

Nova Scotia Securities Commission

Rule 52-107

**Acceptable Accounting Principles , Auditing Standards and Reporting
Currency**

-and-

National Instrument 52-107

**Acceptable Accounting Principles , Auditing Standards and Reporting
Currency**

-and-

Companion Policy 52-107CP to National Instrument 52-107

**Acceptable Accounting Principles , Auditing Standards and Reporting
Currency**

WHEREAS:

1. Pursuant to section 150 of the *Securities Act*, R.S.N.S. 1989, chapter 418, as amended (the "Act"), the Nova Scotia Securities Commission (the "Commission") has power to make rules subject to compliance with the requirements of the Act;
2. Pursuant to section 19 of the Act, the Commission has power to issue and publish policy statements;
3. National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency and Companion Policy 52-107CP to National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency , copies of which are attached hereto and are hereinafter called the "Rule" and "Companion Policy", respectively, have been adopted as rules by one or more of the Canadian securities regulatory authorities; and
4. The Commission is of the opinion that the attainment of the purpose of the Act is advanced by this Instrument.

NOW THEREFORE the Commission hereby:

of (a) pursuant to the authority contained in section 150
the Act and subject to compliance with the requirements
of section 150A of the Act:

(i) approves the Rule and makes the same a rule
of the Commission;

(ii) revokes subsections 3(4), (5) and (6) and
section 104 of the General Securities Rules
and substitutes the following as
subsection 3(4) and (5) of the General
Securities Rules:

(4) Subject to subsection (5), for the purposes
of the Act and the regulations,

(a) where the terms "generally accepted
accounting principles", "auditor's
report" and "generally accepted
auditing standards" are used in
reference to a financial statement to
which National Instrument 52-107
*Acceptable Accounting Principles,
Auditing Standards and Reporting
Currencies* applies, those terms have
the meanings provided for in that
Instrument; and

(b) in all other cases, where a
recommendation has been made in the
Handbook of the Canadian Institute of
Chartered Accountants which is
applicable in the circumstances, the
terms "generally accepted accounting
principles", "auditor's report" and
"generally accepted auditing
standards" mean the principles, report
and standards, respectively,
recommended in the Handbook.

(5) Except as otherwise provided in National
Instrument 52-107 *Acceptable Accounting
Principles, Auditing Standards and
Reporting Currencies* and in National

Instrument 71-101 *The Multijurisdictional Disclosure System*, where an issuer is incorporated or organized in a jurisdiction other than Canada or a province or territory of Canada, "generally accepted accounting principles" may, at the option of the issuer, mean such principles as prescribed in the incorporating jurisdiction by or pursuant to applicable legislation or where a recommendation has been made by an association in that jurisdiction equivalent to the Canadian Institute of Chartered Accountants, the principles recommended by that association, but where an option is exercised under this subsection, the notes to the financial statements shall state which option has been applied in the choice of generally accepted accounting principles.

(iii) revokes subsection 8(3) of the General Securities Rules;

(b) pursuant to the authority contained in section 19 of the Act and subject to publication in the *Royal Gazette*, issues the Companion Policy as a policy statement of the Commission; and

(c) declares that the rule approved and made pursuant to clause (a) and the policy statement issued pursuant to clause (b) shall both take effect on **March 30, 2004**, unless the Governor in Council disapproves the rule or returns it to the Commission in accordance with subsection 150A(3) of the Act in which event the rule and the policy statement shall not be effective until the rule is approved by the Governor in Council.

IN WITNESS WHEREOF this Instrument has been signed by the Chair and one member of the Commission, being the members of the Commission prescribed by the Chair pursuant to subsection 15(3) of the Act to attend the hearing of this matter and the quorum with respect to this matter, on the 14th day of January, 2004.

"H. Leslie O'Brien"

H. Leslie O'Brien

"R. Daren Baxter"

R. Daren Baxter

Attachments