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June 22, 2010

Headnote

Multilateral Instrument 11-102 *Passport System* and National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* – National Instrument 52-107, s. 9.1 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* - An issuer wants relief from the requirement to prepare its financial statement in accordance with Canadian GAAP in order to use IFRS before the January 1, 2011 changeover date - The issuer has assessed the readiness of its staff, board, audit committee, auditors and investors; the issuer will provide detailed disclosure regarding its early adoption of IFRS in its MD&A as set out in CSA Staff Notice 52-320; the issuer will restate any financial statements prepared in accordance with Canadian GAAP for interim periods for the fiscal year in which they intend to adopt IFRS together with related interim MD&A and certificates required by NI 52-109

Applicable British Columbia Provisions

National Instrument 52-107, s. 9.1 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*

In the Matter of
the Securities Legislation of
British Columbia and Ontario
(the Jurisdictions)

and

In the Matter of
the Process for Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of
Etrion Corporation
(the Filer)

Decision

Background

- ¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) exempting the Filer from the requirement in section 3.1 of National Instrument 52-107 *Acceptable*

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Accounting Principles, Auditing Standards and Reporting Currency (NI 52-107) that financial statements be prepared in accordance with Canadian GAAP (the Exemption Sought), in order that the Filer may prepare its financial statements for periods beginning on or after January 1, 2010 in accordance with Part I of the Handbook, that is International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IFRS-IASB).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

- (a) the British Columbia Securities Commission is the principal regulator for this application;
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta (the Passport Jurisdiction); and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in the Province of Ontario.

Interpretation

- ¶ 2 Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

- ¶ 3 This decision is based on the following facts represented by the Filer:
- 1. the Filer is a corporation continued under the laws of British Columbia;
 - 2. the Filer's registered office is located in Vancouver, British Columbia and its head office is located in Geneva, Switzerland;
 - 3. the Filer's common shares are listed on the Toronto Stock Exchange;
 - 4. the Filer is a reporting issuer in each of the Jurisdictions and the Passport Jurisdiction and the Filer is not in default under the Legislation or the securities legislation of the Passport Jurisdiction;
 - 5. the Filer is a renewable energy company focused on developing, financing, building, owning and operating global power plants based on renewable sources of energy, including solar photovoltaic, solar thermal and wind; in

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addition, the Filer owns oil and gas investments in Venezuela through its wholly-owned subsidiary, PFC Oil and Gas, C.A. (PFC Venezuela);

6. Lundin Petroleum AB (Lundin Petroleum) is a Swedish oil and gas exploration and production company listed on the Nordic Exchange in Sweden and indirectly owns approximately 45% of the outstanding common shares of the Filer;
7. the Filer currently prepares its consolidated financial statements under Canadian GAAP in accordance with NI 52-107 and also prepares a consolidated balance sheet and a statement of operations using accounting policies and methods that comply with IFRS-IASB (unaudited) for the purposes of the consolidated financial statements of Lundin Petroleum;
8. the Filer intends to apply for the listing of its common shares on the Nordic Exchange in Sweden and the rules of the Nordic Exchange require that issuers whose securities are listed thereon prepare their financial statements using accounting policies and methods that comply with IFRS-IASB;
9. PFC Venezuela will be required to adopt IFRS-IASB beginning January 1, 2010 in accordance with the requirements of the Venezuelan Accounting Board;
10. in the absence of the Exemption Sought, two sets of accounts, one under IFRS-IASB and the other in accordance with Canadian GAAP, will be required for the purposes of preparing the consolidated financial statements of the Filer;
11. the Filer has not previously prepared financial statements that contain an explicit and unreserved statement of compliance with IFRS;
12. the Canadian Accounting Standards Board has confirmed that publicly accountable enterprises will be required to prepare their financial statements in accordance with IFRS-IASB for financial statements relating to fiscal years beginning on or after January 1, 2011;
13. NI 52-107 sets out acceptable accounting principles for financial reporting under the Legislation by domestic issuers, foreign issuers, registrants and other market participants; under NI 52-107, a domestic issuer must use Canadian GAAP with the exception that an SEC registrant may use US GAAP; under NI 52-107, only foreign issuers may use IFRS-IASB;

