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April 10, 2006

Headnote

Mutual Reliance Review System for Exemptive Relief Applications

Securities Act ss. 48, 76 Other - Exemption from registration and prospectus requirements for situations other than a corporate acquisition or reorganization; trades to business associates; debt settlements; or trades involving employee investment plans and consultants - Trades in short-term debt securities that have more than one rating with only one rating being an approved rating - The issuer issues short term debt that has at least one rating at an approved rating, as defined in NI 81-102; the issuer has another rating below an approved rating; the issuer will only issue short-term debt that is not convertible or exchangeable other than into short-term debt; the issuer will have at least one approved rating; the decision will terminate on the earlier of three years after the date of the decision or 90 days after NI 45-106 is amended

Securities Act, s. 171 Revoke or Vary Decision - An issuer wants to vary a previous decision it received to revise the conditions to the relief granted - The applicant previously obtained relief from certain requirements in securities legislation; the policy reasons for granting that relief have not changed, but certain of the conditions to the relief are no longer appropriate because of a change in the issuer's circumstances; the previous relief would no longer be available to the applicant; alternative conditions can be structured that address the applicant's new circumstances

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 34, 48, 61, 76 and 171

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

and

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

and

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In the Matter of
DaimlerChrysler Canada Finance Inc. (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):

- (a) exempting the Filer from the following (the Requested Commercial Paper Relief):
 - (i) the dealer registration requirement in respect of a trade in a negotiable promissory notes or commercial paper maturing not more than one year from the date of issue (the Commercial Paper); and
 - (ii) the prospectus requirement in respect of a distribution of Commercial Paper; and
- (b) varying the decision entitled “*In the Matter of DaimlerChrysler Canada Finance Inc. and DaimlerChrysler AG*” dated June 30, 2005 (the Previous MRRS Decision) of the Decision Makers, other than the Decision Makers in Prince Edward Island and Northwest Territories, as follows (the Amendment Relief):
 - (i) by deleting subparagraph (e)(ii) of the decision exempting the Filer from the application of National Instrument 51-102 – *Continuous Disclosure Obligations* (the CD Decision) in its entirety; and
 - (ii) by substituting the following for subparagraph (e)(ii) of the CD Decision:
 - “(ii) negotiable promissory notes or commercial paper that satisfies either (1) the requirements of the commercial paper exemption from the prospectus requirement of the Legislation of the Jurisdiction in which such notes or commercial paper are traded, including the commercial paper exemption contained in National Instrument 45-106 – Prospectus and Registration Exemptions (or any successor instrument), or (2) the requirements of any rule, regulation, blanket order, ruling or decision issued by the Decision Maker in the Jurisdiction in which such notes or commercial paper are traded, that provides

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an exemption from the prospectus requirement of the Legislation of such Jurisdiction for trades specifically in negotiable promissory notes or commercial paper.”

Under the Mutual Reliance Review System for Exemptive Relief Applications (MRRS):

- (a) the Autorité des marchés financiers was selected as 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* and National Instrument 45-106 – *Prospectus and Registration Exemptions* (NI 45-106) have the same meaning in this decision unless they are otherwise defined in this decision.

Representations

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

1. The Filer is a corporation incorporated under the laws of Québec by articles of incorporation dated November 8, 1994. The registered and head office of the Filer is located in Montréal, Québec.
2. The Filer is a reporting issuer or its equivalent in each Jurisdiction and is not included in a list of defaulting reporting issuers maintained by any of the Decision Markers.
3. Subsection 2.35(1)(b) of NI 45-106 provides that exemptions from the registration requirement and prospectus requirement of the Legislation for short-term debt (the Commercial Paper Exemption) is available only where such short-term debt “has an approved credit rating from an approved credit rating organization” as defined in National Instrument 81-102 - *Mutual Funds* (NI 81-102).
4. The definition of an “approved credit rating” in NI 81-102, requires, among other things, that (a) the rating assigned to such debt must be “at or above” certain prescribed short-term ratings, and (b) such debt must not have been assigned a rating by any “approved credit rating organization” that is not an “approved credit rating.”

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5. At the time of this decision, the rating of the Filer's Commercial Paper attributed by Dominion Bond Rating Service Limited is "R-1(low)", which meets the prescribed threshold stated in the definition of "approved credit rating" of NI 81-102 with respect to that approved credit rating organization.
6. However, at the time of this decision, the Commercial Paper of the Filer does not meet the "approved credit rating" of NI 81-102 since Moody's Investor Service, Fitch Ratings Ltd. and Standard & Poor's have attributed, respectively, a "P-2", "F2" and "A-2" rating of the Commercial Paper of the Filer, which is a lower rating than that required by the Commercial Paper Exemption.

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 Commercial Paper Relief is granted provided that the Commercial Paper:

- (a) matures not more than one year from the date of issue;
- (b) is not convertible or exchangeable into or accompanied by a right to purchase another security other than Commercial Paper;
- (c) has a rating issued by one of the following rating organizations, or any of their respective successors, at or above one of the following rating categories or a rating category that replaces one of the following rating categories:

Rating Organization	Rating
Dominion Bond Rating Service Limited	R-1 (low)
Fitch Ratings Ltd.	F2
Moody's Investors Service	P-2
Standard & Poor's	A-2

- (d) for each Jurisdiction, this decision will terminate on the earlier of:
 - i) 90 days after the coming into force of any rule, regulation or blanket order or ruling under the Legislation of the Jurisdiction that amends section 2.35 of NI 45-106 or provides an alternate exemption; and

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- ii) three years from the date of this decision.

The further decision of the Decision Makers under the Legislation, other than the Decision Makers in Prince Edward Island and Northwest Territories, is that the Amendment Relief is granted, provided that the Filer continues to comply with all terms and conditions contained in the Previous MRRS Decision, except as varied by this decision.

Jean St-Gelais
Président
Autorité des marchés financiers