (b)(i)(A)(i), or

(ii) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for the period from the first day after the financial year referred to in subparagraph (b)(i) to a date before the acquisition date and after the period end in subclause (b)(ii)(A)(i),

B) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for the corresponding period in the immediately preceding financial year, if any,

C) a statement of financial position as at the end of the period required by clause (A) and the end of the immediately preceding financial year, and

D) notes to the financial statements.

Refer to Instruction B.7 for the meaning of “interim period”.

(v) in the French text of instruction 5, by replacing the words “vérifiée”, “de vérification”, “de vérifier” and “vérifiés” with, respectively, the words “auditée”, “d’audit”, “d’auditer” and “audités”;

(vi) in instruction 6, by replacing the words “date of acquisition” with the words “acquisition date”;

(vii) in the French text of instruction 7, by replacing the words “l’activité génératrice de produits ou l’activité génératrice de produits éventuels” with the words “l’activité génératrice de produits des activités ordinaires actuels ou éventuels”;

(viii) in instruction 8, by deleting the words “accounted for as” and “; as that term is defined in the CICA Handbook”;

(d) in Part D:

(i) by replacing instructions 2 and 3 with the following:

“2. Notwithstanding the requirements in section 3.3(1)(a)(i) of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards, an auditor’s report that accompanies financial statements of an issuer or a business contained in an offering memorandum of a non-reporting issuer may express a qualification of opinion relating to inventory if

(a) the issuer includes in the offering memorandum a statement of financial position that is for a date that is subsequent to the date to which the qualification relates, and

(b) the statement of financial position referred to in paragraph (a) is accompanied by an auditor’s report that does not express a qualification of opinion relating to closing inventory, and

(c) the issuer has not previously filed financial statements for the same entity accompanied by an auditor’s report for a prior year that expressed a qualification of opinion relating to inventory.

“3. If an issuer has, or will account for a business referred to in C.1 using the equity method, then financial statements for a business required by Part C are not required to be included if:

(a) the offering memorandum includes disclosure for the periods for which financial statements are otherwise required under Part C that:

(i) summarizes information as to the aggregated amounts of assets, liabilities, revenue and profit or loss of the business, and

(ii) describes the issuer’s proportionate interest in the business and any contingent issuance of securities by the business that might significantly affect the issuer’s share of profit or loss;

(b) the financial information provided under D.3(a) for the most recently completed financial year has been audited, or has been derived from audited financial statements of the business; and

(c) the offering memorandum discloses that:

(i) the financial information provided under D.3(a) for any completed financial year has been audited, or identifies the audited financial statements from which the financial information provided under D.3(a) has been derived; and

(ii) the audit opinion with respect to the financial information or financial statements referred to in D.3(c)(i) was an unmodified opinion.”;

(ii) in instruction 4:

(A) in paragraph (b), by replacing the words “accounted for as a “reverse take-over”” with the words “reverse take-over”, and by adding “and” after “Regulation 51-102,”;

(B) by deleting paragraph (c);

(C) by replacing (i) of paragraph (d) with the following:

“(i) an operating statement for the business or related businesses for each of the financial periods for which financial statements would, but for this section, be required under C.4 prepared in accordance with subsection 3.11(5) of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards. The operating statement for the most recently completed financial period referred to in C.4(b)(i) must be audited.”;

(D) by replacing, in the French text of subparagraph (iii) of paragraph (d), the word “produits” with the words “produits des activités ordinaires”;

(iii) in instruction 5:

(A) by replacing, in the introductory sentence, the words “date acquisition” with the words “acquisition date”;

(B) by replacing the French text of subparagraphs (i) to (iii) with the following:

“i) malgré des efforts raisonnables pendant les négociations relatives à l’acquisition, l’émetteur n’a pu faire inclure dans la convention d’achat les droits d’obtention d’un compte de résultat opérationnel audité du terrain;

“ii) la convention d’achat contient des déclarations et garanties du vendeur selon lesquelles les montants présentés dans le compte de résultat opérationnel correspondent à l’information consignée dans ses documents comptables;

“iii) la notice d’offre indique:

1. que l’émetteur n’a pas pu obtenir de compte de résultat opérationnel audité;

2. les motifs de cette incapacité;

3. que la convention d’achat contient les déclarations et garanties visées au paragraphe ii;

4. que les résultats présentés dans le compte de résultat opérationnel auraient pu différer de façon importante si ce compte avait été audité.”.

**7.** Form 45-106F3 of the Regulation is amended:

(1) in section 1.1:

(a) by replacing, in the table, the letter “H” with the letter “G”;

(b) by replacing, in the French text of section 1.1, the word “vérificateurs” with the word “auditeurs”;

(2) in the French text of section 2.1, by replacing the words “de l’aménagement, de la mise en valeur” with the words “du développement”;

(3) in paragraph (b) of item 8, by replacing the word “sales” with the word “revenue”;

(4) in the part entitled “Instructions for Completing Form 45-106F3 Offering Memorandum for Qualifying Issuers”:

(a) in instruction B.1, by replacing the words “Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency” with the words “Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards”;

(b) in Part C:

(i) in the French text of instruction 1, by replacing the word “vérifiés” with the word “audités”;

(ii) in instruction 2, by replacing the word “statements” with the word “reports”;

(c) in instruction 1 of Part D:

(i) in paragraph (c), by replacing the word “statements” with the word “report” and the words “interim financial statements that are” with the words “an interim financial report that is”;

(ii) in the French text of paragraph (d), by replacing the words “de vérification” with the words “d’audit”;

(iii) in the French text of paragraph (g), by replacing the word “vérifiés” with the word “audités”.

**8.** This Regulation only applies in respect of an offering memorandum or an amendment to an offering memorandum of an issuer if that offering memorandum or amendment includes or incorporates by reference financial statements of the issuer in respect of periods relating to financial years beginning on or after January 1, 2011.

However, this Regulation may be applied by an issuer to a document referred to in the first paragraph which includes or incorporates by reference financial statements of the issuer in respect of periods relating to a financial year that begins before January 1, 2011 if the immediately preceding financial year ends no earlier than December 21, 2010 and if the issuer is relying on the exemption in section 5.3 of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards.

**9.** This Regulation comes into force on January 1, 2011.

## Regulation to amend Regulation 51-102 respecting Continuous Disclosure Obligations\*

Securities Act  
(R.S.Q., c. V-1.1, s. 331.1, par. (1), (3), (8), (9), (11), (19), (20) and (34))

**1.** Paragraph (1) of section 1.1 of Regulation 51-102 respecting Continuous Disclosure Obligations is amended:

(1) by inserting, after the introductory sentence, the following definition:

““acquisition date” has the same meaning as in the issuer’s GAAP;”;

(2) in the French text of the definitions of “common share” and “preference share”, by replacing the words “titre de participation” and “titres de participation” with, respectively, the words “titre de capitaux propres” and “titres de capitaux propres”;

(3) by inserting, after the definition of “old financial year”, the following:

““operating income” means gross revenue minus royalty expenses and production costs;”;

(4) by deleting the definition of “date of acquisition”;

(5) by inserting, after the definition of “common share”, the following:

““date of transition to IFRS” means the date of transition to IFRSs as that term is defined in Canadian GAAP applicable to publicly accountable enterprises;”;

(6) in paragraph (c) of the definition of “venture issuer”, by replacing the words “date of acquisition” with the words “acquisition date”;

(7) by inserting, after the definition of “principal obligor”, the following:

““private enterprise” has the same meaning as in Part 3 of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards;

“profit or loss attributable to owners of the parent” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;

“profit or loss from continuing operations attributable to owners of the parent” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises”;

(8) by replacing the definition of “FOFI”, or “future-oriented financial information”, with the following:

““FOFI”, or “future-oriented financial information”, means forward-looking information about prospective financial performance, financial position or cash flows, based on assumptions about future economic conditions and courses of action, and presented in the format of a historical statement of financial position, statement of comprehensive income or statement of cash flows;”;

\* Regulation 51-102 respecting Continuous Disclosure Obligations, approved by Ministerial Order No. 2005-03 dated May 19, 2005 (2005, G.O. 2, 1507), was last amended by the regulation to amend the regulation approved by Ministerial Order No. 2009-05 dated September 9, 2009 (2009, G.O. 2, 3362A). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2010, updated to October 1, 2010.

(9) by inserting, after the definition of “form of proxy”, the following:

““forward-looking information” means disclosure regarding possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action and includes future-oriented financial information with respect to prospective financial performance, financial position or cash flows that is presented either as a forecast or a projection;”;

(10) by replacing the definition of “inter-dealer bond broker” with the following:

““inter-dealer bond broker” means a person that is approved by the Investment Industry Regulatory Organization of Canada under its Rule 36 *Inter-Dealer Bond Brokerage Systems*, as amended, and is subject to its Rule 36 and its Rule 2100 *Inter-Dealer Bond Brokerage Systems*, as amended;”;

(11) by inserting, after the definition of “U.S. marketplace”, the following:

““U.S. PCAOB GAAS” has the same meaning as in Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards;”;

(12) by inserting, after the definition of “transition year”, the following:

““U.S. AICPA GAAS” has the same meaning as in Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards;”;

(13) by deleting, in the definition of “AIF”, the words “, Form 10-KSB”;

(14) by replacing the definition of “U.S. GAAP” with the following:

““U.S. GAAP” has the same meaning as in Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards;”;

(15) by replacing the definition of “issuer’s GAAP” with the following:

““issuer’s GAAP” has the same meaning as in Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards approved by Ministerial Order (*indicate the number and date of the Ministerial Order approving the Regulation*);”;

(16) by replacing the definition of “financial outlook” with the following:

““financial outlook” means forward-looking information about prospective financial performance, financial position or cash flows that is based on assumptions about future economic conditions and courses of action and that is not presented in the format of a historical statement of financial position, statement of comprehensive income or statement of cash flows;

“financial statements” includes interim financial reports;

“first IFRS financial statements” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;”;

(17) by replacing the definition of “reverse takeover” with the following:

““reverse takeover” means

(a) a reverse acquisition, which has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises; or

(b) a transaction where an issuer acquires a person by which the securityholders of the acquired person, at the time of the transaction, obtain “control” of the issuer, where, for purposes of this paragraph, control has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;”;

(18) by inserting, after the definition of “proxy”, the following:

““publicly accountable enterprise” has the same meaning as in Part 3 of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards;”;

(19) by deleting, in the definition of “MD&A”, the words “or Item 303 of Regulation S-B”;

(20) by inserting, after the definition of “restructuring transaction”, the following:

““retrospective” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;

“retrospectively” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;”;

(21) by deleting the definition of “income from continuing operations”;



(22) by replacing the definition of “exchange-traded security” with the following:

““exchange-traded security” means a security that is listed on a recognized exchange or is quoted on a recognized quotation and trade reporting system or is listed on an exchange or quoted on a quotation and trade reporting system that is recognized for the purposes of Regulation 21-101 respecting Marketplace Operation adopted by the Commission des valeurs mobilières du Québec pursuant to decision No. 2001-C-0409 dated August 28, 2001 and Regulation 23-101 respecting Trading Rules adopted by the Commission des valeurs mobilières du Québec pursuant to decision No. 2001-C-0411 dated August 28, 2001;”;

(23) in the definition of “restricted security”, by replacing, wherever they occur in the French text, the words “titre de participation” and “titres de participation” with, respectively, the words “titre de capitaux propres” and “titres de capitaux propres”, and, in paragraph (c), by replacing the word “bénéfice” with the word “résultat”.

**2.** Section 4.1 of the Regulation is replaced with the following:

**“4.1. Comparative Annual Financial Statements and Audit**

(1) A reporting issuer must file annual financial statements that include

(a) a statement of comprehensive income, a statement of changes in equity, and a statement of cash flows for

(i) the most recently completed financial year; and

(ii) the financial year immediately preceding the most recently completed financial year, if any;

(b) a statement of financial position as at the end of each of the periods referred to in paragraph (a);

(c) in the following circumstances, a statement of financial position as at the beginning of the financial year immediately preceding the most recently completed financial year:

(i) the reporting issuer discloses in its annual financial statements an unreserved statement of compliance with IFRS; and

(ii) the reporting issuer

(A) applies an accounting policy retrospectively in its annual financial statements;

(B) makes a retrospective restatement of items in its annual financial statements; or

(C) reclassifies items in its annual financial statements;

(d) in the case of the reporting issuer’s first IFRS financial statements, the opening IFRS statement of financial position at the date of transition to IFRS; and

(e) notes to the annual financial statements;

(2) Annual financial statements filed under subsection (1) must be audited.

(3) If a reporting issuer presents the components of profit or loss in a separate income statement, the separate income statement must be displayed immediately before the statement of comprehensive income filed under subsection (1).”.

**3.** Section 4.3 of the Regulation is amended:

(1) by replacing, in the title, the words “Interim Financial Statements” with the words “Interim Financial Report”;

(2) by replacing paragraphs (1) and (2) with the following:

“(1) Subject to sections 4.7 and 4.10, a reporting issuer must file an interim financial report for each interim period ended after it became a reporting issuer.

“(2) The interim financial report required to be filed under subsection (1) must include

(a) a statement of financial position as at the end of the interim period and a statement of financial position as at the end of the immediately preceding financial year, if any;

(b) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows, all for the year-to-date interim period, and comparative financial information for the corresponding interim period in the immediately preceding financial year, if any;

(c) for interim periods other than the first interim period in a reporting issuer’s financial year, a statement of comprehensive income for the three month period ending on the last day of the interim period and comparative financial information for the corresponding period in the immediately preceding financial year, if any;

(d) in the following circumstances, a statement of financial position as at the beginning of the immediately preceding financial year:

(i) the reporting issuer discloses in its interim financial report an unreserved statement of compliance with International Accounting Standard 34 *Interim Financial Reporting*; and

(ii) the reporting issuer

(A) applies an accounting policy retrospectively in its interim financial report;

(B) makes a retrospective restatement of items in its interim financial report; or

(C) reclassifies items in its interim financial report;

(e) in the case of the reporting issuer's first interim financial report required to be filed in the year of adopting IFRS, the opening IFRS statement of financial position at the date of transition to IFRS; and

(f) notes to the interim financial report.”;

(3) by inserting, after paragraph (2), the following:

“(2.1) If a reporting issuer presents the components of profit or loss in a separate income statement, the separate income statement must be displayed immediately before the statement of comprehensive income filed under subsection (2).”;

(4) by replacing paragraphs (3) and (4) with the following:

“(3) An auditor review of an interim financial report must be disclosed as follows:

(a) If an auditor has not performed a review of an interim financial report required to be filed under subsection (1), the interim financial report must be accompanied by a notice indicating that the interim financial report has not been reviewed by an auditor.

(b) If a reporting issuer engaged an auditor to perform a review of an interim financial report required to be filed under subsection (1) and the auditor was unable to complete the review, the interim financial report must be accompanied by a notice indicating that the auditor was unable to complete a review of the interim financial report and the reasons why the auditor was unable to complete the review.

(c) If an auditor has performed a review of the interim financial report required to be filed under subsection (1) and the auditor has expressed a reservation of opinion in the auditor's interim review report, the interim financial report must be accompanied by a written review report from the auditor.