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14. in CSA Staff Notice 52-321 *Early Adoption of International Financial Reporting Standards, Use of US GAAP and Reference to IFRS-IASB*, staff of the Canadian Securities Administrators recognized that some issuers may wish to prepare their financial statements in accordance with IFRS-IASB for periods beginning prior to January 1, 2011 and indicated that staff were prepared to recommend exemptive relief on a case by case basis to permit a domestic issuer to do so, despite section 3.1 of NI 52-107;
15. subject to obtaining the Exemption Sought, the Filer intends to adopt IFRS-IASB for its financial statements for periods beginning on and after January 1, 2010 with a transition date of January 1, 2009;
16. the Filer intends that its first published financial statements prepared in accordance with IFRS-IASB will be its unaudited interim consolidated financial statements for the three and six months ending June 30, 2010 (the Initial IFRS Statements);
17. the Exemption Sought would allow the Corporation to prepare a single set of financial statements and avoid significant costs and complexity during the financial statement preparation process;
18. the Filer has implemented a comprehensive IFRS-IASB conversion plan;
19. the board of directors of the Filer has approved early adoption of IFRS-IASB;
20. the Filer has carefully assessed the readiness of its staff, board of directors, audit committee, auditors, investors and other market participants for the adoption by the Filer of IFRS-IASB for financial periods beginning on and after January 1, 2010 and has concluded that they will be adequately prepared for the Filer's adoption of IFRS-IASB for periods beginning on January 1, 2010;
21. the Filer has considered the implications of adopting IFRS-IASB for financial periods beginning on or after January 1, 2010 on its obligations under securities legislation including, but not limited to, those relating to CEO and CFO certifications, business acquisition reports, offering documents, and previously released material forward looking information, and has concluded that if the Exemption Sought is granted it will continue to be able to fulfill these obligations;
22. the Filer has disclosed relevant information about its conversion to IFRS-IASB as contemplated by CSA Staff Notice 52-320 *Disclosure of Expected Changes in Accounting Policies Relating to Changeover to International*

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Financial Reporting Standards in its management's discussion and analysis for the year ended December 31, 2009 and for the three months ended March 31, 2010, including:

- (a) the key elements and timing of its changeover plan;
 - (b) accounting policy and implementation decisions the Filer has made or will have to make;
 - (c) the exemptions available under IFRS 1 *First-time Adoption of International Financial Reporting Standards* that the Filer expects to apply in preparing financial statements in accordance with IFRS-IASB; and
 - (d) major differences the Filer has identified between its current accounting policies and those it expects to apply under IFRS-IASB; and
23. prior to filing the Initial IFRS Statements, the Filer will restate and re-file its interim consolidated financial statements for the three months ending March 31, 2010 in accordance with IFRS-IASB together with the related restated interim management's discussion and analysis and the certificates required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*.

Decision

- ¶ 4 Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted, provided that:

- (a) the Filer prepares its annual financial statements for financial periods beginning on or after January 1, 2010 in accordance with IFRS-IASB;
- (b) the Filer prepares its interim financial statements for interim periods beginning on or after January 1, 2010 in accordance with IFRS-IASB except that if the Filer files interim financial statements prepared in accordance with Canadian GAAP for one or more interim periods for the financial year in which it adopts IFRS-IASB, the Filer will restate and re-file those interim financial statements in accordance with IFRS-IASB together with the related restated interim management's discussion and analysis and the certificates required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*; and

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- (c) the Filer's first IFRS-IASB financial statements for an interim period include an opening statement of financial position as at the date of transition to IFRS-IASB that is presented with prominence equal to the other statements that comprise those interim financial statements.

Martin Eady, CA
Director, Corporate Finance
British Columbia Securities Commission