

Chapter 6

Request for Comments

6.1.1 Proposed Amendments to NI 14-101 Definitions

NOTICE OF PROPOSED AMENDMENTS TO NATIONAL INSTRUMENT 14-101 DEFINITIONS

Substance and Purpose of Proposed Amendments

National Instrument 14-101 Definitions (the "National Instrument"), which was adopted by each of the members of the Canadian Securities Administrators (the "CSA") and came into force on April 1, 1997, was designed to achieve three purposes. First, the National Instrument was intended to provide a consistent approach to the interpretation and application of national and multilateral instruments. Second, the National Instrument was intended to provide a framework of defined terms for use in future national and multilateral instruments. Third, the National Instrument sets out commonly used terms, such as "Canadian GAAP" and definitions of some terms used in more than one national or multilateral instrument.

When the National Instrument was adopted, it was expected to be amended from time to time. The proposed amendments add, clarify and delete defined terms in the National Instrument.

Summary of Proposed Amendments

The proposed amendments to the National Instrument would add definitions of terms presently being used in more than one national or multilateral instrument so that those terms would be defined for the purposes of national or multilateral instruments. These new terms are "IDA", "MFDA", "MRRS" and "SEDAR". The proposed amendments would add a reference to Nunavut in the Appendices to the National Instrument and would clarify the definitions of "insider reporting requirement" and "jurisdiction". The proposed amendments would also delete the terms "multilateral instrument" and "national instrument" as they are unnecessary.

The proposed amendments would add the terms "provincial and territorial securities directions", "provincial and territorial securities legislation" and "provincial and territorial securities regulatory authorities". These terms have the same definitions as "Canadian securities directions", "Canadian securities legislation" and "Canadian securities regulatory authorities", and will be the terms used in future national and multilateral instruments and policies in the same context. The CSA believe that the new expressions are more accurate. Because the terms "Canadian securities directions", "Canadian securities legislation" and "Canadian securities regulatory authorities" are already used in existing national and multilateral instruments and policies, they will not be deleted from the National Instrument. They are, however, being amended to refer to the corresponding new terms.

Authority for the Proposed Amendments

The proposed amendments contain no substantive provisions of their own and only set out terms that are used in other national instruments or multilateral instruments. In Ontario, the proposed amendments derive their authority from the individual heads of authority relating to the national instruments or multilateral instruments in which the terms to which the proposed amendments pertain are used.

In Ontario, subsection 143(1) of the Securities Act (Ontario) provides the Commission with the authority to make rules in which the terms defined in the proposed amendments will be used.

Unpublished Materials

In proposing these amendments, the CSA has not relied on any significant unpublished study, report or other written material.

Anticipated Costs and Benefits

The proposed amendments do not impose any costs. They are expected to provide a benefit to investors, industry participants and others by providing more certainty on the application and interpretation of terms used in rules by the Commission.

Comments

Interested parties are invited to make written submissions with respect to the proposed amendments to the National Instrument. Submissions received by December 28, 2001 will be considered.

Submissions should be sent to all of the securities regulatory authorities listed below in care of the Commission des valeurs mobilières du Québec, in duplicate, as indicated below:

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Securities Commission
Manitoba Securities Commission
Ontario Securities Commission
Commission des valeurs mobilières du Québec
Office of the Administrator, New Brunswick
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Department of Government Services and Lands,
Newfoundland and Labrador
Registrar of Securities, Government of Northwest Territories
Registrar of Securities, Government of Yukon
Registrar of Securities, Nunavut
c/o Denise Brosseau, Secretary

Commission des valeurs mobilières du Québec
Stock Exchange Tower
P.O. Box 246, 22nd Floor
Montréal, Québec H4Z 1G3

**AMENDMENTS TO
NATIONAL INSTRUMENT 14-101
DEFINITIONS**

PART 1 AMENDMENTS

A diskette containing the submissions (in Windows format, preferably Word) should also be submitted. As securities legislation in certain provinces requires that a summary of written comments received during the comment period be published, confidentiality of submissions cannot be maintained.