“(4) If an SEC issuer that is a reporting issuer

(a) has filed an interim financial report prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises for one or more interim periods since its most recently completed financial year for which annual financial statements have been filed; and

(b) prepares its annual financial statements or an interim financial report for the period immediately following the periods referred to in paragraph (a) in accordance with U.S. GAAP,

the SEC issuer must

(c) restate the interim financial report for the periods referred to in paragraph (a) in accordance with U.S. GAAP; and

(d) file the restated interim financial report referred to in paragraph (c) by the filing deadline for the financial statements referred to in paragraph (b).”.

**4.** Sections 4.4 to 4.8 of the Regulation are replaced with the following:

**“4.4. Filing Deadline for an Interim Financial Report**

An interim financial report must be filed

(a) in the case of a reporting issuer other than a venture issuer, on or before the earlier of

(i) the 45th day after the end of the interim period; and

(ii) the date of filing, in a foreign jurisdiction, an interim financial report for a period ending on the last day of the interim period; or

(b) in the case of a venture issuer, on or before the earlier of

(i) the 60th day after the end of the interim period; and

(ii) the date of filing, in a foreign jurisdiction, an interim financial report for a period ending on the last day of the interim period.

#### **“4.5. Approval of Financial Statements**

(1) The annual financial statements a reporting issuer is required to file under section 4.1 must be approved by the board of directors before the statements are filed.

(2) The interim financial report a reporting issuer is required to file under section 4.3 must be approved by the board of directors before the report is filed.

(3) In fulfilling the requirement in subsection (2), the board of directors may delegate the approval of the interim financial report to the audit committee of the board of directors.

#### **“4.6. Delivery of Financial Statements**

(1) A reporting issuer must send annually a request form to the registered holders and beneficial owners of its securities, other than debt instruments, that the registered holders and beneficial owners may use to request a copy of the reporting issuer’s annual financial statements and MD&A for the annual financial statements, the interim financial reports and MD&A for the interim financial reports, or both.

(2) The reporting issuer must, in accordance with the procedures set out in Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer send the form referred to in paragraph (1) to the beneficial owners of its securities who are identified under that Regulation as having chosen to receive all securityholder materials sent to beneficial owners of securities.

(3) If a registered holder or beneficial owner of securities, other than debt instruments, of a reporting issuer requests the issuer’s annual financial statements or interim financial reports, the reporting issuer must send a copy of the requested financial statements to the person that made the request, without charge, by the later of,

(a) in the case of a reporting issuer other than a venture issuer, 10 calendar days after the filing deadline in subparagraph 4.2(a)(i) or 4.4(a)(i), section 4.7, or subsection 4.10(2), as applicable, for the financial statements requested;

(b) in the case of a venture issuer, 10 calendar days after the filing deadline in paragraph 4.2(b)(i) or 4.4(b)(i), section 4.7, or subsection 4.10(2), as applicable, for the financial statements requested; and

(c) 10 calendar days after the issuer receives the request.

(4) A reporting issuer is not required to send copies of annual financial statements or interim financial reports under subsection (3) that were filed more than two years before the issuer receives the request.

(5) Subsection (1) and the requirement to send annual financial statements under subsection (3) do not apply to a reporting issuer that sends its annual financial statements to its securityholders, other than holders of debt instruments, within 140 days of the issuer’s financial year-end and in accordance with Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer.

(6) If a reporting issuer sends financial statements under this section, the reporting issuer must also send, at the same time, the annual or interim MD&A relating to the financial statements.

#### **“4.7. Filing of Financial Statements After Becoming a Reporting Issuer**

(1) Despite any provisions of this Part other than subsections (2), (3) and (4) of this section, the first annual financial statements and interim financial reports that a reporting issuer must file under sections 4.1 and 4.3 are the financial statements for the financial year and interim periods immediately following the periods for which financial statements were included in a document filed of the issuer

(a) that resulted in the issuer becoming a reporting issuer; or

(b) in respect of a transaction that resulted in the issuer becoming a reporting issuer.

(2) If a reporting issuer is required to file annual financial statements for a financial year that ended before the issuer became a reporting issuer, those annual financial statements must be filed on or before the later of

(a) the 20th day after the issuer became a reporting issuer; and

(b) the filing deadline in section 4.2.

(3) If a reporting issuer is required to file an interim financial report for an interim period that ended before the issuer became a reporting issuer, that interim financial report must be filed on or before the later of

(a) the 10th day after the issuer became a reporting issuer; and

(b) the filing deadline in section 4.4.

(4) A reporting issuer is not required to provide comparative interim financial information for periods that ended before the issuer became a reporting issuer if

(a) to a reasonable person it is impracticable to present prior-period information on a basis consistent with subsection 4.3(2);

(b) the prior-period information that is available is presented; and

(c) the notes to the interim financial report disclose the fact that the prior-period information has not been prepared on a basis consistent with the most recent interim financial information.

#### “4.8. Change in Year-End

(1) An SEC issuer satisfies this section if

(a) it complies with the requirements of U.S. laws relating to a change of fiscal year; and

(b) it files a copy of all materials required by U.S. laws relating to a change of fiscal year at the same time as, or as soon as practicable after, they are filed with or furnished to the SEC and, in the case of financial statements, no later than the filing deadlines prescribed under sections 4.2 and 4.4.

(2) If a reporting issuer decides to change its financial year-end by more than 14 days, it must file a notice as soon as practicable, and, in any event, not later than the earlier of

(a) the filing deadline, based on the reporting issuer's old financial year-end, for the next financial statements required to be filed, either annual or interim, whichever comes first; and

(b) the filing deadline, based on the reporting issuer's new financial year-end, for the next financial statements required to be filed, either annual or interim, whichever comes first.

(3) The notice referred to in subsection (2) must state

(a) that the reporting issuer has decided to change its year-end;

(b) the reason for the change;

(c) the reporting issuer's old financial year-end;

(d) the reporting issuer's new financial year-end;

(e) the length and ending date of the periods, including the comparative periods, of each interim financial report and the annual financial statements to be filed for the reporting issuer's transition year and its new financial year; and

(f) the filing deadlines, prescribed under sections 4.2 and 4.4, for the annual financial statements and interim financial reports for the reporting issuer's transition year.

(4) For the purposes of this section,

(a) a transition year must not exceed 15 months; and

(b) the first interim period after an old financial year must not exceed four months.

(5) Despite subsection 4.3(1)(b), a reporting issuer is not required to file an interim financial report for any period in its transition year that ends not more than one month

(a) after the last day of its old financial year; or

(b) before the first day of its new financial year.

(6) Despite subsection 4.1(1), if a transition year is less than nine months in length, the reporting issuer must include as comparative financial information to its annual financial statements for its new financial year

(a) a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows, and notes to the financial statements for its transition year;

(b) a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to the financial statements for its old financial year;

(c) in the following circumstances, a statement of financial position as at the beginning of the old financial year:

(i) the reporting issuer discloses in its annual financial statements an unreserved statement of compliance with IFRS; and

(ii) the reporting issuer

(A) applies an accounting policy retrospectively in its annual financial statements;

(B) makes a retrospective restatement of items in its annual financial statements; or

(C) reclassifies items in its annual financial statements; and

(d) in the case of the reporting issuer's first IFRS financial statements, the opening IFRS statement of financial position at the date of transition to IFRS.

(7) Despite subsection 4.3(2), if interim periods for the reporting issuer's transition year end three, six, nine or twelve months after the end of its old financial year, the reporting issuer must include

(a) as comparative financial information in each interim financial report during its transition year, the comparative financial information required by subsection 4.3(2), except if an interim period during the transition year is 12 months in length and the reporting issuer's transition year is longer than 13 months, the comparative financial information must be the statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows for the 12 month period that constitutes its old financial year;

(b) as comparative financial information in each interim financial report during its new financial year

(i) a statement of financial position as at the end of its transition year; and

(ii) the statement of comprehensive income, statement of changes in equity and statement of cash flows for the periods in its transition year or old financial year, for the same calendar months as, or as close as possible to, the calendar months in the interim period in the new financial year;

(c) in the following circumstances, a statement of financial position as at the beginning of the earliest comparative period:

(i) the reporting issuer discloses in its interim financial report an unreserved statement of compliance with International Accounting Standard 34 *Interim Financial Reporting*; and

(ii) the reporting issuer

(A) applies an accounting policy retrospectively in its interim financial report;

(B) makes a retrospective restatement of items in its interim financial report; or

(C) reclassifies items in its interim financial report; and

(d) in the case of the reporting issuer's first interim financial report required to be filed in the year of adopting IFRS, the opening IFRS statement of financial position at the date of transition to IFRS.

(8) Despite subsection 4.3(2), if interim periods for a reporting issuer's transition year end twelve, nine, six or three months before the end of the transition year, the reporting issuer must include

(a) as comparative financial information in each interim financial report during its transition year

(i) a statement of financial position as at the end of its old financial year; and

(ii) the statement of comprehensive income, statement of changes in equity and statement of cash flows for periods in its old financial year, for the same calendar months as, or as close as possible to, the calendar months in the interim period in the transition year;

(b) as comparative financial information in each interim financial report during its new financial year

(i) a statement of financial position as at the end of its transition year; and

(ii) the statement of comprehensive income, statement of changes in equity and statement of cash flows in its transition year or old financial year, or both, as appropriate, for the same calendar months as, or as close as possible to, the calendar months in the interim period in the new financial year;

(c) in the following circumstances, a statement of financial position as at the beginning of the earliest comparative period:

(i) the reporting issuer discloses in its interim financial report an unreserved statement of compliance with International Accounting Standard 34 *Interim Financial Reporting*; and

(ii) the reporting issuer

(A) applies an accounting policy retrospectively in its interim financial report;

(B) makes a retrospective restatement of items in its interim financial report; or

(C) reclassifies items in its interim financial report; and

(d) in the case of the reporting issuer's first interim financial report required to be filed in the year of adopting IFRS, the opening IFRS statement of financial position at the date of transition to IFRS."

**5.** Paragraph (h) of section 4.9 of the Regulation is amended by replacing the words "interim and annual financial statements" with the words "interim financial reports and the annual financial statements".

**6.** Section 4.10 of the Regulation is amended:

(1) in paragraph (2):

(a) in the French text of subparagraph (a), by deleting the word "il";

(b) in subparagraph (c), by replacing the words "the interim financial statements" with the words "each interim financial report";

(2) in subparagraph (c) of paragraph (3), by replacing the word "statements" with the word "report".

**7.** Section 4.11 of the Regulation is replaced with the following:

**"4.11. Change of Auditor**

(1) In this section

"appointment" means, in relation to a reporting issuer, the earlier of

(a) the appointment as its auditor of a person; and

(b) the decision by the board of directors of the reporting issuer to propose to holders of qualified securities to appoint such person as its auditor to replace its predecessor auditor;

"consultation" means advice provided by a successor auditor, whether or not in writing, to a reporting issuer during the relevant period, which the successor auditor concluded was an important factor considered by the reporting issuer in reaching a decision concerning

(a) the application of accounting principles or policies to a transaction, whether or not the transaction is completed;

(b) a report provided by an auditor on the reporting issuer's financial statements;

(c) scope or procedure of an audit or review engagement; or

(d) financial statement disclosure;

"disagreement" means a difference of opinion between personnel of a reporting issuer responsible for finalizing the reporting issuer's financial statements and the personnel of a predecessor auditor responsible for authorizing the issuance of audit reports on the reporting issuer's financial statements or authorizing the communication of the results of the auditor's review of the reporting issuer's interim financial report, if the difference of opinion

(a) resulted in a modified opinion in the predecessor auditor's audit report on the reporting issuer's financial statements for any period during the relevant period;

(b) would have resulted in a modified opinion in the predecessor auditor's audit report on the reporting issuer's financial statements for any period during the relevant period if the difference of opinion had not been resolved to the predecessor auditor's satisfaction, not including a difference of opinion based on incomplete or preliminary information that was resolved to the satisfaction of the predecessor auditor upon the receipt of further information;

(c) resulted in a qualified or adverse communication or denial of assurance in respect of the predecessor auditor's review of the reporting issuer's interim financial report for any interim period during the relevant period; or

(d) would have resulted in a qualified or adverse communication or denial of assurance in respect of the predecessor auditor's review of the reporting issuer's interim financial report for any interim period during the relevant period if the difference of opinion had not been resolved to the predecessor auditor's satisfaction, not including a difference of opinion based on incomplete or preliminary information that was resolved to the satisfaction of the predecessor auditor upon the receipt of further information;

"predecessor auditor" means the auditor of a reporting issuer that is the subject of the most recent termination or resignation;

"qualified securities" means securities of a reporting issuer that carry the right to participate in voting on the appointment or removal of the reporting issuer's auditor;

"relevant information circular" means

(a) if a reporting issuer's constating documents or applicable law require holders of qualified securities to take action to remove the reporting issuer's auditor or to appoint a successor auditor

(i) the information circular required to accompany or form part of every notice of meeting at which that action is proposed to be taken; or

(ii) the disclosure document accompanying the text of the written resolution provided to holders of qualified securities; or

(b) if paragraph (a) does not apply, the information circular required to accompany or form part of the first notice of meeting to be sent to holders of qualified securities following the preparation of a reporting package concerning a termination or resignation;

“relevant period” means the period

(a) commencing at the beginning of the reporting issuer’s two most recently completed financial years and ending on the date of termination or resignation; or

(b) during which the predecessor auditor was the reporting issuer’s auditor, if the predecessor auditor was not the reporting issuer’s auditor throughout the period described in paragraph (a);

“reportable event” means a disagreement, a consultation, or an unresolved issue;

“reporting package” means

(a) the documents referred to in subparagraphs (5)(a)(i) and (6)(a)(i);

(b) the letter referred to in clause (5)(a)(ii)(B), if received by the reporting issuer, unless an updated letter referred to in clause (6)(a)(iii)(B) has been received by the reporting issuer;

(c) the letter referred to in clause (6)(a)(ii)(B), if received by the reporting issuer; and

(d) any updated letter referred to in clause (6)(a)(iii)(B) received by the reporting issuer;

“resignation” means notification from an auditor to a reporting issuer of the auditor’s decision to resign or decline to stand for reappointment;

“successor auditor” means the person

(a) appointed;

(b) that the board of directors have proposed to holders of qualified securities be appointed; or

(c) that the board of directors have decided to propose to holders of qualified securities be appointed,

as the reporting issuer’s auditor after the termination or resignation of the reporting issuer’s predecessor auditor;

“termination” means, in relation to a reporting issuer, the earlier of

(a) the removal of its auditor before the expiry of the auditor’s term of appointment, the expiry of its auditor’s term of appointment without reappointment, or the appointment of a different person as its auditor upon expiry of its auditor’s term of appointment; and

(b) the decision by the board of directors of the reporting issuer to propose to holders of its qualified securities that its auditor be removed before, or that a different person be appointed as its auditor upon, the expiry of its auditor’s term of appointment;

“unresolved issue” means any matter that, in the predecessor auditor’s opinion, has, or could have, a material impact on the financial statements, or reports provided by the auditor relating to the financial statements, for any financial period during the relevant period, and about which the predecessor auditor has advised the reporting issuer if

(a) the predecessor auditor was unable to reach a conclusion as to the matter’s implications before the date of termination or resignation;

(b) the matter was not resolved to the predecessor auditor’s satisfaction before the date of termination or resignation; or

(c) the predecessor auditor is no longer willing to be associated with any of the financial statements;

(2) For the purposes of this section, the term “material” has a meaning consistent with the discussion of the term “materiality” in the issuer’s GAAP.

