

## Chapter 6

# Request for Comments

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### 6.1.1 CSA Notice and Request for Comment - Proposed Amendments to NI 55-102 System for Electronic Disclosure by Insiders (SEDI), Form 55-102F1 Insider Profile, Form 55-102F2 Insider Report, Form 55-102F3 Issuer Profile Supplement and Form 55-102F6 Insider Report

#### NOTICE AND REQUEST FOR COMMENT

#### PROPOSED AMENDMENTS TO NATIONAL INSTRUMENT 55-102 SYSTEM FOR ELECTRONIC DISCLOSURE BY INSIDERS (SEDI), FORM 55-102F1, FORM 55-102F2, FORM 55-102F3 AND FORM 55-102F6

The Canadian Securities Administrators (CSA or we) are publishing for comment proposed amendments to :

- National Instrument 55-102 *System for Electronic Disclosure by Insiders (SEDI)* (NI 55-102) and
- Forms 55-102F1 *Insider Profile*, 55-102F2 *Insider Report*, 55-102F3 *Issuer Profile Supplement* and 55-102F6 *Insider Report*.

We are publishing all the proposed amendments with this Notice. You can also find the proposed amendments on websites of CSA members, including :

- [www.bcsc.bc.ca](http://www.bcsc.bc.ca)
- [www.albertasecurities.com](http://www.albertasecurities.com)
- [www.sfsc.gov.sk.ca](http://www.sfsc.gov.sk.ca)
- [www.msc.gov.mb.ca](http://www.msc.gov.mb.ca)
- [www.osc.gov.on.ca](http://www.osc.gov.on.ca)
- [www.lautorite.qc.ca](http://www.lautorite.qc.ca)
- [www.nbsc-cvmnb.ca](http://www.nbsc-cvmnb.ca)

We invite comment on these materials generally.

#### Introduction and background

The proposed amendments to NI 55-102 and the forms (together, the SEDI instruments), are an initiative of all members of the CSA.

SEDI was launched on May 5, 2003. The CSA implemented SEDI out of a desire to make the filing of insider information easier and faster, as well as to make information from insider reports accessible to the public in real time and in an easily readable format. While SEDI has fulfilled its purpose, the CSA has received numerous complaints and suggestions from direct users of the system about the quality of its user interface.

SEDI Release 1.7.0 was implemented on October 6, 2007. This release addresses certain issues raised in the SEDI user opinion survey we conducted in 2005 and 2006. The goal of SEDI Release 1.7.0 is to improve the SEDI filing system by modifying some of the processes that filers identified as the cause of the greatest difficulties. The substance and purpose of the proposed amendments to the SEDI instruments are to complement the changes made in SEDI Release 1.7.0.

The changes to the SEDI system streamline the insider report filing process by reducing the number of screens and enhancing user navigation, eliminating the use of the insider access key for insiders who are self filers and improving the usability of the "view insider profile" screen by enhancing its visual impact and adding optional features.

#### Summary of changes to the SEDI instruments

Section 5.2 of NI 55-102 is amended to reflect the fact that self-filing insiders who log on to SEDI using their SEDI user ID and password will no longer have to also input their access key, except when first linking to the insider profile created by an agent. Agents who file on behalf of an insider will still be required to input the insider's access key.

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Item 7 of Form 55-102F1 is amended to reflect the requirements under the laws of New Brunswick on the choice of language of correspondence.

Item 3 of Form 55-102F2 is amended to reflect the fact that when necessary, a filer will need to click on the left-hand tool bar item labeled "Amend insider profile" on the screen entitled "Amend insider profile" whereas the instructions in current Form 55-102F2 are to click on "Amend".

Item 4 of Form 55-101F2 is amended to provide filers with the option of viewing an issuer event report by selecting the "View issuer event reports" feature on the screen entitled "File insider report (Form 55-102F2) – Select issuer". The issuer event report will no longer be automatically displayed for review by the filer.

Forms 55-102F1, 55-102F2, 55-102F3 and 55-102F6 have been amended to include the reference to the New Brunswick Securities Commission.

The amendments to NI 55-102 are set out in Appendix A. The amendments to Form 55-102F1 *Insider Profile*, Form 55-102F2 *Insider Report*, Form 55-102F3 *Issuer Profile Supplement* and Form 55-102F6 *Insider Report* are set out in Appendix B.

**Alternatives considered**

We have not considered other alternatives.

**Unpublished materials**

In proposing amendments to NI 55-102, Form 55-102F1, Form 55-102F2, Form 55-102F3 and Form 55-102F6, we have not relied on any significant unpublished study, report, or other written materials.

**Authority for Amendments – Ontario**

Appendix C sets out the provisions of the *Securities Act* (Ontario) (the Act) which provide the Ontario Securities Commission with authority to make the amendments described in this Notice as well as a statement of anticipated costs and benefits associated with the proposed amendments.

