

**1.1.2 Request for Comment - Proposed OSC Rule
62-503 Financing of Take-over Bids and Issuer
Bids**

NOTICE OF REQUEST FOR COMMENTS

**PROPOSED ONTARIO SECURITIES COMMISSION
RULE 62-503 - FINANCING OF
TAKE-OVER BIDS AND ISSUER BIDS**

The Commission is publishing for comment in today's Bulletin proposed Rule 62-503 – *Financing of Take-over Bids and Issuer Bids*.

The proposed rule is intended to clarify the bid financing requirement that is set out in section 96 of the *Securities Act* (Ontario). Some uncertainty has arisen regarding the law relating to bid financing conditions as a result of the judgment of the Ontario Superior Court of Justice in *BNY Capital Corp. v. Katotakis*, reported at [2005] O.J. No. 813. The proposed rule addresses this uncertainty by confirming the extent to which conditionality in a bid financing arrangement is acceptable. The proposed rule reflects Commission staff's current view on this subject.

The proposed rule is published in Chapter 6 of this Bulletin.