(3) This section does not apply if

(a) the following three conditions are met:

(i) a termination, or resignation, and appointment occur in connection with an amalgamation, arrangement, takeover or similar transaction involving the reporting issuer or a reorganization of the reporting issuer;

(ii) the termination, or resignation, and appointment have been disclosed in a news release that has been filed or in a disclosure document that has been delivered to holders of qualified securities and filed; and

- (iii) no reportable event has occurred;
  - (b) the change of auditor is required by the legislation under which the reporting issuer exists or carries on its activities; or
  - (c) the change of auditor arises from an amalgamation, merger or other reorganization of the auditor.
- (4) An SEC issuer satisfies this section if it
- (a) complies with the requirements of U.S. laws relating to a change of auditor;
  - (b) files a copy of all materials required by U.S. laws relating to a change of auditor at the same time as, or as soon as practicable after, they are filed with or furnished to the SEC;
  - (c) issues and files a news release describing the information disclosed in the materials referred to in paragraph (b), if there are any reportable events; and
  - (d) includes the materials referred to in paragraph (b) with each relevant information circular.
- (5) Upon a termination or resignation of its auditor, a reporting issuer must
- (a) within 10 days after the date of termination or resignation
    - (i) prepare a change of auditor notice in accordance with subsection (7) and deliver a copy of it to the predecessor auditor; and
    - (ii) request the predecessor auditor to
      - (A) review the reporting issuer's change of auditor notice;
      - (B) prepare a letter, addressed to the securities regulatory authority, stating, for each statement in the change of auditor notice, whether the auditor agrees, disagrees and the reasons why, or has no basis to agree or disagree; and
      - (C) deliver the letter to the reporting issuer within 20 days after the date of termination or resignation;
  - (b) within 30 days after the date of termination or resignation
    - (i) have the audit committee of its board of directors or its board of directors review the letter referred to in clause (5)(a)(ii)(B) if received by the reporting issuer, and approve the change of auditor notice;
    - (ii) file a copy of the reporting package with the securities regulatory authority;
    - (iii) deliver a copy of the reporting package to the predecessor auditor;
    - (iv) if there are any reportable events, issue and file a news release describing the information in the reporting package; and
  - (c) include with each relevant information circular
    - (i) a copy of the reporting package as an appendix; and
    - (ii) a summary of the contents of the reporting package with a cross-reference to the appendix.
- (6) Upon an appointment of a successor auditor, a reporting issuer must
- (a) within 10 days after the date of appointment
    - (i) prepare a change of auditor notice in accordance with subsection (7) and deliver it to the successor auditor and to the predecessor auditor;
    - (ii) request the successor auditor to
      - (A) review the reporting issuer's change of auditor notice;
      - (B) prepare a letter addressed to the securities regulatory authority, stating, for each statement in the change of auditor notice, whether the auditor agrees, disagrees and the reasons why, or has no basis to agree or disagree; and
      - (C) deliver that letter to the reporting issuer within 20 days after the date of appointment; and
    - (iii) request the predecessor auditor to, within 20 days after the date of appointment,
      - (A) confirm that the letter referred to in clause (5)(a)(ii)(B) does not have to be updated; or
      - (B) prepare and deliver to the reporting issuer an updated letter to replace the letter referred to in clause (5)(a)(ii)(B);
  - (b) within 30 days after the date of appointment,
    - (i) have the audit committee of its board of directors or its board of directors review the letters referred to in clauses (6)(a)(ii)(B) and (6)(a)(iii)(B) if received by the reporting issuer, and approve the change of auditor notice;



(ii) file a copy of the reporting package with the securities regulatory authority;

(iii) deliver a copy of the reporting package to the successor auditor and to the predecessor auditor; and

(iv) if there are any reportable events, issue and file a news release disclosing the appointment of the successor auditor and either describing the information in the reporting package or referring to the news release required under subparagraph (5)(b)(iv).

(7) A change of auditor notice must state

(a) the date of termination or resignation;

(b) whether the predecessor auditor

(i) resigned on the predecessor auditor's own initiative or at the reporting issuer's request;

(ii) was removed or is proposed to holders of qualified securities to be removed during the predecessor auditor's term of appointment; or

(iii) was not reappointed or has not been proposed for reappointment;

(c) whether the termination or resignation of the predecessor auditor and any appointment of the successor auditor were considered or approved by the audit committee of the reporting issuer's board of directors or the reporting issuer's board of directors;

(d) whether the predecessor auditor's report on any of the reporting issuer's financial statements relating to the relevant period expressed a modified opinion and, if so, a description of each modification;

(e) if there is a reportable event, the following information:

(i) for a disagreement,

(A) a description of the disagreement;

(B) whether the audit committee of the reporting issuer's board of directors or the reporting issuer's board of directors discussed the disagreement with the predecessor auditor; and

(C) whether the reporting issuer authorized the predecessor auditor to respond fully to inquiries by any successor auditor concerning the disagreement and, if not, a description of and reasons for any limitation;

(ii) for a consultation,

(A) a description of the issue that was the subject of the consultation;

(B) a summary of the successor auditor's oral advice, if any, provided to the reporting issuer concerning the issue;

(C) a copy of the successor auditor's written advice, if any, received by the reporting issuer concerning the issue; and

(D) whether the reporting issuer consulted with the predecessor auditor concerning the issue and, if so, a summary of the predecessor auditor's advice concerning the issue; and

(iii) for an unresolved issue,

(A) a description of the issue;

(B) whether the audit committee of the reporting issuer's board of directors or the reporting issuer's board of directors discussed the issue with the predecessor auditor; and

(C) whether the reporting issuer authorized the predecessor auditor to respond fully to inquiries by any successor auditor concerning the issue and, if not, a description of and reasons for any limitation; and

(f) if there are no reportable events, a statement to that effect.

(8) If the successor auditor becomes aware that the change of auditor notice required by this section has not been prepared and filed by the reporting issuer, the auditor must, within 7 days, advise the reporting issuer in writing and deliver a copy of the letter to the securities regulatory authority."

**8.** Subparagraph (b) of paragraph (2) of section 4B.2 of the Regulation is amended, in the French text, by replacing the word "conventions" with the word "méthodes".

**9.** Sections 5.1 to 5.7 of the Regulation are replaced with the following:

#### "5.1. Filing of MD&A

(1) A reporting issuer must file MD&A relating to its annual financial statements and each interim financial report.

(1.1) Despite subsection (1), a reporting issuer does not have to file MD&A relating to the annual financial statements and interim financial reports required under sections 4.7 and 4.10 for financial years and interim periods that ended before the issuer became a reporting issuer.

(2) The MD&A required to be filed must be filed on or before the earlier of

(a) the filing deadlines for the annual financial statements and each interim financial report set out in sections 4.2 and 4.4, as applicable; and

(b) the date the reporting issuer files the financial statements under subsections 4.1(1) or 4.3(1), as applicable.

#### **“5.2. Filing of MD&A for SEC Issuers**

Despite subsection 5.1(2), if an SEC issuer that is a reporting issuer is filing its annual or interim MD&A prepared in accordance with Item 303 of Regulation S-K under the 1934 Act, the SEC issuer must file that document on or before the earlier of

(a) the date the SEC issuer would be required to file that document under section 5.1; and

(b) the date the SEC issuer files that document with the SEC.

#### **“5.3. Additional Disclosure for Venture Issuers Without Significant Revenue**

(1) A venture issuer that has not had significant revenue from operations in either of its last two financial years, must disclose in its MD&A, for each period referred to in subsection (2), a breakdown of material components of

(a) exploration and evaluation assets or expenditures;

(b) expensed research and development costs;

(c) intangible assets arising from development;

(d) general and administration expenses; and

(e) any material costs, whether expensed or recognized as assets, not referred to in paragraphs (a) through (d);

and if the venture issuer’s business primarily involves mining exploration and development, the analysis of exploration and evaluation assets or expenditures must be presented on a property-by-property basis.

(2) The disclosure in subsection (1) must be provided for the following periods:

(a) in the case of annual MD&A, for the two most recently completed financial years; and

(b) in the case of interim MD&A, for the most recent year-to-date interim period and the comparative year-to-date period presented in the interim financial report.

(3) Subsection (1) does not apply if the information required under that subsection has been disclosed in the financial statements to which the MD&A relates.

#### **“5.4. Disclosure of Outstanding Share Data**

(1) A reporting issuer must disclose in its MD&A the designation and number or principal amount of

(a) each class and series of voting or equity securities of the reporting issuer for which there are securities outstanding;

(b) each class and series of securities of the reporting issuer for which there are securities outstanding if the securities are convertible into, or exercisable or exchangeable for, voting or equity securities of the reporting issuer; and

(c) each class and series of voting or equity securities of the reporting issuer that are issuable on the conversion, exercise or exchange of outstanding securities of the reporting issuer.

(2) For the application of paragraph (1)(c), if the exact number or principal amount of voting or equity securities of the reporting issuer that are issuable on the conversion, exercise or exchange of outstanding securities of the reporting issuer is not determinable, the reporting issuer must disclose the maximum number or principal amount of each class and series of voting or equity securities that are issuable on the conversion, exercise or exchange of outstanding securities of the reporting issuer and, if that maximum number or principal amount is not determinable, the reporting issuer must describe the exchange or conversion features and the manner in which the number or principal amount of voting or equity securities will be determined.

(3) The disclosure under subsections (1) and (2) must be prepared as of the latest practicable date.

#### **“5.5. Approval of MD&A**

(1) The annual MD&A that a reporting issuer is required to file under this Part must be approved by the board of directors before being filed.

(2) The interim MD&A that a reporting issuer is required to file under this Part must be approved by the board of directors before being filed.

(3) In fulfilling the requirement in subsection (2), the board of directors may delegate the approval of the interim MD&A required to be filed under this Part to the audit committee of the board of directors.

#### **“5.6. Delivery of MD&A**

(1) If a registered holder or beneficial owner of securities, other than debt instruments, of a reporting issuer requests the reporting issuer’s annual or interim MD&A, the reporting issuer must send a copy of the requested MD&A to the person that made the request, without charge, by the delivery deadline set out in subsection 4.6(3) for the annual financial statements or interim financial report to which the MD&A relates.

(2) A reporting issuer is not required to send copies of any MD&A that was filed more than two years before the issuer receives the request.

(3) The requirement to send annual MD&A under subsection (1) does not apply to a reporting issuer that sends its annual MD&A and any related MD&A supplement to its securityholders, other than holders of debt instruments, within 140 days of the issuer’s financial year-end and in accordance with Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer.

(4) If a reporting issuer sends MD&A under this section, the reporting issuer must also send, at the same time, the annual financial statements or interim financial report to which the MD&A relates.

#### **“5.7. Additional Disclosure for Reporting Issuers with Significant Equity Investees**

(1) A reporting issuer that has a significant equity investee must disclose in its MD&A for each period referred to in subsection (2),

(a) summarized financial information of the equity investee, including the aggregated amounts of assets, liabilities, revenue and profit or loss; and

(b) the reporting issuer’s proportionate interest in the equity investee and any contingent issuance of securities by the equity investee that might significantly affect the reporting issuer’s share of profit or loss.

(2) The disclosure in subsection (1) must be provided for the following periods:

(a) in the case of annual MD&A, for the two most recently completed financial years; and

(b) in the case of interim MD&A, for the most recent year-to-date interim period and the comparative year-to-date period presented in the interim financial report.

(3) Subsection (1) does not apply if

(a) the information required under that subsection has been disclosed in the financial statements to which the MD&A relates; or

(b) the issuer files separate financial statements of the equity investee for the periods referred to in subsection (2).”

#### **10. Section 5.8 of the Regulation is amended:**

(1) by deleting, wherever they occur, the words “, or MD&A supplement if one is required under section 5.2,” and the words “or MD&A supplement”;

(2) by replacing, in subparagraph (iii) of subparagraph (b) of paragraph (3), the word “on” with the word “at”;

(3) by replacing, in subparagraph (a) of paragraph (5), the words “, in its MD&A or MD&A supplement if one is required under section 5.2, disclose” with the words “disclose in its MD&A”;

(4) by replacing, in subparagraph (iii) of subparagraph (b) of paragraph (6), the word “on” with the word “at”.

#### **11. Section 6.2 of the Regulation is amended in paragraph (b):**

(1) by replacing, in the introductory sentence, the words “in Form 10-K, Form 10-KSB” with the words “on Form 10-K”;

(2) in subparagraph (ii), by deleting the words “, Form 10-KSB”.

#### **12. Section 8.1 of the Regulation is amended:**

(1) by replacing, in the French text of the definition of “acquisition”, the words “comptabilisation à la valeur de consolidation” with the words “mise en équivalence”;

(2) by inserting, after the definition of “business”, the following, and making the necessary changes:

““specified profit or loss” means profit or loss from continuing operations attributable to the owners of the parent, adjusted to exclude income taxes.”.

**13.** Section 8.2 of the Regulation is amended by replacing, wherever they occur, the words “date of acquisition” with the words “acquisition date”.

**14.** Section 8.3 of the Regulation is amended:

(1) by replacing paragraph (2) with the following:

“(2) For the purposes of subsection (1), the significance tests are:

(a) The asset test: The reporting issuer’s proportionate share of the consolidated assets of the business or related businesses exceeds 20 percent of the consolidated assets of the reporting issuer calculated using the audited annual financial statements of each of the reporting issuer and the business or the related businesses for the most recently completed financial year of each that ended before the acquisition date.

(b) The investment test: The reporting issuer’s consolidated investments in and advances to the business or related businesses as at the acquisition date exceeds 20 percent of the consolidated assets of the reporting issuer as at the last day of the most recently completed financial year of the reporting issuer ended before the acquisition date, excluding any investments in or advances to the business or related businesses as at that date.

(c) The profit or loss test: The reporting issuer’s proportionate share of the consolidated specified profit or loss of the business or related businesses exceeds 20 percent of the consolidated specified profit or loss of the reporting issuer calculated using the audited annual financial statements of each of the reporting issuer and the business or related businesses for the most recently completed financial year of each ended before the acquisition date.”;

(2) by replacing subparagraphs (b) and (c) of paragraph (4) with the following:

“(b) The investment test: The reporting issuer’s consolidated investments in and advances to the business or related businesses as at the acquisition date exceeds 20 percent of the consolidated assets of the reporting issuer as at the last day of the most recently completed interim period or financial year of the reporting issuer, excluding any investments in or advances to the business or related businesses as at that date.

