



**GENERAL RULING/ORDER 72-901
TRADES TO PURCHASERS OUTSIDE OF SASKATCHEWAN**

IN THE MATTER OF
THE SECURITIES ACT, 1988, SS 1988, c. S-42.2

RULING
(Clause 83(1)(a)(i))

WHEREAS the Commission has assigned to the Director of the Securities Division the power to make exemption orders and rulings under provisions of the Act including orders and rulings of general application;

AND WHEREAS staff of the Commission have applied to the Director for a Ruling pursuant to clause 83(1)(a)(i) of the Act of that the provisions of sections 27 and 58 do not apply to certain trades of securities to purchasers who do not reside in Saskatchewan;

AND WHEREAS it has been represented to the Director that:

1. trades in securities can take place in more than one jurisdiction;
2. in some circumstances it is not reasonable that an issuer be required to comply with the securities laws of two jurisdictions; and
3. adequate public protection can be achieved in certain circumstances if an issuer making a distribution of securities complies with the securities laws of the jurisdiction where the purchaser resides;

PART 1 DEFINITIONS

AND WHEREAS in the Ruling:

“Act” means *The Securities Act, 1988*;

“Commission” means the Saskatchewan Financial Services Commission;

“genuine market” means the Eurobond market, as regulated by the International Securities Market Association; and

“recognized market” means the TSX Venture Exchange, The Toronto Stock Exchange, Bourse de Montréal, the New York Stock Exchange, the American Stock Exchange, the London Stock Exchange, the NASDAQ National Market and the NASDAQ Small Cap Market;

AND WHEREAS the Director is of the opinion that it would not be prejudicial to the public interest to make this Ruling;

**PART 2 EXEMPTIONS FROM THE REGISTRATION AND PROSPECTUS
REQUIREMENTS OF THE ACT FOR EUROBOND OFFERINGS**

IT IS HEREBY RULED pursuant to clause 83(1)(a) of the Act that the provisions of sections 27 and 58 of the Act shall not apply to a trade by an issuer of a non-convertible debt security of its own issue if:

- (a) the trade is not made to a purchaser in Canada;
- (b) the trade is made in compliance with the securities laws of the jurisdiction where the purchaser resides;
- (c) the debt has been accepted for listing or quotation on a genuine market outside of Canada; and
- (d) the securities to be traded are initially issued in temporary form, exchangeable for definitive securities at least 40 days after completion of the trade upon certification by the holder that the definitive securities are not beneficially owned by a Saskatchewan resident; and
- (e) the first trade in Saskatchewan in a non-convertible security acquired by the seller under this Part will be a distribution unless at least a 40 day period has elapsed from the date of the issue of the non-convertible debt security;

**PART 3 EXEMPTIONS FROM THE REGISTRATION AND PROSPECTUS
REQUIREMENTS OF THE ACT FOR DISTRIBUTIONS TO PURCHASERS
OUTSIDE SASKATCHEWAN**

AND IT IS FURTHER HEREBY RULED pursuant to clause 83(1)(a) of the Act that sections 27 and 58 of the Act do not apply to the trade by a issuer of a security of its own issue if:

- (a) the trade is not made to a purchaser in Saskatchewan;
- (b) the purchaser certifies in the subscription agreement that the purchaser is not a resident of Saskatchewan and the issuer does not believe, and has no reasonable grounds to believe, that the certification is false;
- (c) the trade is made in compliance with the securities laws of the jurisdiction where the purchaser resides;
- (d) the purchaser acknowledges in the subscription agreement that:
 - (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the securities;
 - (ii) there is no government or other insurance covering the securities;
 - (iii) there are risks associated with the purchase of the securities;

- (iv) there are restrictions on the purchaser's ability to resell the securities, and it is the responsibility of the purchaser to find out what those restrictions are and to comply with them before selling the securities; and
- (v) the issuer has advised the purchaser that the issuer is relying on an exemption from the requirements of the Act to provide the purchaser with a prospectus and to sell securities through a person or company registered to sell securities under the Act and, as a consequence of acquiring securities pursuant to this exemption, certain protections, rights and remedies provided by the Act, including statutory rights of rescission or damages, may not be available to the purchaser; and
- (e) the first trade in Saskatchewan in a security issued pursuant to the exemption in this Part will be a distribution unless the conditions specified in section 2.5(2) and (3) of Multilateral Instrument 45-102 *Resale of Securities* are satisfied.

DATED March 30, 2004

"Barbara Shourounis

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Director