



Province of Saskatchewan

Registrar of Regulations	
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Minister's Order

The Minister of Justice and Attorney General, pursuant to section 7 of *The Securities Commission (Regulation Procedures) Regulations*, approves *The Securities Commission (Adoption of National Instruments) (NI 31-103, 33-109, 41-101, 44-101, 44-102, 45-106, 51-102, 81-102 and 81-106) Amendment Regulations, 2018* in accordance with the attached Schedule.

Dated at the City of Regina, the 23 day of May, 2018.

Minister of Justice and Attorney General

(For administrative purposes only)

Authority:

The Securities Commission (Regulation Procedures) Regulations - section 7



Province of Saskatchewan

Commission Order

The Financial and Consumer Affairs Authority of Saskatchewan, pursuant to section 154 of *The Securities Act, 1988*, makes *The Securities Commission (Adoption of National Instruments) (NI 31-103, 33-109, 41-101, 44-101, 44-102, 45-106, 51-102, 81-102 and 81-106) Amendment Regulations, 2018* in accordance with the attached Schedule.

Dated at the City of Regina, the 17th day of May, 2018.

Chairperson
Financial and Consumer Affairs Authority of Saskatchewan

(For administrative purposes only)

Authority: *The Securities Act, 1988* - section 154

SCHEDULE

Title

1 These regulations may be cited as *The Securities Commission (Adoption of National Instruments) (NI 31-103, 33-109, 41-101, 44-101, 44-102, 45-106, 51-102, 81-102 and 81-106) Amendment Regulations, 2018*.

RRS c S-42.2 Reg 3 amended

2 *The Securities Commission (Adoption of National Instruments) Regulations* are amended in the manner set forth in these regulations.

Part VI amended

3(1) Part VI of the Appendix is amended in the manner set forth in this section.

(2) Section 1.1 is amended:

(a) by repealing the definition of “designated rating” and substituting the following:


“ ‘designated rating’ means,

(a) for the purposes of paragraph 4.1(4)(b), a designated rating under paragraph (b) of the definition of “designated rating” in National Instrument 44-101 *Short Form Prospectus Distributions*, or

(b) except as described in paragraph (a), a credit rating from a designated rating organization listed below, from a DRO affiliate of an organization listed below, from a designated rating organization that is a successor credit rating organization of an organization listed below or from a DRO affiliate of such successor credit rating organization, that is at or above one of the following corresponding rating categories, or that is at or above a category that replaces one of the following corresponding rating categories, if

(i) there has been no announcement from the designated rating organization, from a DRO affiliate of the organization, from a designated rating organization that is a successor credit rating organization or from a DRO affiliate of such successor credit rating organization, of which the investment fund or its manager is or reasonably should be aware that the credit rating of the security or instrument to which the designated rating was given may be down-graded to a rating category that would not be a designated rating, and

APPROVED
LEGISLATIVE DRAFTING SECTION


April 27, 2018 - 10:10 a.m.

SECURITIES COMMISSION (ADOPTION OF NATIONAL INSTRUMENTS)
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(ii) no designated rating organization listed below, no DRO affiliate of an organization listed below, no designated rating organization that is a successor credit rating organization of an organization listed below and no DRO affiliate of such successor credit rating organization, has rated the security or instrument in a rating category that is not a designated rating:

Designated Rating Organization	Commercial Paper/ Short Term Debt	Long Term Debt
DBRS Limited	R-1 (low)	A
Fitch Ratings, Inc.	F1	A
Moody's Canada Inc.	P-1	A2
S&P Global Ratings Canada	A-1 (Low)	A

”;

(b) by repealing the definition of “designated rating organization” and substituting the following:

“ ‘designated rating organization’ means, if designated under securities legislation, any of

(a) DBRS Limited, Fitch Ratings, Inc., Moody’s Canada Inc. or S&P Global Ratings Canada, or

(b) a successor credit rating organization of a credit rating organization listed in paragraph (a)”; and

(c) by adding the following definition in alphabetical order:

“ ‘successor credit rating organization’ means, with respect to a credit rating organization, any credit rating organization that succeeded to or otherwise acquired all or substantially all of another credit rating organization’s business in Canada, whether through a restructuring transaction or otherwise, if that business was, at any time, owned by the first-mentioned credit rating organization”.

(3) Subsection 4.1(4.1) is repealed.