“(c) The profit or loss test: The specified profit or loss calculated under the following subparagraph (i) exceeds 20 percent of the specified profit or loss calculated under the following subparagraph (ii):

(i) the reporting issuer’s proportionate share of the consolidated specified profit or loss of the business or related businesses for the later of

(A) the most recently completed financial year of the business or related businesses; or

(B) the 12 months ended on the last day of the most recently completed interim period of the business or related businesses;

(ii) the reporting issuer’s consolidated specified profit or loss for the later of

(A) the most recently completed financial year, without giving effect to the acquisition; or

(B) the 12 months ended on the last day of the most recently completed interim period of the reporting issuer, without giving effect to the acquisition.”;

(3) by inserting the following paragraphs after paragraph (4):

“(4.1) For the purposes of subsections (2) and (4), the reporting issuer must not remeasure its previously held equity interest in the business or related businesses.

“(4.2) For the purposes of paragraphs (2)(b) and (4)(b), the reporting issuer’s investments in and advances to the business or related businesses must include

(a) the consideration transferred for the acquisition, measured in accordance with the issuer’s GAAP,

(b) payments made in connection with the acquisition which do not constitute consideration transferred but which would not have been paid unless the acquisition had occurred, and

(c) contingent consideration for the acquisition measured in accordance with the issuer’s GAAP.”;

(4) in paragraph (6), by replacing the words “date of acquisition” with the words “acquisition date”;

(5) by adding, at the end of paragraph (7), the words “from continuing operations attributable to owners of the parent, adjusted to exclude income taxes”;

(6) by replacing paragraphs (8) to (13) with the following:

“(8) For the purposes of paragraph (2)(c) and clause (4)(c)(ii)(A), if the reporting issuer’s consolidated specified profit or loss for the most recently completed financial year was lower by 20 percent or more than its average consolidated specified profit or loss for the three most recently completed financial years, the issuer may, subject to subsection (10), substitute the average consolidated specified profit or loss for the three most recently completed financial years in determining whether the significance test set out in paragraph (2)(c) or (4)(c) is satisfied.

“(9) For the purpose of clause (4)(c)(ii)(B) if the reporting issuer’s consolidated specified profit or loss for the most recently completed 12-month period was lower by 20 percent or more than its average consolidated specified profit or loss for the three most recently completed 12-month periods, the issuer may, subject to subsection (10), substitute the average consolidated specified profit or loss for the three most recently completed 12-month periods in determining whether the significance test set out in paragraph (4)(c) is satisfied.

“(10) If the reporting issuer’s consolidated specified profit or loss for either of the two earlier financial periods referred to in subsections (8) and (9) is a loss, the reporting issuer’s specified profit or loss for that period is considered to be zero for the purposes of calculating the average consolidated specified profit or loss for the three financial periods.

“(11) If a reporting issuer has made multiple investments in the same business, then for the purposes of applying subsections (2) and (4),

(a) if the initial investment and one or more incremental investments were made during the same financial year, the investments must be aggregated and tested on a combined basis;

(b) if one or more incremental investments were made in a financial year subsequent to the financial year in which an initial or incremental investment was made and the initial or previous incremental investments are reflected in audited annual financial statements of the reporting issuer previously filed, the reporting issuer must apply the significance tests set out in subsections (2) and (4) on a combined basis to the incremental investments not reflected in audited financial statements of the reporting issuer previously filed; and

(c) if one or more incremental investments were made in a financial year subsequent to the financial year in which the initial investment was made and the initial

investment is not reflected in audited annual financial statements of the reporting issuer previously filed, the reporting issuer must apply the significance tests set out in subsections (2) and (4) to the initial and incremental investments on a combined basis.

“(11.1) For the purposes of calculating the optional profit or loss test under clause (4)(c)(ii)(A), a reporting issuer may use pro forma consolidated specified profit or loss for its most recently completed financial year that was included in a previously filed document if

(a) the reporting issuer has made a significant acquisition of a business after its most recently completed financial year; and

(b) the previously filed document included

(i) audited annual financial statements of that acquired business for the periods required by this Part; and

(ii) the pro forma financial information required by subsection 8.4(5) or (6).

“(12) In determining whether an acquisition of related businesses is a significant acquisition, related businesses acquired after the ending date of the most recently filed audited annual financial statements of the reporting issuer must be considered on a combined basis.

“(13) For the purposes of calculating the significance tests in subsections (2) and (4), the amounts used for the business or related businesses must

(a) be based on the issuer’s GAAP, and

(b) be translated into the same presentation currency as that used in the reporting issuer’s financial statements.”;

(7) by inserting, after paragraph (13), the following:

“(13.1) Paragraph 8.3(13)(a) does not apply to a venture issuer if

(a) the financial statements for the business or related businesses referred to in subsections 8.3(2) and (4)

(i) are prepared in accordance with Canadian GAAP applicable to private enterprises, and

(ii) are prepared in a manner that consolidates any subsidiaries and accounts for significantly influenced investees and joint ventures using the equity method; and

(b) none of the accounting principles described in paragraphs 3.11(1)(a) through (e) of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards were used to prepare financial statements for the business or related businesses referred to in subsections 8.3(2) and (4).”;

(8) by replacing paragraph (14) with the following:

“(14) Despite subsections (2) and (4), the significance of an acquisition of a business or related businesses may be calculated using unaudited financial statements of the business or related businesses that comply with section 3.11 of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards if the financial statements of the business or related businesses for the most recently completed financial year have not been audited.”;

(9) in paragraph (15), by replacing, wherever it occurs in the French text, the word “vérifiés” with the word “audités”.

**15.** Section 8.4 of the Regulation is amended:

(1) by replacing paragraphs (1) to (3) with the following:

“(1) If a reporting issuer is required to file a business acquisition report under section 8.2, the business acquisition report must include the following for each business or related businesses:

(a) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for the following periods:

(i) if the business has completed one financial year,

(A) the most recently completed financial year ended on or before the acquisition date; and

(B) the financial year immediately preceding the most recently completed financial year, if any; or

(ii) if the business has not completed one financial year, the financial period commencing on the date of formation and ending on a date not more than 45 days before the acquisition date;

(b) a statement of financial position as at the end of each of the periods specified in paragraph (a); and

(c) notes to the financial statements.

“(2) The most recently completed financial period referred to in subsection (1) must be audited.

“(3) If a reporting issuer is required to include financial statements in a business acquisition report under subsection (1), the business acquisition report must include financial statements for

(a) the most recently completed interim period or other period that started the day after the date of the statement of financial position specified in paragraph (1)(b) and ended,

(i) in the case of an interim period, before the acquisition date; or

(ii) in the case of a period other than an interim period, after the interim period referred to in subparagraph (i) and on or before the acquisition date; and

(b) a comparable period in the preceding financial year of the business.”;

(2) by inserting, after paragraph (3), the following:

“(3.1) If a reporting issuer is required under subsection (3) to include an interim financial report in a business acquisition report and the financial statements for the business or related businesses acquired are prepared in accordance with Canadian GAAP applicable to private enterprises, as permitted under Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards, the interim financial report must include

(a) a balance sheet as at the end of the interim period and a balance sheet as at the end of the immediately preceding financial year, if any;

(b) an income statement, a statement of retained earnings and a cash flow statement, all for the year-to-date interim period, and comparative financial information for the corresponding interim period in the immediately preceding financial year, if any; and

(c) notes to the financial statements.”;

(3) in paragraph (4):

(a) by replacing the introductory sentence and subparagraph (a) with the following:

“(4) Despite subsection (3), the business acquisition report may include financial statements for a period ending not more than one interim period before the period referred to in subparagraph (3)(a)(i) if

(a) the business does not, or related businesses do not, constitute a material departure from the business or operations of the reporting issuer immediately before the acquisition; and”;

(b) by deleting subparagraph (b);

(c) by replacing subparagraph (c) with the following:

“(c) either

(i) the acquisition date is, and the reporting issuer files the business acquisition report, within the following time after the business’s or related businesses’ most recently completed interim period:

(A) 45 days, if the reporting issuer is not a venture issuer; or

(B) 60 days, if the reporting issuer is a venture issuer; or

(ii) the reporting issuer filed a document before the acquisition date that included financial statements for the business or related businesses that would have been required if the document were a prospectus, and those financial statements are for a period ending not more than one interim period before the interim period referred to in subparagraph (3)(a)(i).”;

(4) by replacing paragraphs (5) to (8) with the following:

“(5) If a reporting issuer is required to include financial statements in a business acquisition report under subsection (1) or (3), the business acquisition report must include

(a) a pro forma statement of financial position of the reporting issuer,

(i) as at the date of the reporting issuer’s most recent statement of financial position filed, that gives effect, as if they had taken place as at the date of the pro forma statement of financial position, to significant acquisitions that have been completed, but are not reflected in the reporting issuer’s most recent statement of financial position for an annual or interim period; or

(ii) if the reporting issuer has not filed a statement of financial position for any annual or interim period, as at the date of the acquired business’s most recent statement of financial position, that gives effect, as if they had taken place as at the date of the pro forma statement of financial position, to significant acquisitions that have been completed;

(b) a pro forma income statement of the reporting issuer that gives effect to significant acquisitions completed since the beginning of the financial year referred to in clause (i)(A) or (ii)(A), as applicable, as if they had taken place at the beginning of that financial year, for each of the following financial periods:

(i) the reporting issuer’s

(A) most recently completed financial year for which it has filed financial statements; and

(B) interim period for which it has filed an interim financial report that started after the period in clause (A) and ended immediately before the acquisition date or, in the reporting issuer’s discretion, after the acquisition date; or

(ii) if the reporting issuer has not filed a statement of comprehensive income for any annual or interim period, for the business’s or related businesses’

(A) most recently completed financial year that ended before the acquisition date; and

(B) period for which financial statements are included in the business acquisition report under paragraph (3)(a); and

(c) pro forma earnings per share based on the pro forma financial statements referred to in paragraph (b).

“(6) Despite paragraph (5)(a) and clauses (5)(b)(i)(B) and (5)(b)(ii)(B), if the reporting issuer relies on subsection (4), the business acquisition report may include

(a) a pro forma statement of financial position as at the date of the statement of financial position filed immediately before the reporting issuer’s most recent statement of financial position filed; and

(b) a pro forma income statement for the period ending not more than one interim period before the interim period referred to in clause (5)(b)(i)(B) or (5)(b)(ii)(B), as applicable.

“(7) If a reporting issuer is required to include pro forma financial statements in a business acquisition report under subsection (5),

(a) the reporting issuer must identify in the pro forma financial statements each significant acquisition, if the pro forma financial statements give effect to more than one significant acquisition;

(b) the reporting issuer must include in the pro forma financial statements

(i) adjustments attributable to each significant acquisition for which there are firm commitments and for which the complete financial effects are objectively determinable;

(ii) adjustments to conform amounts for the business or related businesses to the issuer's accounting policies, and

(iii) a description of the underlying assumptions on which the pro forma financial statements are prepared, cross-referenced to each related pro forma adjustment;

(c) if the financial year-end of the business differs from the reporting issuer's year-end by more than 93 days, for the purpose of preparing the pro forma income statement for the reporting issuer's most recently completed financial year, the reporting issuer must construct an income statement of the business for a period of 12 consecutive months ending no more than 93 days before or after the reporting issuer's year-end, by adding the results for a subsequent interim period to a completed financial year of the business and deducting the comparable interim results for the immediately preceding year;

(d) if a constructed income statement is required under paragraph (c), the pro forma financial statements must disclose the period covered by the constructed income statement on the face of the pro forma financial statements and must include a note stating that the financial statements of the business used to prepare the pro forma financial statements were prepared for the purpose of the pro forma financial statements and do not conform with the financial statements for the business included elsewhere in the business acquisition report;

(e) if a reporting issuer is required to prepare a pro forma income statement for an interim period required by paragraph (5)(b), and the pro forma income statement for the most recently completed financial year includes results of the business which are also included in the pro forma income statement for the interim period, the reporting issuer must disclose in a note to the pro forma financial statements the revenue, expenses and profit or loss from continuing operations included in each pro forma income statement for the overlapping period; and

(f) a constructed period referred to in paragraph (c) does not have to be audited.

“(8) If a reporting issuer is required under subsection (1) to include financial statements for more than one business because the significant acquisition involves

an acquisition of related businesses, the financial statements required under subsection (1) must be presented separately for each business, except for the periods during which the businesses have been under common control or management, in which case the reporting issuer may present the financial statements of the businesses on a combined basis.”

**16.** Section 8.6 of the Regulation is replaced with the following:

**“8.6. Exemption for Significant Acquisitions Accounted for Using the Equity Method**

A reporting issuer is exempt from the requirements in section 8.4 if

(a) the acquisition is, or will be, of an equity investee;

(b) the business acquisition report includes disclosure for the periods for which financial statements are otherwise required under subsection 8.4(1) that

(i) summarizes financial information of the equity investee, including the aggregated amounts of assets, liabilities, revenue and profit or loss; and

(ii) describes the reporting issuer's proportionate interest in the equity investee and any contingent issuance of securities by the equity investee that might significantly affect the reporting issuer's share of profit or loss;

(c) the financial information provided under paragraph (b) for the most recently completed financial year

(i) has been derived from audited financial statements of the equity investee; or

(ii) has been audited; and

(d) the business acquisition report

(i) identifies the financial statements referred to in subparagraph (c)(i) from which the disclosure provided under paragraph (b) has been derived; or

(ii) discloses that the financial information provided under paragraph (b), if not derived from audited financial statements, has been audited; and

(iii) discloses that the auditor expressed an unmodified opinion with respect to the financial statements referred to in subparagraph (i) or the financial information referred to in subparagraph (ii).”

**17.** Section 8.9 of the Regulation is amended:



(1) in the introductory sentence, by replacing the words “interim financial statements” with the words “an interim financial report”;

(2) in subparagraph (c), by replacing the word “statements” with the word “report”.

**18.** Section 8.10 of the Regulation is amended:

(1) by replacing paragraph (2) with the following:

“(2) Despite subsections 8.3(1), 8.3(2), 8.3(3), 8.3(4), 8.3(8), 8.3(9), 8.3(10) and 8.3(11.1), a reporting issuer must substitute “operating income” for “specified profit or loss” for the purposes of the profit or loss test in paragraphs 8.3(2)(c) and 8.3(4)(c) if the acquisition is one described in subsection (1).”;

(2) in paragraph (3):

(a) by deleting subparagraph (d);

(b) by replacing subparagraph (i) of subparagraph (e) with the following:

“(i) an operating statement for the business or related businesses prepared in accordance with subsection 3.11(5) of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards;”;

(c) by inserting, in the French text of subparagraph (i) of subparagraph (g) and after the words “les produits”, the words “des activités ordinaires”;

(3) in the French text of subparagraph (a) of paragraph (4), by inserting, after the words “les produits”, the words “des activités ordinaires” and by replacing, in that paragraph, the words “bénéfice d’exploitation” with the words “résultat opérationnel”.

**19.** Section 8.11 of the Regulation is amended:

(1) in the title, by replacing the words “**Step-By-Step Acquisitions**” with the words “**Multiple Investments in the Same Business**”;

(2) by replacing the words “a “step-by-step” purchase as described in the Handbook” with the words “multiple investments in the same business”.

