

**“SASKATCHEWAN LOCAL INSTRUMENT 11-501
CONFLICTS OF INTEREST**

“Interpretation

1 In this local instrument:

- (a) ‘**Act**’ means *The Securities Act, 1988*;
- (b) ‘**Chairperson**’ means the Chairperson of the Commission;
- (c) ‘**Commission**’ means the Saskatchewan Financial Services Commission;
- (d) ‘**confidential information**’ means information that is not available to the public;
- (e) ‘**Director**’ means the Director of the Securities Division of the Commission;
- (f) ‘**employee**’ means a staff member of the Commission to whom the responsibility for the administration of *The Securities Act, 1988* is assigned and includes:
 - (i) a probationary or temporary staff member; and
 - (ii) a person who is employed on a fixed term contract or who is seconded to the Commission;
- (g) ‘**member**’ means a member of the Commission appointed by the Lieutenant Governor in Council pursuant to the Act.

“Scope

2 This local instrument applies to members and employees.

“To whom a report must be made, an approval must be sought, etc.

3(1) A member or employee shall comply with subsection (2) if the member or employee:

- (a) delivers an initial undertaking pursuant to subsection 6(1);
- (b) delivers an annual Certificate of Compliance pursuant to subsection 6(2);
- (c) reports breaches of this local instrument pursuant to section 7;
- (d) reports an interest pursuant to section 8; or
- (e) seeks an exemption pursuant to subsection 13(1).

(2) In the circumstances mentioned in subsection (1), the member or employee shall report to, deliver to or seek an exemption from:

- (a) in the case of an employee, the Director;

(b) in the case of the Director or a member other than the Chairperson, the Chairperson; and

(c) in the case of the Chairperson, the minister.

“Avoidance of conflict and disclosure

4 Every member and every employee shall avoid actual or apparent conflicts of interest.

“Conflicts

5(1) Subject to subsection (2), no member or employee shall:

(a) engage, directly or indirectly, in any transaction or arrangement for personal profit or benefit that:

(i) accrues from or is based on the member’s or employee’s official position or authority; or

(ii) is based on confidential information that the member or employee gained by reason of his or her position or authority;

(b) accept the services of a registrant on terms that the member or employee knows are more favourable than those generally available from the registrant;

(c) disclose or release confidential information unless authorized pursuant to the Act;

(d) act in the course of the member’s or employee’s duties with respect to any matter in which the member or employee has a personal interest and that is incompatible with an unbiased exercise of official judgment;

(e) hold office in or be a director of any registrant or any reporting issuer;

(f) have a beneficial interest in any registrant or any of its affiliates, other than an interest in securities that are traded on an exchange; or

(g) engage in any outside work or business undertaking that interferes with the performance of the member’s or employee’s duties to the Commission.

(2) Clause (1)(e) does not apply to a member other than the Chairperson who has given written notice to the Chairperson that the member is an officer or director of a registrant or reporting issuer.

“Reports

6(1) At the time of taking office or employment or being seconded to the Commission, a member or employee shall deliver an initial undertaking substantially in Form 11-501F1.

(2) On or before January 31 of each year after delivery of an initial report in subsection (1), the member or employee shall deliver an annual Certificate of Compliance as at December 31 of the prior year substantially in Form 11-501F2.

(3) If a member or employee is required to attach a portfolio statement to an initial undertaking or annual Certificate of Compliance that the member or employee delivers pursuant to this section, the portfolio statement must be substantially in Form 11-501F3.

“Reports of breaches

7 A member or employee shall immediately report any breach of this local instrument of which he or she becomes aware.

“Reports of interests

8 A member or employee shall immediately report in writing:

- (a) any actual or apparent conflict of interest;
- (b) when he or she has an interest in an issuer or registrant that may reasonably be considered to prejudice or affect his or her work on a matter involving the issuer or registrant; or
- (c) when his or her prior employment or relationship may reasonably be considered to prejudice or affect his or her work on an assignment.

“Confidentiality of information received

9 A person who receives information from a member or employee pursuant to the reporting provisions of this local instrument shall not disclose that information except:

- (a) as required by applicable law or in connection with any administrative, disciplinary or court proceeding involving the member or employee and concerning the breach of this local instrument;
- (b) with the agreement of the applicable member or employee; or
- (c) as required by subsection 13(3).

“Confidentiality - former members and employees

10 No former member or employee shall disclose any confidential information that he or she has obtained in the course of his or her service with the Commission.

“When member must not participate in hearing

11 No member shall participate in a hearing if:

- (a) with respect to that hearing, he or she has a personal interest that is, or could reasonably be perceived to be, incompatible with an unbiased exercise of his or her judgment;
- (b) for any other reason, he or she is of the opinion that he or she would be unable to render an impartial decision; or
- (c) his or her continuing or prior associations would reasonably be perceived as affecting his or her ability to render an impartial decision with respect to that hearing.

“Procedure for reporting conflicts, etc., by members before hearings

12(1) If a member has any continuing and prior interests, participation and relationships that could potentially give rise to a conflict of interest in connection with any hearing in which the member is to participate, the member shall disclose the interest, participation or relationship to the Chairperson.

(2) The Chairperson shall determine whether or not the member should participate in the hearing or whether another member should participate in the hearing taking into account the matters described in section 11.

(3) If the Chairperson has any continuing and prior interests, participation and relationships that could potentially give rise to a conflict of interest in connection with any hearing in which the Chairperson is to participate, the Chairperson shall disclose the interest, participation or relationship to the minister.

(4) The minister shall determine whether or not the Chairperson should participate in the hearing or whether another member should participate in the hearing taking into account the matters described in section 11.

(5) Any determination pursuant to subsection (2) or (4) is final and binding for all purposes of this local instrument.

“Exemptions

13(1) Members and employees may apply in writing for an exemption from the provisions of this local instrument.

(2) The minister, Chairperson or Director, as the case may be, may grant the exemption if the minister, Chairperson or Director, as the case may be, is of the opinion that it is not appropriate that the applicable provision of this local instrument apply to the member or employee who requests the exemption.

(3) The minister, Chairperson or Director, as the case may be, who grants an exemption pursuant to subsection (2) shall give written notice of the exemption and the reasons for it to the Commission and to the member or employee who requested the exemption.