

ASC NOTICE
PROPOSED ALBERTA SECURITIES
COMMISSION RULE 46-503
REVOCATION OF PURCHASE

September 28, 2023

Introduction

The Alberta Securities Commission (**ASC** or **we**) is publishing for a 30 day comment period the Proposed Alberta Securities Commission Rule 46-503 *Revocation of Purchase* attached as Annex A to this notice (the **Proposed Local Rule**).

Substance and Purpose

The purpose of the Proposed Local Rule is to set out the timeline in which an agreement to purchase securities offered in a subscription to which section 110(1) of the *Securities Act* (Alberta) (the **Act**) applies, or an agreement to purchase another prescribed security, is not binding on the purchaser when the issuer chooses not to provide access in accordance with section 129 of the Act. Additionally, the Proposed Local Rule states when access is provided in accordance with section 129 of the Act, which rules must be followed with respect to the timeline for the revocation of a purchase.

Background

On April 7, 2022 the Canadian Securities Administrators (the **CSA**), published CSA Notice and Request for Comment *Proposed Amendments and Proposed Changes to Implement an Access Equals Delivery Model for Non-Investment Fund Reporting Issuers* (the **2022 Notice**). The 2022 Notice outlines the proposed amendments to National Instrument 41-101 *General Prospectus Requirements*, National Instrument 44-101 *Short Form Prospectus Distributions*, National Instrument 44-102 *Shelf Distributions* and National Instrument 44-103 *Post-Receipt Pricing* to implement an access model for non-investment fund prospectuses (the **Access Model for Prospectuses**). In addition, the 2022 Notice advised market participants that certain jurisdictions would require related changes to local securities laws in order to implement the Access Model for Prospectuses.

The ASC has determined that amendments to section 129 and subsection 130(1) of the Act are required in order to implement the Access Model for Prospectuses (the **Act Amendments**) in Alberta. On March 23, 2023, the Alberta Legislature passed the Act Amendments which will come into force on proclamation. The Act Amendments will allow for delivery of a prospectus by providing access, subject to the regulations (section 129) and move the revocation period timelines (subsection 130(1)) into a regulation. Moving the revocation timeline into the Proposed Local Rule provides the ASC with flexibility to ensure consistent revocation periods

regardless of the method of delivery. In addition, the Act Amendments will align with the Access Model for Prospectuses to ensure a harmonized Access Model for Prospectuses across the CSA.

Annexes

This Notice contains the following Annexes:

- Annex A – Proposed Alberta Securities Commission Rule 46-503 *Revocation of Purchase*

Request for Comments

We welcome your comments on the Proposed Local Rule.

Please submit your comments in writing on or before October 28, 2023
to: Alberta Securities Commission
Suite 600, 250 - 5th Street SW
Calgary, AB T2P 0R4

Attention:
Tracy Clark
Senior Legal Counsel, Corporate Finance
Email: tracy.clark@asc.ca

Mikale White
Senior Legal Counsel, Corporate Finance
Email: mikale.white@asc.ca

Please note that comments received will be made publicly available and will be posted on the ASC website at www.albertasecurities.com. Therefore, you should not include personal information directly in comments to be published. It is important that you state on whose behalf you are making the submission.

Annex A

PROPOSED ALBERTA SECURITIES COMMISSION RULE 46-503 *REVOCATION OF PURCHASE*

Definitions

1. In this Rule

“business day” has the same meaning as in National Instrument 41-101 *General Prospectus Requirements*; and

“Act” means the *Securities Act*, R.S.A. 2000, c. S-4, as amended.

2. Unless defined in this Rule, terms defined in section 1 of the Act apply.

Revocation of purchase – General

3. Subject to section 4, pursuant to subsection 130(1) of the Act, an agreement to purchase securities offered in a subscription to which subsection 110(1) of Act applies, or an agreement to purchase another prescribed security, is not binding on the purchaser if

- (a) the dealer receives notice in writing that the purchaser does not intend to be bound by the agreement to purchase; and
- (b) notice is provided not later than 2 business days after receipt by the purchaser of the latest prospectus, any amendment to the prospectus, another prescribed document, or any amendment to the prescribed document.

Revocation of purchase – Access

4. Despite section 3, if access is provided in accordance with section 129 of the Act, an agreement to purchase securities offered in a subscription to which subsection 110(1) of the Act applies, or an agreement to purchase another prescribed security, is not binding on the purchaser if the dealer receives notice as set out in

- (a) Part 2A: Access to a Prospectus of National Instrument 41-101 *General Prospectus Requirements*;
- (b) Part 6A Access to Shelf Prospectus Supplements and Base Shelf Prospectuses of National Instrument 44-102 *Shelf Distributions*; or
- (c) Part 2A Access to Supplemented PREP Prospectuses of National Instrument 44-103 *Post-Receipt Pricing*.

Exemption by Commission or Executive Director

5. The Commission or the Executive Director may grant an exemption to this Rule, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

Effective date

6. This Rule comes into force on [**March 6, 2024**].