**20.** Section 9.4 of the Regulation is amended:

(1) by replacing, wherever they occur in the French text, the words “du vérificateur” with the words “de l’auditeur”;

(2) by inserting, at the end of subparagraph (a) of paragraph (9), the words “or, in the case of a solicitation under subsection 9.2(4), the document required under paragraph 9.2(6)(a)”.

**21.** Paragraph (3) of section 10.1 of the Regulation is amended by replacing the words “interim financial statements” with the words “an interim financial report”.

**22.** Section 10.2 of the Regulation is amended, in the French text:

(1) in paragraph (1), by replacing the words “titres de participation” with the words “titres capitaux propres”;

(2) in paragraph (2), by replacing the words “titres de participation inscrites” with the words “titres de capitaux propres inscrits”.

**23.** Section 11.4 of the Regulation is amended by replacing the words “results of operations” with the words “financial performance”.

**24.** Paragraph (b) of section 11.5 of the Regulation is amended by replacing the word “retroactive” with the word “retrospective”.

**25.** Section 13.3 of the Regulation is amended by replacing, in the French text of subparagraph (iii) of subparagraph (c) of paragraph (2) and of subparagraph (iii) of subparagraph (e) of paragraph (3), the words “titres d’emprunt” with the words “titres de créance”.

**26.** Section 13.4 of the Regulation is amended:

(1) in paragraph (1):

(a) by adding the word “and” after the definition of “subsidiary credit supporter”;

(b) by replacing the definition of “summary financial information” with the following:

““summary financial information” includes the following line items:

(a) revenue;

(b) profit or loss from continuing operations attributable to owners of the parent;

(c) profit or loss attributable to owners of the parent; and

(d) unless the accounting principles used to prepare the financial statements of the person permits the preparation of the person's statement of financial position without classifying assets and liabilities between current and non-current and the person provides alternative meaningful financial information which is more appropriate to the industry,

- (i) current assets;
- (ii) non-current assets;
- (iii) current liabilities; and
- (iv) non-current liabilities.”;

(c) in the definition of “designated credit support securities”:

(i) in subparagraph (a), by inserting the word “securities” after the word “debt” wherever it occurs and by replacing the word “is” with the word “are”;

(ii) by deleting the word “and” at the end of subparagraph (d);

(2) in the French text of subparagraph (c) of paragraph (1.1), by replacing the words “à la valeur de consolidation” with the words “selon la méthode de la mise en équivalence”;

(3) in paragraph (2):

(a) in the French text of subparagraph (iii) of subparagraph (c), by replacing the words “titres d'emprunt” with the words “titres de créance”;

(b) in subparagraph (g):

(i) by replacing, in the introductory sentence, the words “the interim and annual financial statements” with the words “each consolidated interim financial report and consolidated annual financial statements”;

(ii) in subparagraph (A) of subparagraph (i), by replacing the word “revenues” with the word “revenue”;

(iii) in subparagraph (ii), by replacing the words “interim or annual consolidated” with the words “consolidated interim financial report or consolidated annual”;

(c) by replacing, wherever they occur in the French text of subparagraph (i), the words “titres d'emprunt” with the words “titres de créance”;

(4) by replacing the introductory sentence of subparagraph (c) of paragraph (2.1) with the following:

“(c) the credit support issuer files, in electronic format, in the notice referred to in clause (2)(d)(ii)(A) or in or with the copy of each consolidated interim financial report and the consolidated annual financial statements filed under subparagraph (2)(d)(i) or clause (2)(d)(ii)(B), for a period covered by any consolidated interim financial report or consolidated annual financial statements of the parent credit supporter filed by the parent credit supporter, consolidating summary financial information for the parent credit supporter presented with a separate column for each of the following:”;

(5) in subparagraph (b) of paragraph (2.2), by replacing the word “revenues” with the word “revenue”.

**27.** The Regulation is amended by adding the following after section 14.2:

#### **“14.3. Transition – Interim Financial Report**

(1) Despite section 4.4 and paragraph 4.10(2)(c), the first interim financial report required to be filed in the year of adopting IFRS in respect of an interim period beginning on or after January 1, 2011 may be filed

(a) in the case of a reporting issuer other than a venture issuer, on or before the earlier of

(i) the 75th day after the end of the interim period; and

(ii) the date of filing, in a foreign jurisdiction, an interim financial report for a period ending on the last day of the interim period; or

(b) in the case of a venture issuer, on or before the earlier of

(i) the 90th day after the end of the interim period; and

(ii) the date of filing, in a foreign jurisdiction, an interim financial report for a period ending on the last day of the interim period.

(2) Despite subsection 5.1(2), the MD&A required to be filed under subsection 5.1(1) relating to the first interim financial report required to be filed in the year of adopting IFRS in respect of an interim period beginning on or after January 1, 2011 may be filed on or before the earlier of

(a) the filing deadline for the interim financial report set out in subsection (1); and

(b) the date the reporting issuer files the interim financial report under subsections (1) or 4.3(1), as applicable.

(3) Despite subsection 4.6(3), if a registered holder or beneficial owner of securities, other than debt instruments, of a reporting issuer requests the issuer's first interim financial report required to be filed in the year of adopting IFRS in respect of an interim period beginning on or after January 1, 2011, the reporting issuer may send a copy of the required interim financial report and the interim MD&A relating to the interim financial report to the person that made the request, without charge, by the later of,

(a) in the case of a reporting issuer relying on subsection (1), 10 calendar days after the filing deadline set out in subsection (1), for the financial statements requested;

(b) in the case of a reporting issuer not relying on subsection (1), 10 calendar days after the filing deadline in subparagraph 4.4(a)(i) or 4.4(b)(i), subsection 4.10(2) or subsection 14.3(1), as applicable, for the financial statements requested; and

(c) 10 calendar days after the issuer receives the request.

(4) Subsections (1), (2) and (3) do not apply unless the reporting issuer:

(a) is disclosing, for the first time, a statement of compliance with International Accounting Standard 34 *Interim Financial Reporting*; and

(b) did not previously file financial statements that disclosed compliance with IFRS.

(5) Subsections (1), (2) and (3) do not apply if the first interim financial report is in respect of an interim period ending after March 30, 2012.

**28.** Form 51-102F1 of the Regulation is amended:  
(1) in Part 1:

(a) in paragraph (a), by replacing the words “results of operations” with the words “financial performance” and the word “earnings” with the words “profit or loss”;

(b) in the French text of paragraph (d), by replacing the word “connu” with the word “connues”;

(c) in paragraph (f), by deleting the sentence “This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.”;

(d) by replacing paragraphs (g) and (h) with the following:

**“(g) Venture Issuers Without Significant Revenue**

If your company is a venture issuer without significant revenue from operations, focus your discussion and analysis of financial performance on expenditures and progress towards achieving your business objectives and milestones.

**“(h) Reverse Takeover Transactions**

If an acquisition is a reverse takeover, the MD&A should be based on the reverse takeover acquirer's financial statements.”;

(e) by deleting paragraph (i);

(f) in paragraph (m)

(i) by inserting, after the words “Policy Statement 51-102”, the words “for further guidance”;

(ii) by inserting, at the end, the following:

“This Form also uses accounting terms that are defined or used in Canadian GAAP applicable to publicly accountable enterprises. For further guidance, see subsections 1.4(7) and (8) of Policy Statement 51-102.”;

(g) by replacing paragraph (n) with the following:

**“(n) Plain Language**

Write the MD&A so that readers are able to understand it. Refer to the plain language principles listed in section 1.5 of Policy Statement 51-102 for further guidance. If you use technical terms, explain them in a clear and concise manner.”;

(h) in paragraph (o), by replacing the words “results of operations” with the words “financial performance”;

(i) by adding the following after paragraph (o):

**“(p) Use of “Financial Condition”**

This Form uses the term “financial condition”. Financial condition reflects the overall health of the company and includes your company's financial position (as shown on the statement of financial position) and other factors that may affect your company's liquidity, capital resources and solvency.”;

(2) in Part 2:

(a) in section 1.1, by inserting the word “annual” after the words “auditor’s report on the”;

(b) by replacing sections 1.2 and 1.3 with the following:

### “1.2. Overall Performance

Provide an analysis of your company’s financial condition, financial performance and cash flows. Discuss known trends, demands, commitments, events or uncertainties that are reasonably likely to have an effect on your company’s business. Compare your company’s performance in the most recently completed financial year to the prior year’s performance. Your analysis should address at least the following:

(a) operating segments that are reportable segments as those terms are described in the issuer’s GAAP;

(b) other parts of your business if

(i) they have a disproportionate effect on revenue, profit or loss or cash needs; or

(ii) there are any legal or other restrictions on the flow of funds from one part of your company’s business to another;

(c) industry and economic factors affecting your company’s performance;

(d) why changes have occurred or expected changes have not occurred in your company’s financial condition and financial performance; and

(e) the effect of discontinued operations on current operations.

#### INSTRUCTIONS

(i) *When explaining changes in your company’s financial condition and results, include an analysis of the effect on your continuing operations of any acquisition, disposition, write-off, abandonment or other similar transaction.*

(ii) *A discussion of financial condition should include important trends and risks that have affected the financial statements, and trends and risks that are reasonably likely to affect them in the future.*

(iii) *Include information for a period longer than two financial years if it will help the reader to better understand a trend.*

### “1.3. Selected Annual Information

(1) Provide the following financial data derived from your company’s annual financial statements for each of the three most recently completed financial years:

(a) total revenue;

(b) profit or loss from continuing operations attributable to owners of the parent, in total and on a per-share and diluted per-share basis;

(c) profit or loss attributable to owners of the parent, in total and on a per-share and diluted per-share basis;

(d) total assets;

(e) total non-current financial liabilities; and

(f) distributions cash dividends declared per-share for each class of share.

(2) Discuss the factors that have caused period to period variations including discontinued operations, changes in accounting policies, significant acquisitions or dispositions and changes in the direction of your business, and any other information your company believes would enhance an understanding of, and would highlight trends in, financial position and financial performance.

#### INSTRUCTIONS

(i) *For each of the three most recently completed financial years, indicate the accounting principles that the financial data has been prepared in accordance with, the presentation currency and the functional currency if different from the presentation currency.*

(ii) *If the financial data provided was not prepared in accordance with the same accounting principles for all three years, focus the discussion on the important trends and risks that have affected the business.”;*

(c) in section 1.4:

(i) in the title, by replacing the word “**Results**” with the word “**Discussion**”;

(ii) in paragraph (a), by replacing the words “net sales or total revenues by operating business” with the words “total revenue by reportable”;

(iii) in paragraph (b), by replacing the words “net sales or total revenues” with the words “total revenue”;

(iv) in the French text of paragraph (c), by replacing the words “marge bénéficiaire brute” with the words “marge brute”;

(v) in paragraph (d), by deleting the word “operating”;

(vi) in the French text of paragraph (c), by replacing the words “d’aménagement” with the words “de développement”;

(vii) in paragraph (f), by replacing the word “revenues” with the word “revenue”;

(viii) by replacing paragraphs (g) and (h) with the following:

“(g) commitments, events, risks or uncertainties that you reasonably believe will materially affect your company’s future performance including total revenue and profit or loss from continuing operations attributable to owners of the parent;

“(h) effect of inflation and specific price changes on your company’s total revenue and on profit or loss from continuing operations attributable to owners of the parent.”;

(d) in section 1.5:

(i) by replacing paragraphs (a) to (c) with the following:

“(a) total revenue;

“(b) profit or loss from continuing operations attributable to owners of the parent, in total and on a per-share and diluted per-share basis; and

“(c) profit or loss attributable to owners of the parent, in total and on a per-share and diluted per-share basis.”;

(ii) in instruction (iii):

(A) in subparagraph (G), by replacing the word “revenues” with the word “revenue”;

(B) in subparagraph (J), by replacing the words “cash flow” with the words “cash flows”;

(C) by replacing the French text of subparagraph (K) with the following:

“(K) *pour les émetteurs qui ont une entreprise mise en équivalence significative, la nature de la participation et sa signification pour la société;*”;

(iii) by replacing instruction (iv) with the following:

“(iv) *For each of the eight most recently completed quarters, indicate the accounting principles that the financial data has been prepared in accordance with, the presentation currency and the functional currency if different from the presentation currency.*

“(v) *If the financial data provided was not prepared in accordance with the same accounting principles for all eight quarters, focus the discussion on the important trends and risks that have affected the business.*”;

(e) in section 1.6:

(i) by replacing paragraph (f) with the following:

“(f) statement of financial position conditions or profit or loss attributable to owners of the parent or cash flow items that may affect your company’s liquidity.”;

(ii) in subparagraph (i) of paragraph (h), by replacing the word “dividend” with the words “distributions or dividends”;

(iii) in instruction (ii):

(A) in subparagraph (A), by replacing the word “earnings” with the words “profit or loss”;

(B) by replacing the French text of subparagraph (B) with the following:

“(B) *les situations qui pourraient nuire à la capacité de la société d’entreprendre des opérations jugées essentielles pour ses activités, par exemple l’incapacité de maintenir sa notation dans une catégorie d’évaluation supérieure, son résultat par action, ses flux de trésorerie ou le cours de son action.*”;

(iv) in instruction (iv):

(A) by replacing the words “balance sheet conditions or income” with the words “statement of financial position conditions or profit or loss”;

(B) in the table, by deleting the words “Long Term”, wherever they occur, and by replacing the word “Capital” with the word “Finance”;

(v) by replacing footnote (2) of the table with the following:

“(2) *“Other Obligations” means other financial liabilities reflected on your company’s statement of financial position.*”;

(f) in the French text of section 1.7:

(i) in subparagraph (iii) of paragraph (a), by replacing the words “d’aménagement” with the words “de développement”;

(ii) in paragraph (ii) of the instructions, by replacing the words “d’aménagement” with the words “de développement”;

(g) in section 1.8:

(i) in the first paragraph, by replacing the words “results of operations” with the words “financial performance”;

(ii) in subparagraph (c) of the second paragraph, by replacing the word “revenues” with the word “revenue”;

(iii) by replacing subparagraph (D) of instruction (i) with the following:

“(D) any obligation held by your company in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to your company, or engages in leasing, hedging activities or, research and development services with your company.”;

(iv) by replacing, in the French text of instruction (iv), the words “notes afférentes aux états financiers” with the words “notes des états financiers”;

(h) by replacing section 1.9 with the following:

### “1.9. Transactions Between Related Parties

Discuss all transactions between related parties as defined by the issuer’s GAAP.