Staff of the Ontario Securities Commission have determined that, under subsection 143.2(5)(c) of the Act, notice of and a comment period for the amendments to the SEDI instruments are not required to be provided as the amendments do not materially change an existing rule. Notwithstanding this, we are providing a comment period of 60 days. Comments received during the comment period will be published on the OSC website.

**Comments on the Notice**

We request your comments on the materials outlined above. Please provide your comments by February 5, 2008 and address your submissions to all of the CSA member commissions.

Please deliver your comments to the addresses below. Your comments will be distributed to the other participating CSA members.

Anne-Marie Beaudoin, Corporate Secretary  
Autorité des marchés financiers  
800, square Victoria, 22<sup>e</sup> étage  
C.P. 246, tour de la Bourse  
Montréal (Québec) H4Z 1G3  
Fax: (514) 864-6381  
E-mail: [consultation-en-cours@lautorite.qc.ca](mailto:consultation-en-cours@lautorite.qc.ca)

John Stevenson, Secretary  
Ontario Securities Commission  
20 Queen Street West  
Suite 1900, Box 55  
Toronto, Ontario  
M5H 3S8  
Fax: (416) 593-2318  
E-mail: [jstevenson@osc.gov.on.ca](mailto:jstevenson@osc.gov.on.ca)

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If you do not submit your comments by e-mail, a diskette containing the submissions in Word should also be provided.

We cannot keep submissions confidential because securities legislation in certain provinces requires that a summary of the written comments received during the comment period be published.

### Questions

Please refer your questions to any of the people listed below:

Alison Dempsey  
Senior Legal Counsel  
Legal Services, Corporate Finance  
British Columbia Securities Commission  
(604) 899-6638  
(800) 373-6393 (toll free in B.C. and Alberta)  
[adempsey@bcsc.bc.ca](mailto:adempsey@bcsc.bc.ca)

Agnes Lau  
Associate Director, Corporate Finance  
Alberta Securities Commission  
(403) 297-4219  
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Kyler Wells  
Legal Counsel, Corporate Finance  
Ontario Securities Commission  
(416) 593-8229  
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Lucie J. Roy  
Conseillère en réglementation  
Service de la réglementation  
Surintendance aux marchés des valeurs  
Autorité des marchés financiers  
(514) 395-0337 poste 4364  
[lucie.roy@lautorite.qc.ca](mailto:lucie.roy@lautorite.qc.ca)

France Kingsbury  
Avocate, Affaires juridiques  
Autorité des marchés financiers  
(514) 395-0337 poste 2543  
[france.kingsbury@lautorite.qc.ca](mailto:france.kingsbury@lautorite.qc.ca)

### Amendments

The text of the amendments follows and can also be found on a CSA member website.

**December 7, 2007**

APPENDIX A

PROPOSED AMENDMENTS TO  
NATIONAL INSTRUMENT 55-102 SYSTEM FOR ELECTRONIC DISCLOSURE BY INSIDERS (SEDI)

1.1 National Instrument 55-102 *System for Electronic Disclosure by Insiders* (SEDI) is amended by this Instrument.

1.2 Section 5.2 is repealed and substituted with the following,

5.2 **Authentication and Access Key** - When information is filed in SEDI format, the identity of the SEDI filer or the authority of the filing agent shall be authenticated by :

- (a) the use of the SEDI filer's username and password by the SEDI filer;
- (b) the use of the SEDI filer's access key by the filing agent; or
- (c) the use of the SEDI filer's username and password and SEDI filer's access key by the SEDI filer when first linking to the insider profile created by a filing agent.

1.3 This amendment comes into force ●, 2008.

APPENDIX B

PROPOSED AMENDMENTS TO  
FORM 55-102F1 *INSIDER PROFILE*, FORM 55-102F2 *INSIDER REPORT*,  
FORM 55-102F3 *ISSUER PROFILE SUPPLEMENT* AND FORM 55-102F6 *INSIDER REPORT*

1. Form 55-102F1 *Insider Profile*, Form 55-102F2 *Insider Report*, Form 55-102F3 *Issuer Profile Supplement* and Form 55-102F6 *Insider Report* are amended by this Instrument.

2. Form 55-102F1 is amended by,

- a. in the second paragraph of item 7, striking out “New Brunswick,”
- b. adding the following as a third paragraph to item 7:

If the insider is resident in New Brunswick, the insider may choose to receive any correspondence from the New Brunswick securities regulatory authority in French or English.; and

- c. in item 14 under *Notice – Collection and Use of Personal Information*, inserting the words “New Brunswick,” immediately after “Quebec”, striking out the words “Commission des valeurs mobilières du Québec” and substituting them with “Autorité des marchés financiers”, changing the address of the Manitoba Securities Commission to “500-400 St. Mary Avenue, Winnipeg, Manitoba, R3C 4K5” and inserting “New Brunswick Securities Commission, 85 Charlotte Street, Suite 300, Saint John, NB E2L 2J2 Attention: Corporate Finance Officer Telephone: (506) 658-3060 or (866) 933-2222 (in New Brunswick)” at the end of the form.

