

The Securities Amendment Act, 2006 comes into force on June 1, 2006

[The Securities Amendment Act, 2006](#) will come into force on June 1, 2006. The following are the provisions of the amendment act:

Passport provisions

New Part XIX.1 is added to give the Commission new powers to implement the passport system of securities regulation. These include:

- The power to delegate and accept a delegation in new section 147.2;
- The power to adopt or incorporate the laws of another jurisdiction in new section 147.4;
- The power to grant exemptions based on the fact that an issuer or trade is in compliance with the laws of another jurisdiction in new sections 147.41 and 147.42;
- The power to adopt decisions of other jurisdictions in new section 147.5.

The definition of “Saskatchewan securities laws” in clause 2(1)(rr.1) is amended to include extra-provincial securities laws adopted or incorporated pursuant to section 147.4.

NI 81-106 Investment Fund Continuous Disclosure

New definitions are added, and existing definitions are amended or repealed to align provisions in the Act with new National Instrument 81-106 *Investment Fund Continuous Disclosure*:

- A new definition of “investment fund” in clause 2(1)(w.1);
- A new definition of “investment fund manager” in clause 2(1)(w.2);
- An amended definition of “material change” in clause 2(1)(y) to differentiate between regular issuers and investment funds;
- An amended definition of “material fact” in clause 2(1)(z) to differentiate between regular issuers and investment funds;
- An amended definition of “mutual fund” in clause 2(1)(dd);
- A new definition of “non-redeemable investment fund” in clause 2(1)(ee.1);
- The definition of “private mutual fund” in clause 2(1)(kk) is repealed because it is no longer used in the Act.

National Instrument 45-106 Prospectus and Registration Exemptions

The amendment act contains a series of amendments that reflect the implementation of National Instrument 45-106 *Prospectus and Registration Exemptions* including:

- A new definition of “offering memorandum” in clause 2(1)(ff). Pursuant subclause 2(1)(ff)(ii), an offering memorandum does not include a document specified by the Director. In [General Ruling/Order 11-906 Offering Memorandum Specification Order](#) the Director specifies the documents that are not offering memoranda.

- Repeal of the registration and prospectus exemptions in sections 38, 39, 39.1, 81 and 82;
- Amendments to provisions that refer to the registration and prospectus exemptions in sections 38, 39, 39.1, 81 and 82;
- Repeal of the exemption for prospecting syndicates in section 57; and
- Amendments to provisions in sections 80.1, 80.3 and 80.4 that relate to the filing, delivery and amendments of offering memoranda.

Enforcement powers

Amendments to the following the enforcement provisions:

- Section 55.1 to replace “person” with “person or company”;
- Expanding the Commission’s power to order payment of an administrative penalty under section 135.1 to situations where a person or company has failed to comply with an undertaking to the Commission or Director;
- An amendment to subsection 135.1(4) so that where the Commission makes an order to pay an administrative penalty against a person or company under section 135.1, it may also make an order against any director, officer or other person who was involved in the failure to comply with Saskatchewan securities laws; and
- An amendment to section 161 so that where the Commission makes an order against a person or company to pay costs, the Commission may also make an order to pay costs against any director, officer or other person who was involved in the failure to comply with the provisions of Saskatchewan securities laws.

Regulation-making heads of power

Subsection 154(1) is amended to add the following regulation-making heads of power:

- clause (t.1) designating issuers or classes of issuers as reporting issuers;
- clause (ee.6) requiring evaluations of reporting issuers’ internal controls over financial reporting; and
- clauses (ff.1) to (ff.7) new powers related to the passport provisions in new Part XIX.1.

General

The amendment act also includes the following amendments:

- An amendment to the definition of “reporting issuer in clause 2(1)(qq). Subclause (v) is amended to refer to issuers “whose existence continues following the exchange of securities of an issuer in connection with an amalgamation, merger, reorganization, arrangement, statutory procedure or similar transaction if one of the issuers participating in the transaction is a reporting issuer”.

New subclause (v) replaces current subclause (v) that refers to an issuer “that is

an issuer that is involved in, formed for, results from or continues following an amalgamation, merger . . . “

- New section 11.1 giving the Commission the power to make an order designating certain matters including designating an issuer to be a reporting issuer; and
- Amending section 13 so that a person appointed to conduct an investigation under section 12 must make a report to the Commission upon the Commission's request.

Implementation

We will repeal Local Instrument 11-502 *Removal of Statutory Exemptions*. LI 11-502 came into force on September 14, 2005. LI 11-502 removed the prospectus and registration exemptions in sections 38, 39, 39.1, 81 and 82 because they were replaced by NI 45-106 *Prospectus and Registration Exemptions*. LI 11-502 is no longer required because sections 38, 39 and 82 are repealed from the Act.

We have amended [GRO 52-904 *Certain Issuers Ceasing to be Reporting Issuers in Reorganizations and Take-over Bids*](#) to reflect the amendment of subclause 2(1)(qq)(v) in the definition of "reporting issuer".

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