#### INSTRUCTION

*In discussing your company’s transactions between related parties, your discussion should include both qualitative and quantitative characteristics that are necessary for an understanding of the transactions’ business purpose and economic substance. You should discuss*

(A) the relationship and identify the related person or entities;

(B) the business purpose of the transaction;

(C) the recorded amount of the transaction and describe the measurement basis used; and

(D) any ongoing contractual or other commitments resulting from the transaction.”;

(i) in section 1.10, by replacing the words “cash flows or results of operations, including extraordinary items” with the words “financial performance or cash flows”;

(j) in section 1.11, by replacing the words “results of operations” with the words “financial performance”;

(k) in section 1.12:

(i) in paragraph (b), by replacing the words “financial condition, changes in financial condition and results of operations” with the words “financial position, changes in financial position and financial performance”;

(ii) by replacing paragraph (e) with the following:

“(e) identify the reportable segments of your company’s business that the accounting estimate affects and discuss the accounting estimate on a reportable segment basis, if your company operates in more than one reportable segment.”;

(iii) in subparagraph (B) of instruction (i), by replacing the words “results of operations” with the words “financial performance”;

(l) by replacing section 1.13 with the following:

### “1.13 Changes in Accounting Policies including Initial Adoption

Discuss and analyze any changes in your company’s accounting policies, including

(a) for any accounting policies that you have adopted or expect to adopt subsequent to the end of your most recently completed financial year, including changes you have made or expect to make voluntarily and those due to a change in an accounting standard or a new accounting standard that you do not have to adopt until a future date, you should

(i) describe the new standard, the date you are required to adopt it and, if determined, the date you plan to adopt it;

(ii) disclose the methods of adoption permitted by the accounting standard and the method you expect to use;

(iii) discuss the expected effect on your company’s financial statements, or if applicable, state that you cannot reasonably estimate the effect; and

(iv) discuss the potential effect on your business, for example technical violations or default of debt covenants or changes in business practices; and

(b) for any accounting policies that you have initially adopted during the most recently completed financial year, you should

(i) describe the events or transactions that gave rise to the initial adoption of an accounting policy;

(ii) describe the accounting policy that has been adopted and the method of applying that policy;

(iii) discuss the effect resulting from the initial adoption of the accounting policy on your company's financial position, changes in financial position and financial performance;

(iv) if your company is permitted a choice among acceptable accounting policies,

(A) state that you made a choice among acceptable alternatives;

(B) identify the alternatives;

(C) describe why you made the choice that you did; and

(D) discuss the effect, where material, on your company's financial position, changes in financial position and financial performance under the alternatives not chosen; and

(v) if no accounting literature exists that covers the accounting for the events or transactions giving rise to your initial adoption of the accounting policy, explain your decision regarding which accounting policy to use and the method of applying that principle.

#### INSTRUCTION

*You do not have to present the discussion under paragraph 1.13(b) for the initial adoption of accounting policies resulting from the adoption of new accounting standards.”;*

(m) in section 1.14:

(i) in the French text of paragraph (d), by replacing the word “bénéfices” with the word “produits”;

(ii) in paragraph (e), by replacing the word “income” with the word “profit or loss”;

(iii) in instruction (ii), by replacing the words “results of operations” with the words “financial performance”;

(iv) in instruction (iii), by replacing the word “earnings” with the words “profit or loss”;

(v) in instruction (iv), by replacing the word “income” with the word “revenue”;

(n) in the French text of paragraph (b) of section 1.15:

(i) in subparagraph (i), by replacing the words “d’exploitation” with the words “des activités ordinaires”;

(ii) by replacing subparagraph (iii) with the following:

“*iii*) à l’article 5.7 qui concerne l’information additionnelle exigée des émetteurs assujettis ayant une entreprise mise en équivalence significative.”;

(o) in section 2.2:

(i) by replacing paragraph (a) with the following:

“(a) a discussion of your analysis of

(i) current quarter and year-to-date results including a comparison of financial performance to the corresponding periods in the previous year;

(i.i) a comparison of cash flows to the corresponding period in the previous year;

(ii) changes in financial performance and elements of profit or loss attributable to owners of the parent that are not related to ongoing business operations;

(iii) any seasonal aspects of your company's business that affect its financial position, financial performance or cash flows; and”;

(ii) in instructions (i) and (vii), by replacing the word “interim financial statements” with the word “interim financial report”;

(iii) by replacing instruction (iv) with the following:

“(iv) *In discussing your company’s statement of financial position conditions or profit or loss or cash flow items for an interim period, you do not have to present a summary, in tabular form, of all known contractual obligations contemplated under section 1.6. Instead, you should disclose material changes in the specified contractual obligations during the interim period.”.*

**29.** Form 51-102F2 of the Regulation is amended:

(1) in Part 1:

(a) in the French text of paragraph (c), by replacing the words “à la valeur de consolidation” with the words “selon la méthode de la mise en équivalence”;

(b) in the French text of paragraph (d), by replacing the words “d’opérations (applicables à votre société ou à certaines personnes) ainsi que toute faillite, amende ou sanction” with the words “d’opérations ainsi que toute faillite, amende ou sanction (applicables à votre société ou à certaines personnes)”;

(c) in paragraph (e), by deleting the sentence “This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.”;

(d) in paragraph (g):

(i) by inserting, after the words “Policy Statement 51-102”, the words “for further guidance”;

(ii) by inserting, at the end, the following:

“This Form also uses accounting terms that are defined or used in Canadian GAAP applicable to publicly accountable enterprises. For further guidance, see subsections 1.4(7) and (8) of Policy Statement 51-102.”;

(e) in paragraph (h), by inserting, after the words “Policy Statement 51-102”, the words “for further guidance”;

(f) by replacing paragraph (i) with the following:

**“(i) Special Purpose Entities**

If your company is a special purpose entity, you may have to modify the disclosure items in this Form to reflect the special purpose nature of your company’s business.”;

(2) in Part 2:

(a) in the French text of section 1.1, by replacing the words “du vérificateur” with the words “de l’auditeur”;

(b) in the instructions of section 3.2:

(i) by replacing subparagraph (ii) with the following:

“(ii) *the revenue of the subsidiary does not exceed 10 per cent of the consolidated revenue of your company; and*”;

(ii) in subparagraph (B) of paragraph (iii), by replacing the words “un chiffre d’affaires et des produits d’exploitation qui ne représentent pas plus de 20 % du chiffre d’affaires consolidé et des produits d’exploitation consolidés” with the words “des produits des activités ordinaires qui ne représentent pas plus de 20 % des produits des activités ordinaires consolidés”;

(c) in paragraph (1) of section 5.1:

(i) by replacing the introductory sentence with the following:

“(1) Describe the business of your company and its operating segments that are reportable segments as those terms are described in the issuer’s GAAP. For each reportable segment include.”;

(ii) in subparagraph (iii) of paragraph (a):

(A) by replacing, wherever it occurs in the introductory sentence, the word “revenues” with the word “revenue”;

(B) in the French text of subparagraph (A), by replacing the words “à la valeur de consolidation” with the words “selon la méthode de la mise en équivalence”;

(iii) in paragraph (h), by inserting the word “reportable” after the words “the business of the”;

(iv) in paragraph (k), by replacing the word “earnings” with the words “profit or loss”;

(v) in paragraph (m), by inserting the word “reportable” after the word “any”;

(d) in section 5.3:

(i) in subparagraph (b) of paragraph (2), by replacing the word “income” with the word “profit”;

(ii) in the French text of paragraph (2.1), by replacing the words “vérifiés” and “la vérification” with, respectively, the words “audités” and “l’audit”;

(iii) in paragraph (6), by deleting the words “, Form 10K-SB”;

(e) in the French text of section 5.4:

(i) by replacing paragraph (12) with the following:

“12) **Exploration et développement** – Donner une description des activités d’exploration ou de développement actuelles et prévues de la société.”;

(ii) in paragraph (i) of the instructions, by replacing the words “d’aménagement” with the words “de développement”;

(f) in item 6:

(i) in the title, by replacing the word “or” with the word “and”;



(ii) by replacing, in the title of section 6.1, the word “or” with the word “and”;

(g) in the instructions of section 7.3, by replacing the word “*derivatives*” with the words “*derivative instruments*”;

(h) in the French text of paragraph (2) of section 8.1 of, by inserting the words “ni négociée sur un tel marché” after the words “marché canadien”;

(i) by replacing paragraph (2.1) of section 16.2 with the following:

“(2.1) Despite subsection (1), an auditor who is independent in accordance with the auditor’s rules of professional conduct in a jurisdiction of Canada or who has performed an audit in accordance with U.S. PCAOB GAAS or U.S. AICPA GAAS is not required to provide the disclosure in subsection (1) if there is disclosure that the auditor is independent in accordance with the auditor’s rules of professional conduct in a jurisdiction of Canada or that the auditor has complied with the SEC’s rules on auditor independence.”;

(j) in the French text of section 18.1, by replacing the words “à base de titres de participation”, “d’un vérificateur” and “du vérificateur” with, respectively, the words “fondés sur des titres de capitaux propres”, “d’un auditeur” and “de l’auditeur”;

(k) by replacing, wherever they occur in the French text, the words “titres de participation” with the words “titres de capitaux propres”.

**30.** Form 51-102F4 of the Regulation is amended:

(1) in Part 1:

(a) in paragraph (e):

(i) by inserting, after the words “Policy Statement 51-102”, the words “for further guidance”;

(ii) by inserting, at the end, the following:

“This Form also uses accounting terms that are defined or used in Canadian GAAP applicable to publicly accountable enterprises. For further guidance, see subsections 1.4(7) and (8) of Policy Statement 51-102.”;

(b) in paragraph (f), by inserting, after the words “Policy Statement 51-102”, the words “for further guidance”;

(2) in Part 2:

(a) in section 2.2:

(i) by replacing, wherever they occur, the words “date of acquisition” with the words “acquisition date”;

(ii) by deleting the instruction;

(b) in the French text of section 2.3, by replacing the words “contrepartie conditionnelle” with the words “contrepartie éventuelle”;

(c) in section 2.4, by replacing the words “results of operations” with the words “financial performance”;

(d) in item 3:

(i) in the title, by inserting the words “and Other Information” after the words “Financial Statements”;

(ii) in the French text, by replacing the word “vérificateurs” with the word “auditeurs”.

**31.** Form 51-102F5 of the Regulation is amended:

(1) in Part 1:

(a) in paragraph (d):

(i) by replacing the words “section 1.4 of Regulation 51-102” with the words “section 1.4 of Policy Statement 51-102 for further guidance”;

(ii) by inserting, at the end, the following:

“This Form also uses accounting terms that are defined or used in Canadian GAAP applicable to publicly accountable enterprises. For further guidance, see subsections 1.4(7) and (8) of Policy Statement 51-102.”;

(b) in paragraph (e), by inserting, after the words “Policy Statement 51-102”, the words “for further guidance”;

(2) in Part 2:

(a) in item 9:

(i) by replacing, wherever they occur in the French text, the words “à base de titres de participation” and “titres de participation” with, respectively, the words “fondé sur des titres de capitaux propres” and “titres de capitaux propres”, and making the necessary changes;

(ii) by replacing, in instruction (ii) of section 9.3, the words “titres de participation” with the words “titres de capitaux propres” and by deleting the words “as described in section 3870 “Stock-based Compensation and Other Stock-based Payments” of the Handbook”;

(b) in the French text of item 12, by replacing, wherever it occurs, the word “vérificateur” with the word “auditeur”, and making the necessary changes;

(c) in section 14.1, by inserting the word “annual” after the words “the approval of”;

(d) in section 14.2, by replacing the second paragraph with the following:

“The disclosure for the company, business or entity must be the disclosure (including financial statements) prescribed under securities legislation and described in the form of prospectus that the company, business or entity, respectively, would be eligible to use immediately prior to the sending and filing of the information circular in respect of the significant acquisition or restructuring transaction, for a distribution of securities in the jurisdiction.”;

(e) in the French text of paragraph (c) of section 15.1, by replacing the words “titres de participation” with the words “titres de capitaux propres”;

(f) in section 16.2, by inserting the word “annual” after the word “comparative”.

**32.** Form 51-102F6, Statement of Executive Compensation (in respect of financial years ending on or after December 31, 2008) of the Regulation is amended:

(1) in section 1.2:

(a) in the French text, by replacing the definitions of “share-based award” and “option-based award” with the following, and making the necessary changes:

«attribution fondée sur des actions»: l’attribution, en vertu d’un plan incitatif fondé sur des titres de capitaux propres, d’instruments fondés sur des actions qui ne présentent pas de caractéristiques assimilables à celles des options, notamment les actions ordinaires, les actions incessibles, les unités d’actions incessibles, les unités d’actions différées, les actions fictives, les unités d’actions fictives et les unités équivalentes à des actions ordinaires;

«attribution fondée sur des options»: l’attribution, en vertu d’un plan incitatif fondé sur des titres de capitaux propres, d’options, notamment les options sur actions, les droits à la plus-value d’actions et tout instrument semblable qui présente des caractéristiques assimilables à celles des options.”;

(b) in the definition of “grant date”, by replacing the words “Section 3870 of the Handbook” with the words “IFRS 2 *Share-based Payment*”;

(c) in the definition of “equity incentive plan” by replacing the words “Section 3870 of the Handbook” with the words “IFRS 2 *Share-based Payment*”;

(d) in the French text, by replacing the definition of “non-equity incentive plan” with the following:

« plan incitatif non fondé sur des titres de capitaux propres »: un plan incitatif ou une partie d’un plan incitatif qui n’est pas un plan incitatif fondé sur des titres de capitaux propres.”;

(2) in commentary 1 under paragraph (8) of section 1.3, by replacing the words “*Regulation 52-107, or the Handbook*” with the words “*Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards*”;

(3) in the French text of paragraph (4) of section 2.1, by replacing the words “bénéfice par action” with the words “résultat par action”;

(4) by replacing the French text of section 2.3 with the following:

### **“2.3. Attributions fondées sur des options**

Décrire le processus selon lequel la société fait des attributions fondées sur des options aux membres de la haute direction. Aborder notamment le rôle du comité de la rémunération et des membres de la haute direction dans l’établissement et la modification de tout plan incitatif fondé sur des titres de capitaux propres en vertu duquel des attributions fondées sur des options sont octroyées. Indiquer si les attributions antérieures sont prises en considération lorsque de nouvelles attributions sont envisagées.”;

(5) in section 3.1:

(a) by replacing the French text of paragraph (1) with the following:

“1) Malgré le sous-paragraphe a du paragraphe 8 de la rubrique 1.3, pour chaque membre de la haute direction visé au cours du dernier exercice, remplir le tableau ci-dessous pour chacun des trois derniers exercices de la société terminé le 31 décembre 2008 ou après cette date.

Nom et poste principal  (a)	Exercice  (b)	Salaire (\$)  (c)	Attributions fondées sur des actions (\$)  (d)	Attributions fondées sur des options (\$)  (e)	Rémunération en vertu d'un plan incitatif non fondé sur des titres de capitaux propres (\$)  (f)		Valeur du régime de retraite (\$)  (g)	Autre rémunération (\$)  (h)	Rémunération totale (\$)  (i)
					Plans incitatifs annuels (f1)	Plans incitatifs à long terme (f2)			
Chef de la direction									
Chef des finances									
A									
B									
C									

### Commentaire

*En vertu du paragraphe 1, la société n'est pas tenue de présenter les données de périodes correspondantes aux fins de comparaison conformément aux obligations prévues par l'Annexe 51 102A6 entrée en vigueur le 30 mars 2004 et ses modifications, ou la présente annexe, à l'égard d'un exercice se terminant avant le 31 décembre 2008.”;*

(b) by replacing paragraphs (3) to (5) with the following:

“(3) In column (d), disclose the dollar amount based on the fair value of the award on the grant date for a covered financial year.