3. Form 55-102F2 is amended by

- a. repealing item 3 and substituting it with the following:

**3. Review issuer information**

Review the information contained in the insider profile with respect to the selected reporting issuer to ensure that the information is correct. To do this, click on “Insider profile” in the top bar and the “Introduction to insider profile activities (Form 55-102F1)” screen will appear.

You must review the information in the insider profile with respect to the selected reporting issuer and, if the information is not correct, you must amend it by filing an amended insider profile. To do this, click on “Amend insider profile” in the bar on the left side and make the necessary corrections.

- b. repealing item 4 and substituting it with the following:

**4. Review new issuer event reports**

If the reporting issuer has filed an issuer event report that has not previously been viewed or that has been previously flagged for further viewing, you should review the issuer event report.

**To do this you must do the following:** i) After you have selected an issuer and before selecting the “File insider report” feature, on the screen entitled “File insider report (Form 55-102F2) – Select issuer”, click on the feature entitled “View issuer event reports” and the “Listing of issuer event reports” screen appears. ii) Next, click on the radio button for the report you wish to see and then select “View Report” and the “View issuer report information” screen appears with the text of the issuer event report.

If the insider’s holdings of securities of the reporting issuer have been affected by an issuer event, the change in holdings must be reported.

- c. in item 25 under *Notice – Collection and Use of Personal Information*, inserting the words “New Brunswick,” immediately after “Quebec”, striking out the words “Commission des valeurs mobilières du Québec” and substituting them with “Autorité des marchés financiers”, changing the address of the Manitoba Securities Commission to “500-400 St. Mary Avenue, Winnipeg, Manitoba, R3C 4K5” and inserting “New Brunswick Securities Commission, 85 Charlotte Street, Suite 300, Saint John, NB E2L 2J2

Attention: Corporate Finance Officer Telephone: (506) 658-3060 or (866) 933-2222 (in New Brunswick)" **at the end of the form.**

4. **Form 55-102F3 is amended by, in item 9 under *Notice – Collection and Use of Personal Information*, inserting the words “New Brunswick,” immediately after “Quebec”, striking out the words “Commission des valeurs mobilières du Québec” and substituting them with “Autorité des marchés financiers”, changing the address of the Manitoba Securities Commission to “500-400 St. Mary Avenue, Winnipeg, Manitoba, R3C 4K5” and inserting “New Brunswick Securities Commission, 85 Charlotte Street, Suite 300, Saint John, NB E2L 2J2 Attention: Corporate Finance Officer Telephone: (506) 658-3060 or (866) 933-2222 (in New Brunswick)” at the end of the form.**
5. **Form 55-102F6 is amended by, under *Notice – Collection and Use of Personal Information*, inserting the words “New Brunswick,” immediately after “Quebec”, under “Box 4”, adding “☐ New Brunswick”, under “INSTRUCTIONS”, striking out the word “and” in the first line and inserting the words “and New Brunswick” after “Québec”, striking out the words “New Brunswick,” in the second paragraph, striking out the words “Commission des valeurs mobilières du Québec” in the address section and substituting them with “Autorité des marchés financiers”, changing the address of the Manitoba Securities Commission to “500-400 St. Mary Avenue, Winnipeg, Manitoba, R3C 4K5” and inserting “New Brunswick Securities Commission, 85 Charlotte Street, Suite 300, Saint John, NB E2L 2J2 Attention: Corporate Finance Officer Telephone: (506) 658-3060 or (866) 933-2222 (in New Brunswick)” at the end of the form.**
6. **This amendment comes into force ●, 2008.**

## APPENDIX C

### ADDITIONAL INFORMATION REQUIRED IN ONTARIO

#### Anticipated costs and benefits

The changes to SEDI in Release 1.7.0 are expected to benefit filers by streamlining the screen flow. We anticipate that Release 1.7.0 will result in fewer filing errors and an improved insider report filing process, resulting in reduced costs to filers. We also anticipate that the costs to the CSA associated with providing support to filers will be reduced.

#### Authority for Amendments - Ontario

The following provisions of the *Securities Act* (Ontario) (the Act) provide the Ontario Securities Commission (the OSC) with authority to adopt the amendments.

- Paragraph 143(1)(30) authorizes the OSC to make rules varying or providing for exemptions from any requirement of Part XXI of the Act which deals with, *inter alia*, insider trading.
- Paragraph 143(1)(44) authorizes the OSC to make rules permitting or requiring the use of an electronic or computer-based system for the filing, delivery or deposit of documents or information required under or governed by the Act.
- Paragraph 143(1)(45) authorizes the OSC to make rules regarding the requirements for and procedures in respect of the use of an electronic or computer-based system for the filing, delivery or deposit of documents or information.
- Paragraph 143(1)(46) authorizes the OSC to make rules prescribing the circumstances in which persons or companies shall be deemed to have signed or certified documents on an electronic or computer-based system.