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November 16, 2005

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - National Instrument 52-107, s. 9.1 - Acceptable Accounting Principles, Auditing Standards and Reporting Currency - An issuer wants relief from the requirement to audit acquisition statements in accordance with Canadian or U.S. GAAS - The issuer acquired a business whose historical financial statements have not been audited in accordance with Canadian or U.S. GAAS; the acquired business' financial statements have been audited in accordance with International Standards on Auditing; for various reasons, it would be practically impossible to re-audit the business' financial statements in accordance with Canadian or U.S. GAAS; the audit report will be accompanied by a statement by the auditor that describes any material differences in the form of report as compared to a Canadian GAAS audit report, and indicates that its report would not contain a reservation if it were prepared in accordance with Canadian GAAS

Applicable British Columbia Provisions

National Instrument 52-107, s. 6.3 and 9.1
Securities Rules, B.C. Reg. 194/97, s. 2

In the Matter of
the Securities Legislation of
British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New
Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador
(the Jurisdictions)

and

In the Matter of
the Mutual Reliance Review System for Exemptive Relief Applications

and

In the Matter of
Aastra Technologies Limited (the Filer)

MRRS Decision Document

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) granting relief from the requirement contained in the Legislation to have financial statements of the

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Acquired Business (as defined below) audited in accordance with the prescribed form of auditing standards in the Legislation (the Requested Relief);

Under the Mutual Review System for Exemptive Relief Applications

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 Definitions have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Filer:

1. The head office of the Filer is located at 155 Snow Boulevard, Concord, Ontario, Canada L4K 4N9.
2. The Filer is a corporation subsisting under the *Canada Business Corporations Act*, is a reporting issuer or its equivalent in each of the Jurisdictions.
3. The Filer develops, markets, sells and supports a comprehensive portfolio of products, systems and applications for building and accessing communication networks.
4. The common shares of the Filer are listed and posted for trading on the Toronto Stock Exchange.
5. The Filer entered into a share purchase and transfer agreement (the SPA) for the purposes of acquiring (the Acquisition) the DeTeWe Telecommunication Business (the Acquired Business) on July 14, 2005.
6. As described in a material change report dated July 22, 2005 and press releases dated July 14, 2005 and July 31, 2005, the Acquisition was completed pursuant to the terms of the SPA on July 31, 2005.
7. The Acquired Business consists of six related businesses, each operating as a separate legal entity but under the common management of the vendor of the Acquired Business (the Vendor). All of these related businesses are based in Germany except for one related business which is based in Switzerland.

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8. Historically, the Vendor prepared separate financial statements for each of the related businesses comprising the Acquired Business in accordance with generally accepted accounting principles and generally accepted auditing standards (GAAS) of Germany but did not prepare audited consolidated financial statements for the Acquired Business.
9. Given the amount of restructuring implemented by the Vendor of the Acquired Business in the last two years, the Filer believes it would be practically impossible to re-perform the audit of the Acquired Business for fiscal 2003 and 2004 (the Audited Acquisition Statements) in accordance with Canadian GAAS.
10. The Acquisition is a “significant acquisition” for the Filer within the meaning of section 8.3 of National Instrument 51-102 (NI 51-102) and as a result, the Filer is required to file a “business acquisition report” in accordance with section 8.2 of NI 51-102 for the Acquisition, which will include the Audited Acquisition Statements.
11. Section 6.2 of National Instrument 52-107 does not permit the Filer to file Audited Acquisition Statements in accordance with International Standards on Auditing (ISA).

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that such Audited Acquisition Statements are audited in accordance with ISA and the auditor’s report thereon is accompanied by a statement by the auditor that:

- (a) describes any material differences in the form and content of the auditor’s report as compared to an auditor’s report prepared in accordance with Canadian GAAS; and
- (b) indicates that an auditor’s report prepared in accordance with Canadian GAAS would not contain a reservation.

Cameron McInnis
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Ontario Securities Commission