

**EXEMPTION FROM SELF-DEALING PROVISIONS DISALLOWING ISSUANCE  
OF SHARES OF FINANCIAL INSTITUTION IN EXCHANGE FOR SHARES OF  
ANOTHER BODY CORPORATE****Legislative Authorities**

- subparagraph 487(2)(a)(vi) of *Bank Act*
- subparagraph 475(2)(b)(vi) of *Trust and Loan Companies Act*
- subparagraph 519(2)(b)(vi) of *Insurance Companies Act*
- section 411(2)(a)(iv) of *Cooperative Credit Associations Act*

**Information Requirements**

- reason for the issuance of shares of FI
- description of transaction, including number and value of shares of FI to be issued
- most recent annual financial return and description of body corporate whose shares are to be acquired
- number and market value of shares to be acquired (with documentation to support the market value attributed to the shares)

**Administrative Guidance**

An application under any of the legislative authorities:

- must also be accompanied by an application to the Superintendent requesting approval for the FI to issue shares for non-cash consideration
- where there is no public market for the shares to be issued, must include a rationale supporting the value and number of shares to be issued
- should conform to OSFI capital guidelines and policies if capital treatment is to be accorded to issued capital