“(4) In column (e), disclose the dollar amount based on the fair value of the award on the grant date for a covered financial year. Include option-based awards both with or without tandem share appreciation rights.

“(5) For an award disclosed in column (d) or (e), in a footnote to the table or in a narrative after the table,

(a) if the fair value of the award on the grant date is different from the fair value determined in accordance with IFRS 2 *Share-based Payment* (accounting fair value), state the amount of the difference and explain the difference, and

(b) describe the methodology used to calculate the fair value of the award on the grant date, disclose the key assumptions and estimates used for each calculation, and explain why the company chose that methodology.

### Commentary

1. *This commentary applies to subsections (3), (4) and (5).*

2. *The value disclosed in columns (d) and (e) of the summary compensation table should reflect what the board of directors intended to pay, make payable, award, grant, give or otherwise provide as compensation on the grant date (fair value of the award) as set out in comment 3, below. This value might differ from the value reported in the issuer's financial statements.*

3. *While compensation practices vary, there are generally two approaches that boards of directors use when setting compensation. A board of directors may decide the value in securities of the company it intends to award or pay as compensation. Alternatively, a board of directors may decide the portion of the potential ownership of the company it intends to transfer as compensation. A fair value ascribed to the award will normally result from these approaches.*

*A company may calculate this value either in accordance with a valuation methodology identified in IFRS 2 Share-based Payment or in accordance with another methodology set out in comment 5 below.*

4. *In some cases, the fair value of the award disclosed in columns (d) and (e) might differ from the accounting fair value. For financial statement purposes, the accounting fair value amount is amortized over the service period to obtain an accounting cost (accounting compensation expense), adjusted at year end as required.*

5. *While the most commonly used methodologies for calculating the value of most types of awards are the Black-Scholes-Merton model and the binomial lattice model, companies may choose to use another valuation methodology if it produces a more meaningful and reasonable estimate of fair value.*

6. *The summary compensation table requires disclosure of an amount even if the accounting compensation expense is zero. The amount disclosed in the table should reflect the fair value of the award following the principles described under comments 2 and 3, above.*

7. *Column (d) includes common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, stock, and similar instruments that do not have option-like features.”;*

(c) in paragraph (6), by replacing the words “section 3870 of the Handbook” with the words “IFRS 2 *Share-based Payment*”;

(d) by replacing the French text of paragraphs (8) and (9) with the following:

“8) Déclarer dans la colonne (f) la valeur de tous les montants gagnés pour services rendus au cours de l'exercice visé et qui se rapportent à des attributions en vertu d'un plan incitatif non fondé sur des titres de capitaux propres, ainsi que tous les gains réalisés sur ces attributions en cours.

a) Si l'objectif de performance pertinent ou la condition similaire pertinente a été rempli au cours d'un exercice visé, y compris pendant un seul exercice d'un plan qui prévoit un objectif de performance ou une condition similaire sur plusieurs exercices, déclarer les montants gagnés pendant cet exercice, même s'ils sont payables ultérieurement; il n'est pas nécessaire de les déclarer de nouveau dans le tableau sommaire de la rémunération lorsqu'ils sont payés au membre de la haute direction visé.

b) Décrire et quantifier dans une note au tableau tous les montants gagnés sur la rémunération en vertu d'un plan incitatif non fondé sur des titres de capitaux propres, qu'ils aient été payés au cours de l'exercice, qu'ils soient payables mais différés au choix du membre de la haute direction visé ou qu'ils soient payables ultérieurement selon leurs modalités.

c) Inclure tous gains, attributions d'espèces, paiements ou sommes à payer discrétionnaires qui n'étaient pas fondés sur un objectif de performance ou une condition similaire préétabli communiqué au préalable au membre de la haute direction visé. Indiquer dans la colonne (f) toute attribution en vertu d'un plan de rémunération en fonction de la performance qui prévoit des objectifs de performance ou des conditions similaires préétablis.

d) Indiquer dans la colonne (f1) toute rémunération gagnée en vertu d'un plan incitatif non fondé sur des titres de capitaux propres annuel, telle que les primes et les montants discrétionnaires. Dans la colonne (f1), inclure cette rémunération gagnée au cours d'un seul exercice. Dans la colonne (f2), indiquer toute rémunération gagnée en vertu d'un plan incitatif non fondé sur des titres de capitaux propres relatif à une période supérieure à une année.

“9) Dans la colonne (g), inclure l'ensemble de la rémunération liée aux régimes à prestations ou à cotisations définies, comme le coût des services rendus au cours de l'exercice et les autres éléments rémunérateurs, notamment les modifications touchant le régime ainsi que les gains différents de ceux estimés pour les régimes à prestations définies et les gains réalisés au-dessus du cours du marché pour les régimes à cotisations définies.

L'information concerne tous les plans qui prévoient le paiement de prestations de retraite. Utiliser les montants indiqués dans la colonne (e) du tableau des régimes de retraite à prestations définies prévu à la rubrique 5 pour l'exercice visé et les montants indiqués dans la colonne (c) du tableau des régimes de retraite à cotisations définies prévu à cette même rubrique pour l'exercice visé.”;

(e) in paragraph (10):

(i) in subparagraph (f), by replacing the words “grant date fair value” with the words “fair value of the award on the grant date”;

(ii) in subparagraph (g), by replacing the words “section 3870 of the Handbook” with the words “IFRS 2 *Share-based Payment*”;

(iii) in the French text of subparagraph (h), by replacing the words “plans de retraite à cotisations déterminées” with the words “régimes de retraite à cotisations définies”, and the words “plans non enregistrés” with the words “régimes non enregistrés”;

(6) in the French text of section 3.2, by replacing the words “d’attributions à base d’actions ou d’options” with the words “d’attributions fondées sur des actions ou des options”;

(7) in section 3.3, by replacing, wherever they occur, the words “reporting currency” with the words “presentation currency”;

(8) in the French text of section 4.1:

(a) by replacing the title with the following:

**“4.1. Attributions fondées sur des actions et des options en cours”;**

(b) by replacing, wherever they occur, the words “à base d’options” and “à base d’actions” with, respectively, the words “fondée sur des options” and “fondée sur des actions”, and making the necessary changes;

(9) in the French text of section 4.3:

(a) by replacing, wherever they occur, the words “autre qu’à base d’actions” with the words “non fondé sur des titres de capitaux propres”, and making the necessary changes;

(b) in the commentary, by replacing the words “attributions à base d’actions” with the words “attributions fondées sur des actions”, and the word “objectif” with the word “objectifs”;

(10) by replacing the French text of the title of item 5 with the following:

**“Rubrique 5 Prestations en vertu d’un régime de retraite”;**

(11) by replacing section 5.1 with the following:

**“5.1. Defined benefit plans table**

(1) Complete this table for all pension plans that provide for payments or benefits at, following, or in connection with retirement, excluding defined contribution plans. For all disclosure in this table, use the same assumptions and methods used for financial statement reporting purposes under the accounting principles used to prepare the company’s financial statements, as permitted by Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards.

Name  (a)	Number of years credited service (#)  (b)	Annual benefits payable (\$)  (c)		Opening present value of defined benefit obligation (\$)  (d)	Compensatory change (\$)  (e)	Non-compensatory change (\$)  (f)	Closing present value of defined benefit obligation (\$)  (g)
		At year end  (c1)	At age 65  (c2)				
CEO							
CFO							
A							
B							
C							

(2) In columns (b) and (c), the disclosure must be as of the end of the company's most recently completed financial year. In columns (d) through (g), the disclosure must be as of the reporting date used in the company's audited annual financial statements for the most recently completed financial year.

(3) In column (b), disclose the number of years of service credited to an NEO under the plan. If the number of years of credited service in any plan is different from the NEO's number of actual years of service with the company, include a footnote that states the amount of the difference and any resulting benefit augmentation, such as the number of additional years the NEO received.

(4) In column (c), disclose

(a) the annual lifetime benefit payable at the end of the most recently completed financial year in column (c1) based on years of credited service reported in column (b) and actual pensionable earnings as at the end of the most recently completed financial year, and

(b) the annual lifetime benefit payable at age 65 in column (c2) based on years of credited service as of age 65 and actual pensionable earnings through the end of the most recently completed financial year, as per column (c1).

(5) In column (d), disclose the present value of the defined benefit obligation at the start of the most recently completed financial year.

(6) In column (e), disclose the compensatory change in the present value of the defined benefit obligation for the most recently completed financial year. This includes service cost net of employee contributions plus plan changes and differences between actual and estimated

earnings, and any additional changes that have retroactive impact, including, for greater certainty, a change in valuation assumptions as a consequence of an amendment to benefit terms.

Disclose the valuation method and all significant assumptions the company applied in quantifying the closing present value of the defined benefit obligation. The company may satisfy all or part of this disclosure by referring to the disclosure of assumptions in its financial statements, footnotes to the financial statements or discussion in its management's discussion and analysis.

(7) In column (f), disclose the non-compensatory changes in the present value of the defined benefit obligation for the company's most recently completed financial year. Include all items that are not compensatory, such as changes in assumptions other than those already included in column (e) because they were made as a consequence of an amendment to benefit terms, employee contributions and interest on the present value of the defined benefit obligation at the start of the most recently completed financial year.

(8) In column (g), disclose the present value of the defined benefit obligation at the end of the most recently completed financial year.”;

(12) by replacing the French text of sections 5.2 and 5.3 with the following:

#### “5.2. Tableau des régimes à cotisations définies

1) Remplir ce tableau pour tous les régimes de retraite qui prévoient des paiements ou des prestations à la retraite, à l'exclusion des régimes à prestations définies. Pour le calcul des valeurs déclarées dans ce tableau, utiliser les mêmes hypothèses et méthodes que celles ayant servi à établir les états financiers de la société selon les principes comptables qui y ont été appliqués, conformément au Règlement 52-107 sur les principes comptables et normes d'audit acceptables.

Nom	Valeur accumulée au début de l'exercice(\$)	Montant rémunérateur(\$)	Montant non rémunérateur(\$)	Valeur accumulée à la fin de l'exercice(\$)
(a)	(b)	(c)	(d)	(e)
Chef de la direction				
Chef des finances				
A				
B				
C				

2) Déclarer dans la colonne (c) les cotisations d'employeur et les gains préférentiels ou réalisés au-dessus du cours du marché sur les cotisations d'employeur et les cotisations salariales. Les gains préférentiels ou réalisés au-dessus du cours du marché s'appliquent aux régimes non enregistrés et s'entendent de ceux qui sont établis à un taux supérieur à celui que la société ou ses filiales versent ordinairement sur les titres, ou toute autre forme d'obligation présentant des caractéristiques identiques ou similaires, émis à des tiers.

3) Déclarer dans la colonne (d) le montant non rémunérateur, y compris les cotisations salariales et les revenus de placement réguliers des cotisations d'employeur et des cotisations salariales. Les revenus de placement réguliers s'entendent de tous les revenus de placement des régimes à cotisations définies qui sont enregistrés et des gains des autres régimes à cotisations définies qui ne sont pas des gains préférentiels ni réalisés au-dessus du cours du marché.

4) Déclarer dans la colonne (e) la valeur accumulée à la fin du dernier exercice.

### Commentaire

*En ce qui concerne les régimes de retraite qui prévoient le maximum de ce qui suit: i) la valeur des prestations définies, et ii) la valeur accumulée des cotisations définies, déclarer la valeur globale du régime de retraite dans le tableau des régimes à prestations définies conformément à la rubrique 5.1.*

*En ce qui concerne les régimes qui prévoient la somme de la composante à prestations définies et de la composante à cotisations définies, déclarer les composantes respectives du régime de retraite. Déclarer la composante à prestations définies dans le tableau des régimes à prestations définies de la rubrique 5.1 et la composante à cotisations définies dans celui des régimes à cotisations définies de la rubrique 5.2.*

### “5.3. Explications à fournir

Pour chaque régime de retraite auquel participe le membre de la haute direction visé, décrire et expliquer tout facteur significatif nécessaire à la compréhension de l'information présentée dans le tableau des régimes à prestations définies et celui des régimes à cotisations définies prévus respectivement aux rubriques 5.1 et 5.2.

### Commentaire

*Les facteurs significatifs décrits dans les explications fournies en vertu de la rubrique 5.3 varieront mais peuvent comprendre les suivants:*

*— les modalités significatives des paiements et des prestations en vertu du régime, y compris les paiements à l'âge normal de la retraite et en cas de retraite anticipée, la formule de calcul des prestations et des cotisations, le calcul des intérêts crédités en vertu du régime à cotisations définies et les critères d'admissibilité;*

*— les dispositions relatives à la retraite anticipée, le cas échéant, notamment le nom du membre de la haute direction visé et le régime, la formule de calcul des paiements et des prestations en cas de retraite anticipée et les critères d'admissibilité; la retraite anticipée est prise avant l'âge normal de la retraite défini par le régime ou prévu de quelque autre façon en vertu du régime;*

*— les éléments de la rémunération, par exemple le salaire ou les primes, inclus dans la formule de calcul des paiements et des prestations, en indiquant chaque élément séparément si cette information est fournie;*

*— les politiques de la société, notamment sur l'attribution d'années décomptées supplémentaires, en indiquant les personnes qu'elles concernent et les raisons pour lesquelles elles sont jugées appropriées.”;*

(13) in paragraph (1) of section 5.2, by replacing the words “Regulation 52-107” with the words “Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards”;

(14) in the French text of section 6.1:

(a) in subparagraph (a) of paragraph (1), by replacing the words “plan de retraite” with the words “régime de retraite”;

(b) in paragraph (2), by replacing the words “attributions à base d'actions ou d'options” with the words “attributions fondées sur des actions ou des options”;

(15) by replacing, wherever they occur, the words “Section 3870 of the Handbook” with the words “IFRS 2 Share-based Payment”;

(16) by replacing, wherever they occur in the French text, the words “attribution à base d'actions”, “attributions à base d'actions”, “attribution à base d'options”, “attributions à base d'options”, “plan incitatif autre qu'à

base d'actions" and "plan de retraite" with, respectively, the words "attribution fondée sur des actions", "attributions fondées sur des actions", "attribution fondée sur des options", "attributions fondées sur des options" and "plan incitatif non fondé sur des titres de capitaux propres" and "régime de retraite", and making the necessary changes.

**33.** The Regulation is amended by replacing, wherever it occurs in the French text, the word "vérifiés" with the word "audités".

**34.** The Regulation is amended by replacing, wherever they occur in the French text, the words "titres d'emprunt" with the words "titres de créance".

**35.** This Regulation only applies to documents required to be prepared, filed, delivered or sent under Regulation 51-102 respecting Continuous Disclosure Obligations for periods relating to financial years beginning on or after January 1, 2011.

However, an issuer may apply the amendments set out in this Regulation to all documents required to be prepared, filed, delivered or sent under Regulation 51-102 respecting Continuous Disclosure Obligations for periods relating to a financial year that begins before January 1, 2011 if the immediately preceding financial year ends no earlier than December 21, 2010 and if the issuer is relying on the exemption in section 5.3 of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards.