Part XII amended

4(1) Part XII of the Appendix is amended in the manner set forth in this section.

(2) Section 1.1 is amended:

(a) by repealing the definition of “designated rating organization” and substituting the following:

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“ ‘designated rating organization’ has the same meaning as in National Instrument 44-101 *Short Form Prospectus Distributions*”; and

(b) by adding the following definition in alphabetical order:

“ ‘successor credit rating organization’ has the same meaning as in National Instrument 44-101 *Short Form Prospectus Distributions*”.

(3) Section 7.2 is amended:

(a) in subsection (2) in the portion preceding clause (a):

(i) by adding “and subject to subsection (2.1),” after “Despite subsection (1),”; and

(ii) by striking out “received a rating” and substituting “received a credit rating”; and

(b) by adding the following subsection after subsection (2):

“(2.1) If the only credit ratings of the securities referred to in subsection (2) are from Kroll Bond Rating Agency, Inc., its DRO affiliate, any successor credit rating organization of Kroll Bond Rating Agency, Inc. or any DRO affiliate of any successor credit rating organization of Kroll Bond Rating Agency, Inc., subsection (2) does not apply unless the distribution is of asset-backed securities”.

(4) Subsection 19.1(3) is amended by adding “Alberta and” before “Ontario”.

Part XIII amended

5(1) Part XIII of the Appendix is amended in the manner set forth in this section.

(2) Section 1.1 is amended:

(a) by repealing the definition of “designated rating” and substituting the following:

“ ‘designated rating’ means the following:

(a) for the purposes of paragraph 2.6(1)(c), a credit rating from a designated rating organization listed in this paragraph, from a DRO affiliate of an organization listed in this paragraph, from a designated rating organization that is a successor credit rating organization of an organization listed in this paragraph or from a DRO affiliate of such successor credit rating organization, that is at or above one of the following corresponding rating categories or that is at or above a category that replaces one of the following corresponding rating categories:

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Designated Rating Organization	Long Term Debt	Short Term Debt	Preferred Shares
DBRS Limited	BBB	R-2	Pfd-3
Fitch Ratings, Inc.	BBB	F3	BBB
Kroll Bond Rating Agency, Inc.	BBB	K3	BBB
Moody's Canada Inc.	Baa	Prime-3	Baa
S&P Global Ratings Canada	BBB	A-3	P-3

(b) except as described in paragraph (a), a credit rating from a designated rating organization listed in this paragraph, from a DRO affiliate of an organization listed in this paragraph, from a designated rating organization that is a successor credit rating organization of an organization listed in this paragraph or from a DRO affiliate of such successor credit rating organization, that is at or above one of the following corresponding rating categories or that is at or above a category that replaces one of the following corresponding rating categories:

Designated Rating Organization	Long Term Debt	Short Term Debt	Preferred Shares
DBRS Limited	BBB	R-2	Pfd-3
Fitch Ratings, Inc.	BBB	F3	BBB
Moody's Canada Inc.	Baa	Prime-3	Baa
S&P Global Ratings Canada	BBB	A-3	P-3

(b) by repealing the definition of "designated rating organization" and substituting the following:

" 'designated rating organization' means,

(a) if designated under securities legislation, any of

(i) DBRS Limited, Fitch Ratings, Inc., Kroll Bond Rating Agency, Inc., Moody's Canada Inc. or S&P Global Ratings Canada,

(ii) a successor credit rating organization of a credit rating organization listed in subparagraph (i), or

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(b) any other credit rating organization designated under securities legislation”; and

(c) by adding the following definition in alphabetical order:

“ ‘successor credit rating organization’ means, with respect to a credit rating organization, any credit rating organization that succeeded to or otherwise acquired all or substantially all of another credit rating organization’s business in Canada, whether through a restructuring transaction or otherwise, if that business was, at any time, owned by the first-mentioned credit rating organization”.

(3) Subsection 8.1(4) is amended by adding “Alberta and” before “Ontario”.

Part XIV amended

6(1) Part XIV of the Appendix is amended in the manner set forth in this section.

(2) Subsection 1.1(1) is amended by adding the following definition in alphabetical order:

“ ‘designated rating’ has,

(a) for the purposes of section 2.6, the meaning ascribed to that term in paragraph (a) of the definition of ‘designated rating’ in NI 44-101, and

(b) except as described in paragraph (a), the meaning ascribed to that term in paragraph (b) of the definition of ‘designated rating’ in NI 44-101”.

