

1.1.2 Notice of Minister of Finance Approval of National Instruments 54-101 and 54-102

NOTICE OF MINISTER OF FINANCE APPROVAL OF

**NATIONAL INSTRUMENT 54-101
COMMUNICATION WITH BENEFICIAL OWNERS
OF SECURITIES OF A REPORTING ISSUER**

AND

**NATIONAL INSTRUMENT 54-102
INTERIM FINANCIAL STATEMENT AND REPORT EXEMPTION**

On June 3, 2002, the Minister of Finance approved National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101") and National Instrument 54-102 *Interim Financial Statement and Report Exemption* ("NI 54-102"). The Commission made NI 54-101 and NI 54-102 as rules on March 26, 2002. On March 26, 2002, the Commission also made as a policy related Companion Policy NI 54-101CP *Communication with Beneficial Owners of Securities of a Reporting Issuer* (the "Policy").

NI 54-101 will come into force on July 1, 2002. No person or company shall be obliged to furnish a NOBO list under NI 54-101 before September 1, 2002. A reporting issuer sending proxy-related materials to beneficial owners of securities under NI 54-101 for a meeting to be held before September 1, 2004 shall send those materials only indirectly to beneficial owners.

NI 54-102 will come into force on July 1, 2002.

NI 54-101, the Policy and NI 54-102 are being republished in Chapter 5 of this issue of the Bulletin.

5.1.3 National Instrument 54-102, Interim Financial Statement and Report Exemption

**NATIONAL INSTRUMENT 54-102
INTERIM FINANCIAL STATEMENT AND REPORT EXEMPTION**

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**NATIONAL INSTRUMENT 54-102
INTERIM FINANCIAL STATEMENT AND REPORT EXEMPTION**

PART 1 DEFINITIONS

- 1.1 (1) In this Instrument,
- "interim financial statement or report" means, for a reporting issuer,
- (a) the interim financial statement or quarterly financial statement, or
 - (b) any other report for the first, second or third fiscal quarter
- required under securities legislation to be sent by the reporting issuer to registered holders of its securities;
- "NI 54-101" means National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*;
- "supplemental list" means the list referred to in Part 2.
- (2) Terms defined in NI 54-101 and used in this Instrument have the meanings ascribed to them in NI 54-101.

PART 2 EXEMPTION FROM REQUIREMENT TO SEND INTERIM FINANCIAL STATEMENT OR REPORT

- 2.1 **Exemption from Requirement To Send Interim Financial Statement or Report** - A reporting issuer is exempt from the requirement of securities legislation to send an interim financial statement or report to registered holders of its securities if
- (a) the reporting issuer, on or before the date the interim financial statement or report is filed under subparagraph (b)(i), issues a news release with a reasonable summary of the information contained in the interim financial statement or report, if the reporting issuer is not a mutual fund;
 - (b) the reporting issuer concurrently
 - (i) files the interim financial statement or report with the securities regulatory authority as required by securities legislation, together with the news release required by paragraph (a);
 - (ii) files the interim financial statement or report with all exchanges on which securities of the reporting issuer are listed;
 - (iii) sends the interim financial statement or report to the registered holders, and beneficial owners, of the securities whose names appear on the supplemental list established in accordance with section 2.2; and
 - (c) the interim financial statement or report is for a financial quarter that ended during the twelve-month period that commenced on
 - (i) the date of the meeting referred to in subparagraph 2.2(a)(i), if the reporting issuer sent a request form in accordance with that subparagraph; or
 - (ii) the date the reporting issuer sent the financial statements or annual report under paragraph 2.2(a)(ii), if the reporting issuer sent a request form in accordance with that subparagraph.
- 2.2 **Establishment of Supplemental List** - In order to establish a supplemental list for the purpose of section 2.1, a reporting issuer shall
- (a) send a request form under which a registered holder or beneficial owner of the securities may make, at no cost to the registered holder or beneficial owner, a request to receive the reporting issuer's interim financial statements or reports, with
 - (i) its proxy-related materials for a meeting of the holders of the securities; or

- (ii) its financial statements or annual report, for a financial year, that it sends to the holders of the securities, if the reporting issuer is not required under corporate law to hold an annual meeting for which proxy-related materials are required to be sent to the holders of the securities; and
- (b) prepare a supplemental list that sets out the registered holders, and beneficial owners, of the securities that have requested its interim financial statements or reports by returning a completed request form to the reporting issuer.

PART 3 TRANSITIONAL

3.1 Issuers That Hold Annual Meetings

- (1) A reporting issuer that is required by corporate law to hold annual meetings of holders of its securities is exempt from the requirement of securities legislation to send an interim financial statement to registered holders of its securities if the reporting issuer,
 - (a) before the coming into force of this Instrument, sent a return card in accordance with NP 41 with the proxy-related materials for a meeting of the holders of its securities, permitting the holder to request that the holder be placed on a list of every person or company that requested the reporting issuer's interim financial statements;
 - (b) prepared or prepares a list that sets out every person or company that requested its interim financial statements by returning a completed return card to the reporting issuer; and
 - (c) sends the interim financial statement to each person or company whose name appears on the list prepared under paragraph (b), in accordance with the timing requirements of securities legislation that would otherwise apply for sending the interim financial statement to registered holders of the securities.
- (2) The exemption provided in subsection (1) only applies in respect of sending interim financial statements for financial quarters that end during the twelve-month period that commences on the date of the meeting for which the proxy-related materials included a return card in accordance with subsection (1).

3.2 Issuers That Do Not Hold Annual Meetings

- (1) A reporting issuer that is not required under corporate law to hold annual meetings is exempt from the requirement of securities legislation to send an interim financial statement to registered holders of its securities if the reporting issuer
 - (a) before the coming into force of this Instrument, sent a return card in accordance with NP 41 with the financial statements or annual report, for a financial year, that it sent to the holders of the securities, permitting the holder to request that the holder be placed on a list of every person or company that requested the reporting issuer's interim financial statements;
 - (b) prepared or prepares a list that sets out every person or company that requested its interim financial statements by returning a completed return card to the reporting issuer; and
 - (c) sends the interim financial statement to each person or company whose name appears on the list prepared under paragraph (b) in accordance with the timing requirements of securities legislation that would otherwise apply for sending the interim financial statement to registered holders of the securities.
- (2) The exemption provided in subsection (1) only applies in respect of sending interim financial statements for financial quarters that end during the twelve-month period that commences on the date the reporting issuer sent the financial statements or annual report, for a financial year, together with the return card in accordance with subsection (1).

PART 4 EFFECTIVE DATE

- 4.1 Effective Date of Instrument** - This Instrument comes into force on July 1, 2002.