**36.** This Regulation comes into force on January 1, 2011.

## Regulation to amend Regulation 52-108 respecting Auditor Oversight\*

Securities Act  
(R.S.Q., c. V-1.1, s. 331.1 par. (9), (19), (19.1) and (34))

**1.** Regulation 52-108 respecting Auditor Oversight is amended by replacing, wherever they occur in the French text, the words "**VÉRIFICATEURS**" and "de vérification", with, respectively, the words "**AUDITEURS**" and "d'audit".

**2.** This Regulation comes into force on January 1, 2011.

\* Regulation 52-108 respecting Auditor Oversight, approved by Ministerial Order No. 2005-16 dated August 2, 2005 (2005, G.O. 2, 3577), was amended solely by the regulation to amend the regulation approved by Ministerial Order No. 2009-08 dated September 9, 2009 (2009, G.O. 2, 3693A).

## Regulation to amend Regulation 52-109 respecting Certification of Disclosure in Issuers' Annual and Interim Filings\*

Securities Act  
(R.S.Q., c. V-1.1, s. 331.1, par. (1), (3), (11), (19.4), (20) and (34))

**1.** Section 1.1 of Regulation 52-109 respecting Certification of Disclosure in Issuers' Annual and Interim Filings is amended:

(1) in paragraph (c) of the definition of "internal control over financial reporting", by replacing the words "interim financial statements" with the words "interim financial reports";

(2) in the definition of "interim filings", by replacing the words "interim financial statements" with the words "interim financial report";

(3) by replacing the definition of "variable interest entity" with the following, and making the necessary changes:

"special purpose entity" has, in respect of an issuer, the meaning ascribed to that term in the issuer's GAAP;"

(4) in the definition of "proportionately consolidated entity", by replacing the word "revenues" with the word "revenue";

(5) after the definition of "financial period", by adding the following definition:

"financial statements" has the meaning ascribed to it in section 1.1 of Regulation 51-102 respecting Continuous Disclosure Obligations;"

(6) by deleting the definition of "interim financial statements";

(7) in the definition of "material weakness", by replacing the words "annual or interim financial statements" with the words "annual financial statements or interim financial report";

(8) in the definition of "U.S. marketplace", by adding the word "and" after the word "Obligations;"

\* Regulation 52-109 respecting Certification of Disclosure in Issuers' Annual and Interim Filings, approved by Ministerial Order No. 2008-16 dated November 25, 2008 (2008, G.O. 2, 5469), has not been amended since its approval



(9) in the definition of “issuer’s GAAP”, by replacing the words “Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency” with the words “Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards”;

(10) in the definition of “accounting principles”, by replacing the words “Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency approved by Ministerial Order no. 2005-08 dated May 19, 2005” with the words “Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards approved by Ministerial Order (indicate the number and date of the Ministerial Order approving the Regulation)”;

(11) by inserting the following after the definition of “interim filings”:

““interim financial report” means the interim financial report required to be filed under Regulation 51-102 respecting Continuous Disclosure Obligations;”.

**2.** Section 5.6 of the Regulation is amended by replacing, wherever they occur, the words “interim financial statements” with “interim financial reports”.

**3.** Section 6.2 of the Regulation is replaced with the following:

**“6.2. Refiled interim financial report or interim MD&A**

If an issuer refiles its interim financial report or interim MD&A for an interim period, it must file separate interim certificates for that interim period in Form 52-109F2R on the date that it refiles the interim financial report or interim MD&A, as the case may be.”.

**4.** Form 52-109F1 of the Regulation is amended:

(1) in paragraph 3, by replacing the words “results of operations” with the words “financial performance”;

(2) in paragraph 5.3, by replacing, wherever they occur, the words “variable interest entity” with the words “special purpose entity”;

(3) in the French text of paragraph 8, by replacing, wherever they occur, the word “vérificateurs” with the word “auditeurs” and the words “comité de vérification” with the words “comité d’audit” .

**5.** The Regulation is amended by replacing, wherever they occur, the words “results of operations”, “variable interest entity” and “interim financial statements” with, respectively, the words “financial performance”, “special purpose entity” and “interim financial report”.

**6.** This Regulation only applies to annual filings and interim filings for periods relating to financial years beginning on or after January 1, 2011.

However, an issuer may apply the amendments set out in this Regulation to annual filings and interim filings for periods relating to a financial year that begins before January 1, 2011 if the immediately preceding financial year ends no earlier than December 21, 2010 and if the issuer is relying on the exemption in section 5.3 of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards.

**7.** This Regulation comes into force on January 1, 2011.

**Regulation to amend Regulation 52-110 respecting Audit Committees\***

Securities Act  
(R.S.Q., c. V-1.1, s. 331.1, par. (1), (11), (19.2) and (34))

**1.** The title of Regulation 52-110 respecting Audit Committees is amended, in the French text, by replacing the words “de vérification” with the words “d’audit”.

**2.** Section 1.1 of the Regulation is amended:

(1) by replacing the French text of the definition of “audit committee” with the following:

“« comité d’audit »: un comité ou l’équivalent, constitué par le conseil d’administration de l’émetteur et composé d’administrateurs, qui est chargé de surveiller les processus comptables et de communication de l’information financière de l’émetteur et les audits, par son auditeur externe, de ses états financiers et, en l’absence d’un tel comité, le conseil d’administration de l’émetteur;”;

(2) by replacing, in the definition of “accounting principles”, “, Auditing Standards and Reporting Currency approved by Minister’s Order no. 2005-08 dated

\* Regulation 52-110 respecting Audit Committees, approved by Ministerial Order No. 2005-10 dated June 7, 2005 (2005, G.O. 2, 1997), was amended solely by the regulation to amend the regulation approved by Ministerial Order No. 2007-09 dated December 14, 2007 (2007, G.O. 2, 4077).

May 19, 2005" with "and Auditing Standards approved by Ministerial Order (*indicate here the number and date of the Ministerial Order approving the Regulation*)";

(3) by replacing the French text of the definitions of "audit services" and "non-audit services" with the following:

« services d'audit »: les services professionnels fournis par l'auditeur externe de l'émetteur à l'occasion de l'audit et de l'examen de ses états financiers ou les services qui sont normalement fournis par l'auditeur externe à l'occasion de dépôts ou de missions prévus par la loi et la réglementation;

« services non liés à l'audit »: les services qui ne sont pas des services d'audit;"

**3.** Paragraph (e) of section 1.2 of the Regulation is amended, in the French text:

(1) by replacing, in subparagraph (i), the words "de titres" with the words "de titres de capitaux propres";

(2) by replacing, in subparagraph (B) of subparagraph (ii), the words "de vérification" with the words "d'audit".

**4.** Section 2.3 of the Regulation is amended:

(1) by replacing, wherever they occur in the French text, the word "vérification" with the word "audit" and the word "vérificateur" with the word "auditeur", and making the necessary changes;

(2) by replacing, in paragraph (5), the words "interim earnings" with the words "interim profit or loss".

**5.** The Regulation is amended by replacing, wherever it occurs, the word "reserves" with the word "provisions".

**6.** This Regulation, except paragraph (2) of section 2, only applies to periods relating to financial years beginning on or after January 1, 2011.

**7.** This Regulation comes into force on January 1, 2011.

## **Regulation to amend Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer\***

Securities Act  
(R.S.Q., c. V-1.1, s. 331.1, par. (1) and (8))

**1.** Part 2 of the Client Response Form in Form 54-101F1 of Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer is amended by replacing the words "interim financial statements" with the words "interim financial reports".

**2.** This Regulation only applies to periods relating to financial years beginning on or after January 1, 2011.

**3.** This Regulation comes into force on January 1, 2011.

## **Regulation to amend Regulation 62-104 respecting Take-Over Bids and Issuer Bids\***

Securities Act  
(R.S.Q., c. V-1.1, s. 331.1, par. (1), (8), (21), (22) and (34))

**1.** Paragraph (1) of section 2.15 of Regulation 62-104 respecting Take-Over Bids and Issuer Bids is amended by replacing, in the French text, the word "vérificateur" with the word "auditeur".

**2.** Item 19 of Form 62-104F2 of the Regulation is replaced with the following:

### **"Item 19 Financial statements**

If the most recently available interim financial report is not included, include a statement that the most recent interim financial report will be sent without charge to any security holder requesting it.

**3.** Form 62-104F3 of the Regulation is amended:

\* Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer, adopted on March 3, 2003, pursuant to Decision No. 2003-C-0082 and published in the Supplement to the Bulletin of the *Commission des valeurs mobilières du Québec*, Vol. 34, No. 19, dated May 16, 2003, was amended solely by the regulation to amend the regulation approved by Ministerial Order No. 2005-12 dated June 7, 2005 (2005, *G.O.* 2, 2012).

\* Regulation 62-104 respecting Take-Over Bids and Issuer Bids, approved by Ministerial Order No. 2008-02 dated January 22, 2008 (2008, *G.O.* 2, 565), has not been amended since its approval.

(1) by replacing, in the French text of item 10, the words “titres de participation” with the words “titres de capitaux propres”;

(2) by replacing, in item 13, of the words “interim or annual financial statement” with the words “interim financial report or annual financial statements”.

**4.** Item 11 of Form 62-104F4 of the Regulation is amended by replacing the words “interim or annual financial statement” with the words “interim financial report or annual financial statements”.

**5.** The Regulation is amended by replacing, wherever they occur in the French text, the words “titre de participation” and “titres de participation” with the words “titre de capitaux propres” and “titres de capitaux propres”, respectively.

**6.** This Regulation only applies to periods relating to financial years beginning on or after January 1, 2011.

**7.** This Regulation comes into force on January 1, 2011.

## **Regulation to amend Regulation 71-102 respecting Continuous Disclosure and Other Exemptions Relating to Foreign Issuers\***

Securities Act

(R.S.Q., c. V-1.1, s. 331.1, par. (3), (11), (20) and (34))

**1.** Section 1.1 of Regulation 71-102 respecting Continuous Disclosure and Other Exemptions Relating to Foreign Issuers is amended:

(1) by replacing, in the French text of the definition of “designated foreign issuer”, the words “règles d’information étrangères” with the words “règles étrangères sur l’information à fournir” and the words “titres de participation” with the words “titres de capitaux propres”;

(2) by inserting the following after the definition of “executive officer”:

““financial statements” has the same meaning as in section 1.1 of Regulation 51-102 respecting Continuous Disclosure Obligations;”;

(3) in the definition of “transition year”, by adding “a” after “of”;

(4) by replacing the definition of “inter-dealer bond broker” with the following:

““inter-dealer bond broker” means a person that is approved by the Investment Industry Regulatory Organization of Canada under its Rule 36 Inter-Dealer Bond Brokerage Systems, as amended, and is subject to its Rule 36 and its Rule 2100 Inter-Dealer Bond Brokerage Systems, as amended;”;

(5) by replacing, in the French text of the definition of “principal trading market”, the words “titres de participation” with the words “titres de capitaux propres”;

(6) in the definition of “AIF”, by deleting “Form 10-KSB”;

(7) in the definition of “MD&A”, by deleting “or Item 303 of Regulation S-B”;

(8) by replacing the introductory paragraph of the French text of the definition of “foreign disclosure requirements” with the following:

“« règles étrangères sur l’information à fournir »: les règles auxquelles est soumis l’émetteur assujéti étranger concernant l’information à fournir au public, aux porteurs de l’émetteur ou à une autorité en valeurs mobilières étrangère et:”.

**2.** Subparagraph (i) of paragraph (b) of section 1.3 of the Regulation is amended by replacing the words “operating results are” with the words “financial performance is”.

**3.** Section 4.3 of the Regulation is replaced with the following:

### **“4.3 Financial Statements**

An SEC foreign issuer satisfies securities legislation requirements relating to the preparation, approval, filing and delivery of annual financial statements and auditor’s reports on annual financial statements if it

(a) complies with the requirements of U.S. federal securities law relating to financial statements and auditor’s reports on annual financial statements;

\* Regulation 71-102 respecting Continuous Disclosure and Other Exemptions Relating to Foreign Issuers, approved by Ministerial Order No. 2005-07 dated May 19, 2005 (2005, *G.O.* 2, 1591), was last amended by the regulation to amend the regulation approved by Ministerial Order No. 2007-09 dated December 14, 2007 (2007, *G.O.* 2, 4077). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2010, updated to October 1, 2010.

(b) complies with the U.S. market requirements relating to annual financial statements, if securities of the issuer are listed or quoted on a U.S. market;

(c) files the financial statements and auditor's reports on annual financial statements filed with or furnished to the SEC or a U.S. market;

(d) complies with section 3.2 of this Regulation; and

(e) complies with Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards approved by Ministerial Order (*indicate the number and date of the Ministerial Order approving the Regulation*) as it relates to financial statements of the issuer that are included in any documents specified in paragraph (c).".

**4.** Subparagraph (b) of paragraph (2) of section 4.7 of the Regulation is amended by deleting the words “, Form 10-KSB”.

**5.** Section 4.14 of the Regulation is replaced with the following:

**“4.14 Business Combinations and Related Party Transactions**

Securities legislation requirements relating to business combinations and related party transactions in Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions approved by Ministerial Order No. 2008-01 dated 22 January 2008 do not apply to an SEC foreign issuer carrying out a business combination or related party transaction if the total number of equity securities of the SEC foreign issuer owned, directly or indirectly, by residents of Canada, does not exceed 20 per cent, on a diluted basis, of the total number of equity securities of the SEC foreign issuer.”.

**6.** Section 5.4 of the Regulation is replaced with the following:

**“5.4 Financial Statements**

A designated foreign issuer satisfies securities legislation requirements relating to the preparation, approval, filing and delivery of financial statements and auditor's reports on annual financial statements if it

(a) complies with the foreign disclosure requirements relating to financial statements and auditor's reports on annual financial statements;

(b) files the financial statements and auditor's reports on annual financial statements required to be filed with or furnished to the foreign regulatory authority;

(c) complies with section 3.2 of this Regulation; and

(d) complies with Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards as it relates to financial statements of the issuer that are included in any documents specified in paragraph (b).”.

**7.** Section 5.15 is replaced with the following:

**“5.15 Business Combinations and Related Party Transactions**

Securities legislation requirements relating to business combinations and related party transactions in Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions do not apply to a designated foreign issuer carrying out a business combination or related party transaction.”.

**8.** The Regulation is amended by replacing, wherever they occur, the words “Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency” and “results of operations” with, respectively, the words “Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards” and “financial performance”.

**9.** This Regulation only applies to documents required to be prepared, filed, delivered or sent under Regulation 71-102 respecting Continuous Disclosure and Other Exemptions Relating to Foreign Issuers for periods relating to financial years beginning on or after January 1, 2011.

However, an issuer may apply the amendments set out in this Regulation to all documents required to be prepared, filed, delivered or sent under Regulation 71-102 respecting Continuous Disclosure and Other Exemptions Relating to Foreign Issuers for periods relating to a financial year that begins before January 1, 2011 if the immediately preceding financial year ends no earlier than December 21, 2010 and if the issuer is relying on the exemption in section 5.3 of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards.

**10.** This Regulation comes into force on January 1, 2011.