

## Saskatchewan Local Policy Statement 1.4

### Conflict of Interest Guidelines

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## **Saskatchewan Local Policy Statement 1.4**

### **Conflict of Interest Guidelines**

#### **A. Introduction**

The Conflict of Interest Guidelines for Saskatchewan Public Service Employees define conflict of interest as:

"... any situation in which a public employee, either for himself/herself or some other person(s), attempts to promote a private or personal interest which results or appears to result in the following:

- (i) an interference with the objective exercise of his/her duties in the public service;
- (ii) a gain or advantage by virtue of his/her position in the public service."

At the Commission, it is possible to receive information on companies before it is generally known publicly. There is a general philosophy in securities legislation that investors, both buyers and sellers, should have equal access to information. The integrity of the marketplace in Saskatchewan would be diminished if members of the Commission and persons working at the Commission, the regulator of the marketplace, were perceived as personally benefiting from their function.

With a view to preventing both actual and perceived conflicts the following guidelines have been adopted.

Part B sets out guidelines which apply to members of the Saskatchewan Securities Commission, except part-time Commission members, and to all persons employed at the Commission. These guidelines supplement the Conflict of Interest Guidelines for Saskatchewan Public Employees.

Part C sets out guidelines which apply to part-time members of the Commission.

#### *Definitions*

In this policy:

"Associate" where used to indicate a relationship with any person or company, means:

- (i) any issuer of which that person or company beneficially owns, directly or indirectly, more than 10% of any class of voting securities of the issuer for the time being outstanding;
- (ii) any partner, other than a limited partner, of that person or company;
- (iii) any trust or estate in which that person or company has a substantial beneficial interest or as to which that person or company serves as trustee or in a similar capacity;
- (iv) any relative of that person, including his spouse and any child, where the relative has the same home as that person; and
- (v) any relative of the spouse of that person, where the relative has the same home as that person;

"General Guidelines" means the Conflict of Interest Guidelines for Saskatchewan Public Service Employees;

"Proceeding" means any formal public proceedings of the Commission in which the rights or obligations of a particular individual, firm or company are at issue and any other proceedings of the Commission from the stage at which the Commission is of the opinion that in the course of the proceedings it is likely that the rights or obligations of a particular individual, firm or company will be at issue and includes proceedings of the Commission in which only matters of general policy, or only matters affecting a class of persons, firms or companies, are at issue.

## **B. Supplementary Conflict of Interest Guidelines for Persons Working at the Securities Commission**

### *Application*

1. These guidelines supplement the General Guidelines. Both these guidelines and the General Guidelines apply to all members of the Saskatchewan Securities Commission except part-time Commission members and apply to all persons employed as permanent, temporary or part-time members of the staff of the Commission. Employment includes working under contract or on secondment with the Commission.

### *Disclosure of interests*

2. Under the General Guidelines, financial assets or investments which are directly or indirectly connected to the content of the person's work should be disclosed. Having regard to the Commission's role in securities, each person shall file a list of all currently owned or jointly owned securities, stating the name of the issuer and the class of securities owned. Securities are those as defined in *The Securities Act, 1988*, (the Act). Bank deposits, mortgages and securities set out in subsection 39(2) of the Act are exempt. Securities owned by a spouse or other relative residing in the same home as the employee should be listed if trading in them is at the direction, for the account, and with funds of the employee. Care should be taken not to discuss details of work with relatives and possibly indirectly violate the spirit of the guidelines on purchases and sales. If no securities are owned, a statement to this effect should be filed. Notice of any subsequent purchases or sales should be filed within 10 days after the transaction. Full-time members and employees shall file with the Chairman. The Chairman shall file with the Minister. The Chairman shall keep each list confidential.

*Restrictions on certain trades*

3. No purchase or sale of any security of an issuer should be made:
  - (a) until sixty days after the issue of a receipt or order, the end of an investigation or the conclusion of a hearing by the Commission; or
  - (c) during the course of primary distribution to the public under a prospectus, offering memorandum or order of the Commissionunless prior approval of the Chairman has been obtained.
4. No person, or company, partnership, or trust associated with the person, shall purchase or sell securities with knowledge of a material fact about the issuer that is not generally disclosed.
5. No person shall carry a security on margin or borrow funds or securities, with or without collateral, for the purpose of carrying a security with the proceeds unless prior approval by the Chairman has been obtained.
6. No person shall sell a security short.

*Reporting requirements*

7. Every person shall report to the Chairman if:

- (a) he or she has securities or a personal interest in an issuer assigned to him or her;
- (b) his or her prior employment or relationship may be deemed to prejudice or affect his or her work on an assignment.

*Temporary, contract or secondment persons*

- 8. Persons employed on a temporary basis or under contract or secondment, shall not work on any files with respect to issuers for which their previous or present firm is a professional advisor and shall not act for the firm in matters before the Commission.

*Restrictions on certain offices and interests*

- 9. No person shall hold office in or be a director of a public company except a non-profit, charitable or Crown Corporation, without the approval of the Chairman.
- 10. No person shall have a beneficial interest in the securities of any registrant, unless prior approval of the Chairman has been obtained.

*Confidential information*

- 11. The Oath of Office given by all public employees requires that a person not, without due authority, disclose or make known anything that comes to his or her knowledge by reason of his or her employment. For greater clarity, all information that is not filed as public information, is to be maintained as confidential. Public information includes preliminary and final offering memoranda and prospectuses, accepted rights offerings, statements of material facts, applications, Commission orders, insider reports, proxy solicitation material, take-over bids and financial statements of issuers other than registrants.