(3) Subsection 11.1(2.1) is amended by adding “Alberta and” before “Ontario”.

Part XXVIII amended

7(1) Part XXVIII of the Appendix is amended in the manner set forth in this section.

(2) Schedule C of Form 33-109F6 *Firm Registration* is amended under the heading “Schedule 1 of Form 31-103F1 *Calculation of Excess Working Capital*” by repealing subclause (a)(i) and substituting the following:

“(i) Bonds, debentures, treasury bills and other securities of or guaranteed by the Government of Canada, of the United Kingdom, of the United States of America or of any other national foreign government (provided those foreign government securities have a current credit rating described in subparagraph (i.1)) maturing (or called for redemption):

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within 1 year:	1% of fair value multiplied by the fraction determined by dividing the number of days to maturing by 365
over 1 year to 3 years:	1% of fair value
over 3 years to 7 years:	2% of fair value
over 7 years to 11 years:	4% of fair value
over 11 years:	4% of fair value

“(i.1) A credit rating from a designated rating organization listed below, from a DRO affiliate of an organization listed below, from a designated rating organization that is a successor credit rating organization of an organization listed below or from a DRO affiliate of such successor credit rating organization, that is the same as one of the following corresponding rating categories or that is the same as a category that replaces one of the following corresponding rating categories:

Designated Rating Organization	Long Term Debt	Short Term Debt
DBRS Limited	AAA	R-1(high)
Fitch Ratings, Inc.	AAA	F1+
Moody’s Canada Inc.	Aaa	Prime-1
S&P Global Ratings Canada	AAA	A-1+

Part XXXVI amended

8(1) Part XXXVI of the Appendix is amended in the manner set forth in this section.

(2) Section 1.1 is amended:

(a) by repealing the definition of “designated rating organization”; and

(b) by repealing the definition “DRO affiliate”.

(3) Subsection 13.1(3) is amended by adding “Alberta and” before “Ontario”.

Part XL amended

9(1) Part XL of the Appendix is amended in the manner set forth in this section.

(2) Section 1.1 is amended by adding the following definition in alphabetical order:

“ ‘designated rating’ has the same meaning as in paragraph (b) of the definition of ‘designated rating’ in National Instrument 81-102 *Investment Funds*”.



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(3) Subsection 1.3(2) is amended by striking out “Terms defined” and substituting “Unless defined in section 1.1 of this Instrument, terms defined”.

Part XLIII amended

10(1) Part XLIII of the Appendix is amended in the manner set forth in this section.

(2) Section 1.1 is amended:

(a) by repealing the definition of “designated rating” and substituting the following:

“ ‘designated rating’ has the same meaning as in paragraph (b) of the definition of ‘designated rating’ in National Instrument 81-102 *Investment Funds*”;

(b) by repealing the definition of “designated rating organization” and substituting the following:

“ ‘designated rating organization’ has the same meaning as in National Instrument 44-101 *Short Form Prospectus Distributions*”; and

(c) by adding the following definition in alphabetical order:

“ ‘successor credit rating organization’ has the same meaning as in National Instrument 44-101 *Short Form Prospectus Distributions*”.

(3) Subsection 2.35(1) is amended by repealing clauses (b) and (c) and substituting the following:

“(b) the note or commercial paper has a credit rating from a designated rating organization listed below, from a DRO affiliate of an organization listed below, from a designated rating organization that is a successor credit rating organization of an organization listed below or from a DRO affiliate of such successor credit rating organization, that is at or above one of the following corresponding rating categories or that is at or above a category that replaces one of the following corresponding rating categories:

- (i) R-1(low) - DBRS Limited;
- (ii) F1 - Fitch Ratings, Inc.;
- (iii) P-1 - Moody’s Canada Inc.;
- (iv) A-1(Low) (Canada national scale) - S&P Global Ratings Canada;

“(c) the note or commercial paper has no credit rating from a designated rating organization listed below, from a DRO affiliate of an organization listed below, from a designated rating organization that is a successor credit rating organization of an organization listed below or from a DRO affiliate of such successor credit rating organization, that is below one of the following corresponding rating categories or that is below a category that replaces one of the following corresponding rating categories:

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- (i) R-1(low) - DBRS Limited;
- (ii) F2 - Fitch Ratings, Inc.;
- (iii) P-2 - Moody's Canada Inc.;
- (iv) A-1(Low) (Canada national scale) or A-2 (global scale) - S&P Global Ratings Canada”.

