

**ALBERTA SECURITIES COMMISSION
NOTICE**

**Proposed National Instrument 51-102
*Continuous Disclosure Obligations***

**Consequential Amendments
to Alberta Securities Laws and Policies**

June 20, 2003

This Notice supplements the Canadian Securities Administrators ("CSA") Notices issued today concerning proposed National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102") and its related forms and companion policy, and proposed National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* ("NI 71-102") and its related companion policy.

In conjunction with proposed NI 51-102 and NI 71-102 and their related forms and companion policies, the Alberta Securities Commission (the "ASC") proposes to make, or to recommend, other changes to current Alberta securities laws and ASC policies, as described below. These local changes would be in addition to the changes to national instruments and policies discussed in the CSA Notices.

Purpose and Effect of Local Changes

In general, the purpose of these local changes is to eliminate provisions of current Alberta securities laws and policies that apply to continuous disclosure and proxy solicitation. These provisions would be replaced by the new requirements of NI 51-102 (as varied by NI 71-102 for foreign issuers) or, for investment funds, proposed National Instrument 81-106 *Investment Fund Continuous Disclosure* (published on September 20, 2002) as well as by proposed National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* ("NI 52-107", published on May 16, 2003).

The discussion that follows assumes that all of these proposed instruments are implemented at the same time, and therefore that the current provisions of Alberta securities laws and policies to be replaced can be repealed fully and concurrently. In the event that the implementation of any of these proposed instruments is deferred, certain of these current provisions might have to remain in effect temporarily for certain purposes or for certain types of issuer.

June 2002 Notice

The ASC notice issued concurrently with publication of proposed NI 51-102 and NI 71-102 on June 21, 2002 (the "June 2002 Notice") set out, and invited public comment on, a number of proposed amendments to Alberta securities laws and policies. We received no comments.

Proposed Consequential Amendments

As discussed below, we continue to propose many of the changes to Alberta securities laws and policies discussed in the June 2002 Notice, but propose not to move forward with others.

(a) Act Amendments

The June 2002 Notice included proposals to recommend a number of amendments to the *Securities Act* (Alberta). Since that time, amendments to the *Securities Act* having similar effect to those contemplated in the June 2002 Notice have been passed and await proclamation. (See *Securities Amendment Act*, 2003 (Bill 14).) We intend to recommend that proclamation of those amendments take effect concurrently with implementation of NI 51-102 and NI 71-102.

(b) ASC Implementing Rule

The June 2002 Notice included a proposed local implementing rule that would prescribe NI 51-102 and NI 71-102 for purposes of the *Securities Act* and eliminate certain ASC General Rules and ASC Forms, except as they apply to investment funds. Concurrent proclamation of the amendments to the *Securities Act* referred to above and implementation of NI 51-102, NI 71-102, NI 52-107 and NI 81-106 would, we believe, eliminate the need for an implementing rule.

In the event that proclamation or implementation dates do differ, we will reconsider whether an implementing rule is desirable.

(c) Repeal of ASC General Rules and Forms

We propose to repeal the provisions of the ASC General Rules and the ASC Forms listed below, concurrently with implementation of NI 51-102, NI 71-102, NI 52-107 and NI 81-106. (See also Appendix B to the CSA Notice issued on May 16, 2003 in conjunction with proposed NI 52-107.)

ASC Rules

- section 143;
- section 144;
- section 145;
- section 146;
- section 147;
- section 148;
- section 151;
- section 160;
- section 162;
- section 163;
- section 164;
- section 165;
- section 166;
- section 167;
- section 168; and
- section 169.

ASC Forms

- Form 27 *Material Change Report Under Section 118(1)* [now subsection 146(1)] *of the Securities Act*;
- Form 28 *Annual Filing of Reporting Issuer*; and
- Form 30 *Information Circular*.

(d) ASC Policies

Concurrent with implementation of NI 51-102 and NI 71-102, we propose to:

- repeal ASC Policy 6.1 *Interpretation of Sections 184 and 123* [now sections 212 and 151, respectively] - *Applicability to Certain Reporting Issuers*; and
- amend ASC Policy 1.2 *Restricted Shares*:
 - (i) by repealing section 2.1;
 - (ii) in section 2.5.1, by striking out the portion of the section preceding the words "shall include" and substituting "Directors' circulars";
 - (iii) by repealing section 2.5.2;
 - (iv) by repealing section 2.5.3;
 - (v) in section 2.6.1 by adding "or" after "securities exchange take-over bid circular" and striking out the portion of the section commencing with "or information circular ...";
 - (vi) by repealing section 3.1; and
 - (vii) by repealing section 3.3.

Questions and Comments

Please direct your questions and comments concerning the proposals set out in this Notice to:

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We request your comments by **August 19, 2003**.