Information that is public is available to anyone upon request. People may view the document at the Commission office for free or receive a copy upon payment of \$.50 per page. Public information may also be given orally in response to telephone requests.

Information that an investigation is or is not in process is not to be revealed. It is important to be careful in talking to friends and acquaintances. Conversations with other Commission staff in public places should be circumspect. No information should be exchanged such as the name of a company or individual, or the details of a transaction that could identify the transaction to a person outside the Commission.

*Gifts, services, benefits*

12. The Oath of Office and the General Guidelines also prohibit the receipt of gifts, services, or other benefits that could be viewed as a payment for services rendered through employment. By way of example, Christmas gifts from persons dealing with the Commission should be gracefully declined.

*Written acknowledgements*

13. At the time of commencement of working at the Commission each person shall sign and deliver to the Chairman or the Minister, as applicable, an acknowledgement in the form in Appendix A.

On December 31 of each year, each person shall sign and deliver to the Chairman or the Minister, as applicable, an acknowledgement in the form in Appendix B.

**C. Conflict of Interest Guidelines for Part-time Commissioners**

*Trading*

1. No Commission member, or an associate, shall purchase or sell securities with knowledge of a material fact about the issuer that is not generally disclosed.

*Proceedings-General Rule*

2. No Commission member should participate in a proceeding:
  - (a) if in respect of the proceeding he or she has a personal interest which is, or may reasonably be perceived to be, incompatible with an unbiased exercise of judgment;
  - (b) if for any reason he or she is of the opinion that he or she would be unable to render an impartial decision; or
  - (c) if his or her continuing or prior associations and relationships (including family and other close personal relationships) may reasonably be perceived as not enabling him or her to render an impartial decision in respect of the proceeding.

*Proceedings-Specific Rules*

3. No Commission member should participate in a proceeding if the Commission member or associate has any direct material financial interest in, or continuing relationship with a party to the proceeding. Any type of financial interest, including pensions or other benefits, and any type of relationship, including that of an advisor or consultant, is within the ambit of this rule.
4. No Commission member should participate in a proceeding if in the reasonably recent past the Commission member or an associate had been an officer, director, employee or partner of, or had any similar relationship with, a party to the proceeding.
5. No Commission member should participate in a proceeding if the Commission member had a prior special relationship with a party to the proceeding so as to make inappropriate the participation of the Commission member in the proceeding. Special relationships include professional or advisory associations of a long standing and more intimate nature than generally exist between a professional person or advisor and his or her client.
6. No Commission member should participate in a proceeding if the Commission member has any material financial participation in, or continuing material relationship with, any individual, firm or company representing, or otherwise associated with a party to the proceeding. A financial participation is material only if it includes a profit participation so that fixed interests, such as pensions, and the provision of office premises, do not, without more, constitute material financial participation. Continuing material relationships do not include occasional continuing consultation of an informal nature with former partners or associates.
7. No Commission member should participate in a proceeding if the Commission member is or was associated with any individual, firm or company representing or otherwise associated with a party to the proceeding unless the association ended a reasonable time prior to the commencement of the proceeding.
8. No Commission member should participate in a proceeding if the firm or company with which the Commission member was associated immediately prior to his or her appointment as a Commission member was involved to a substantial degree in the particular matter in the proceeding before the Commission while the Commission member was associated with the firm or company.

*Confidential Information*

9. The Oath of Office given by public employees requires that a person not, without due authority, disclose or make known anything that comes to his or her knowledge by reason of his or her employment. For greater clarity, all information that is not filed as public information, is to be

maintained as confidential. Public information includes preliminary and final offering memoranda and prospectuses, accepted rights offerings, statements of material fact, applications, Commission orders, insider reports, proxy solicitation material, take-over bids and financial statements of issuers other than registrants.

Information that is public is available to anyone upon request.

Information that an investigation is or is not in progress is not to be revealed. It is important to be careful in talking to friends and acquaintances. Conversations with other Commission members or staff in public places should be circumspect. No information should be exchanged such as the name of a company or individual, or the details of a transaction that could identify the transaction to a person outside the Commission.

*Gifts, services, benefits*

10. The receipt of gifts, services, or other benefits that could be viewed as a payment for services rendered through employment is prohibited.

*Written Acknowledgement*

11. At the time of commencement of working at the Commission, and at each December 31 thereafter, each part-time Commission member shall sign and deliver to the Chairman, an acknowledgement in the form in Appendix C.

Adopted by the Commission effective  
May 27, 1987.

Amended effective September 11, 1991.

"Marcel de la Gorgendière"

Marcel de la Gorgendière, Q.C.

Chairman



**Appendix A**

**Initial  
Acknowledgement**

To the Chairman, Saskatchewan Securities Commission

I have read and will observe the Oath of Office, the Conflict of Interest Guidelines for Saskatchewan Public Employees and the Conflict of Interest Guidelines (Saskatchewan Local Policy 1.4).

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

**Appendix B**

**Annual  
Acknowledgement**

To the Chairman, Saskatchewan Securities Commission

I have read the Oath of Office, the Conflict of Interest Guidelines for Saskatchewan public Employees and the Conflict of Interest Guidelines (Saskatchewan Local Policy 1.4). I confirm that I have observed them since the date of my last acknowledgement and will continue to observe them.

Date: \_\_\_\_\_ Signed: \_\_\_\_\_

**Appendix C**

**Acknowledgement  
by Part-Time Members**

To the Chairman, Saskatchewan Securities Commission

I have read and will observe the Oath of Office and the Conflict of Interest Guidelines (Saskatchewan Local Policy 1.4).

Date: \_\_\_\_\_

Signed: \_\_\_\_\_