(4) The following section is added before section 2.35.2:

“Definition applicable to section 2.35.2

2.35.1.1 For the purposes of paragraph 2.35.2(a), a reference to ‘designated rating organization’ includes the DRO affiliates of the organization, a designated rating organization that is a successor credit rating organization of the designated rating organization and the DRO affiliates of such successor credit rating organization”.

(5) Section 2.35.2 is amended:

(a) by repealing subclauses (a)(i) and (ii) and substituting the following:

“(i) it has a credit rating from not less than two designated rating organizations listed below and at least one of the credit ratings is at or above one of the following corresponding rating categories or is at or above a category that replaces one of the following corresponding rating categories:

- (A) R-1(high)(sf) - DBRS Limited;
- (B) F1+sf - Fitch Ratings, Inc.;
- (C) P-1(sf) - Moody's Canada Inc.;
- (D) A-1(High)(sf) (Canada national scale) or A-1+(sf) (global scale) - S&P Global Ratings Canada;

“(ii) it has no credit rating from a designated rating organization listed below that is below one of the following corresponding rating categories or that is below a category that replaces one of the following corresponding rating categories:

- (A) R-1(low)(sf) - DBRS Limited;
- (B) F2sf - Fitch Ratings, Inc.;
- (C) P-2(sf) - Moody's Canada Inc.;
- (D) A-1(Low)(sf) (Canada national scale) or A-2(sf) (global scale) - S&P Global Ratings Canada”; and

(b) by repealing paragraph (a)(iv)(C) and substituting the following:

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“(C) the liquidity provider has a credit rating from each of the designated rating organizations providing a credit rating on the short-term securitized product referred to in subparagraph 2.35.2(a)(i), for its senior, unsecured short-term debt, none of which is dependent upon a guarantee by a third party, and each credit rating from those designated rating organizations is at or above the following corresponding rating categories or is at or above a category that replaces one of the following corresponding rating categories:

1. R-1(low) - DBRS Limited;
2. F2 - Fitch Ratings, Inc.;
3. P-2 - Moody’s Canada Inc.;
4. A-1(Low) (Canada national scale) or A-2 (global scale) - S&P Global Ratings Canada”.

Part XLIX amended

11(1) Part XLIX of the Appendix is amended in the manner set forth in this section.

(2) Section 1.1 is amended:

(a) by repealing the definition of “designated rating” and substituting the following:

“ ‘designated rating’ has the same meaning as in paragraph (b) of the definition of ‘designated rating’ in National Instrument 81-102 *Investment Funds*”;

(b) by repealing the definition of “designated rating organization” and substituting the following:

“ ‘designated rating organization’ has the same meaning as in National Instrument 44-101 *Short Form Prospectus Distributions*”; and

(c) by adding the following definition in alphabetical order:

“ ‘successor credit rating organization’ has the same meaning as in National Instrument 44-101 *Short Form Prospectus Distributions*”.

(3) Schedule 1 of Form 31-103F1 Calculation of Excess Working Capital is amended by repealing subclause (a)(i) and substituting the following:

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“(i) Bonds, debentures, treasury bills and other securities of or guaranteed by the Government of Canada, of the United Kingdom, of the United States of America or of any other national foreign government (provided those foreign government securities have a current credit rating described in subparagraph (i.1)) maturing (or called for redemption):

within 1 year:	1% of fair value multiplied by the fraction determined by dividing the number of days to maturing by 365
over 1 year to 3 years:	1% of fair value
over 3 years to 7 years:	2% of fair value
over 7 years to 11 years:	4% of fair value
over 11 years:	4% of fair value

“(i.1) A credit rating from a designated rating organization listed below, from a DRO affiliate of an organization listed below, from a designated rating organization that is a successor credit rating organization of an organization listed below or from a DRO affiliate of such successor credit rating organization, that is the same as one of the following corresponding rating categories or that is the same as a category that replaces one of the following corresponding rating categories:

Designated Rating Organization	Long Term Debt	Short Term Debt
DBRS Limited	AAA	R-1(high)
Fitch Ratings, Inc.	AAA	F1+
Moody’s Canada Inc.	Aaa	Prime-1
S&P Global Ratings Canada	AAA	A-1+

Coming into force

12 These regulations come into force on June 12, 2018.