Questions may be referred to any of:

Jonathan Sarin
Legal Counsel
British Columbia Securities Commission
(604) 899-6653 or (800) 373-6393 (in B.C.)

Jane Brindle
Legal Counsel
Alberta Securities Commission
(403) 297-4482

Kathleen Finlay
Manager, Project Office
Ontario Securities Commission
(416) 593-8125

Rosetta Gagliardi
Conseillère en réglementation
Commission des valeurs mobilières du Québec
(514) 940-2199 ext 4554

Proposed Amendments

The text of the proposed amendments follows.

September 28, 2001.

1.1 Amendments

- (1) National Instrument 14-101 Definitions is amended by
 - (a) replacing the definitions of "Canadian securities directions", "Canadian securities legislation" and "Canadian securities regulatory authorities" in subsection 1.1(3) by the following definitions:

"Canadian securities directions" means "provincial and territorial securities directions";

"Canadian securities legislation" means "provincial and territorial securities legislation";

"Canadian securities regulatory authorities" means "provincial and territorial securities regulatory authorities";
 - (b) adding the following definition to subsection 1.1(3) after the definition of "Handbook":

"IDA" means the Investment Dealers Association of Canada;
 - (c) replacing the definition of "insider reporting requirement" in subsection 1.1(3) by the following definition:

"insider reporting requirement" means the requirement in securities legislation for an insider of a reporting issuer to file reports disclosing:
 - (a) the insider's direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer, and
 - (b) any change or changes to such ownership of, or control or direction over, securities of the reporting issuer;
 - (d) replacing the definition of "jurisdiction" in subsection 1.1(3) by the following definition:

"jurisdiction" or "jurisdiction of Canada" means a province or territory of Canada except when used in the term foreign jurisdiction;
 - (e) adding the following definitions to subsection 1.1(3) after the definition of "local jurisdiction":

"MFDA" means Mutual Fund Dealers Association of Canada;

"MRRS" means the review system for applications and filings made in more than one jurisdiction in Canada known as the Mutual Reliance Review System established by Memorandum of Understanding dated October 14, 1999;

- (f) deleting the definitions of "multilateral instrument" and "national instrument" in subsection 1.1(3) ;
- (g) adding the following definitions to subsection 1.1(3) after the definition of "prospectus requirement" :

"provincial and territorial securities directions" means the instruments listed in Appendix A;

"provincial and territorial securities legislation" means the statutes and the other instruments listed in Appendix B;

"provincial and territorial securities regulatory authorities" means the securities commissions and similar regulatory authorities listed in Appendix C;

- (h) adding the following definition to subsection 1.1(3) after the definition of "securities regulatory authority":

"SEDAR" means the computer system for the transmission, receipt, acceptance, review and dissemination of documents filed in electronic format known as the System for Electronic Document Analysis and Retrieval;

- (i) replacing the title to Appendix A by the following title:

PROVINCIAL AND TERRITORIAL SECURITIES DIRECTIONS;

- (j) adding to the list in Appendix A:

Nunavut	The policy statements and the written interpretations issued by the securities regulatory authority.
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- (k) replacing the title to Appendix B by the following title:

PROVINCIAL AND TERRITORIAL SECURITIES LEGISLATION;

- (l) adding to the list in Appendix B:

Nunavut	<i>Securities Act</i> and the regulations under that Act and the blanket rulings and orders issued by the securities regulatory authority.
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- (m) replacing the title to Appendix C by the following title:

PROVINCIAL AND TERRITORIAL SECURITIES REGULATORY AUTHORITIES;

- (n) adding to the list in Appendix C:

Nunavut	Registrar of Securities, Nunavut
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- (o) adding to the list in Appendix D:

Nunavut	Registrar, as defined under section 1 of the <i>Securities Act</i> (Nunavut) Registrar of Securities, Nunavut
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PART 2 EFFECTIVE DATE

2.1 This amendment shall come into force on *****, 2002.