

NATIONAL POLICY 34-201

BREACH OF REQUIREMENTS OF OTHER JURISDICTIONS

Breach of Requirements of Other Jurisdictions - The breach by a registrant or an applicant for registration or reinstatement or renewal of registration of Canadian securities legislation or Canadian securities directions of a jurisdiction, other than the local jurisdiction, or the securities laws, regulations or rules of a foreign jurisdiction or the by-laws, rules, regulations, policies, procedures, or practices of a stock exchange, commodities exchange, commodity futures exchange or other self-regulatory organization applicable to the registrant or applicant, that were adopted for the protection of investors or to foster fair and efficient capital markets and confidence in capital markets, may be considered by the securities regulatory authority to be prejudicial to the public interest and to affect the fitness for registration or continued registration of the applicant or registrant.

NOTICE OF NATIONAL POLICY 34-201 BREACH OF REQUIREMENTS OF OTHER JURISDICTIONS AND RESCISSION OF NATIONAL POLICY STATEMENT NO. 17

Notice of National Policy

The Commission has adopted National Policy 34-201 Breach of Requirements of Other Jurisdictions and rescinded National Policy Statement No. 17 Violations of Securities Laws of Other Jurisdictions -- Conduct Affecting Fitness for Continued Registration.

National Policy 34-201 comes into force and National Policy Statement No. 17 is rescinded on October 16, 1998.

Substance and Purpose of National Policy

The purpose of the National Policy is to give notice to registrants and applicants for registration or renewal or reinstatement of registration in a jurisdiction that a breach by the applicant or registrant of securities legislation, including regulations and rules, directions or policies, or self-regulatory organization regulatory instruments, of another jurisdiction or a foreign jurisdiction, may be considered to affect the fitness for registration or continued registration of an applicant or registrant. The National Policy will facilitate consistent and co-operative treatment of conduct of registrants and applicants.

The National Policy is an initiative of the Canadian Securities Administrators (the "CSA"), and is being adopted as a policy in each of the jurisdictions represented in the CSA. The National Policy is substantially similar to National Policy Statement No. 17 - *Violations of Securities Laws of Other Jurisdictions -- Conduct Affecting Fitness for Continued Registration*, which it replaces, but expands the scope of the instruments the breach of which may be considered by the CSA. National Policy Statement No. 17 was initially published in June 1978.

Terms used in the National Policy that are defined or interpreted in a definition instrument in force in the jurisdiction should be read in accordance with that definition instrument, unless the context otherwise requires.

Summary of National Policy

The National Policy applies to registrants or applicants for registration or renewal or reinstatement of registration. A breach by an applicant or registrant of the securities legislation (including regulations and rules), directions or policies, or the regulatory instruments of stock exchanges or other self-regulatory

organizations, of any jurisdiction, whether Canadian or international, that were adopted for the protection of investors or to foster fair and efficient capital markets and confidence in capital markets, may be considered to be prejudicial to the public interest and to affect the fitness for registration or continued registration of the applicant or registrant.

Written Comments Received by the CSA

A draft of the National Policy was published for comment in the Ontario Securities Commission Bulletin on February 13, 1998 ((1998), 21 OSCB 968). Certain of the other CSA members also published the draft for comment on or about that time. The CSA members received no written submissions with respect to the National Policy and no changes have been made from the draft.

National Policy

National Policy Statement No. 17 is replaced by the National Policy and will be rescinded effective September 25, 1998. The text of the National Policy follows.

Text of Rescission of National Policy Statement No. 17

The text of the rescission of National Policy Statement No. 17 is:

"National Policy Statement No. 17 entitled "Violations of Securities Laws of Other Jurisdictions -- Conduct Affecting Fitness for Continued Registration" is rescinded."

DATED: October 16, 1998.