

2006 BCSECCOM 608

September 21, 2006

Headnote

Mutual Reliance Review System for Exemptive Relief Applications

Section 91 - Insiders -Continuous Disclosure (Insider Reports) - An issuer wants relief from the requirement to file insider reports for its insiders - The issuer is an “SEC foreign issuer” as defined in National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*; the issuer’s insider cannot rely on the exemption from the insider filing requirements under section 4.12 of NI 71-102 only because the issuer is SEDI issuer as defined in National Instrument 55-102 *System for Electronic Disclosure by Insiders*

NI 55-102 s. 6.1 – SEDI Filing Requirements - An issuer wants relief from the requirement to file an issuer profile supplement and an issuer event report - The issuer has applied for and received an exemption from the requirement to file insider reports for all of its insiders

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 85, 87, 91, 117 and 119

NI 55-102 s. 2.3, 2.4 and 6.1

In the Matter of
the Securities Legislation of
British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New
Brunswick, Nova Scotia 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 Barclays Bank PLC (the “Filer”)

MRRS Decision Document

Background

1. The local securities regulatory authority or regulator (the “Decision Maker”) in each of the Jurisdictions has received an application from the Filer for

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- (a) a decision under the securities legislation of the Jurisdictions (the “Legislation”) that insiders of the Filer be exempted from the insider reporting requirements of the Legislation; and
 - (b) a decision under the Legislation of each Jurisdiction other than New Brunswick that the Filer and the insiders of the Filer be exempted from the requirements of National Instrument 55-102 – *System for Electronic Disclosure by Insiders* (SEDI) (“NI 55-102”).
- 2. Under the Mutual Reliance Review System for Exemptive Relief Applications:
 - (a) the Ontario Securities Commission (the “OSC”) is the principal regulator for this application; and
 - (b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

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

Representations

The Filer

- 4. The Filer is a public limited company registered in England and Wales and is not a reporting issuer in any of the Jurisdictions.
- 5. The Filer, a well-known seasoned issuer in the United States, has securities registered under section 12(b) of the 1934 Act and is subject to continuing reporting requirements with the SEC under sections 13 and 15(d) of the 1934 Act.
- 6. The Filer is a wholly owned subsidiary of Barclays PLC (“Barclays”). Barclays is not a reporting issuer in any of the Jurisdictions. Barclays, together with its subsidiaries, is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services. In terms of market capitalization, it is one of the largest financial services companies in the world. Barclays operates in over 60 countries with more than 113,300 employees.

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7. The principal trading market for Barclays ordinary shares is the London Stock Exchange ("LSE"). Ordinary share listings were also obtained on the Tokyo Stock Exchange and the New York Stock Exchange ("NYSE"). Trading on the NYSE is in the form of American Depositary Shares.
8. As at June 30, 2006, the Filer had outstanding approximately 2,323,461,000 ordinary shares, nominal value £1.00 per share, £34 million of preference shares and approximately £116 billion in notes and debentures (comprising debt securities in issue, undated loan capital, dated loan capital (convertible) and dated loan capital (non-convertible)). The Filer has preference shares listed on the LSE and the NYSE and debt securities listed on the LSE, the NYSE, the Tokyo Stock Exchange, the Luxembourg Stock Exchange and elsewhere.
9. Both Barclays and the Filer are regulated by the United Kingdom Financial Services Authority pursuant to the Financial Services and Markets Act 2000. As an issuer with financial instruments admitted to trading on the LSE, Barclays is subject to the United Kingdom Listing Authority Disclosure Rules ("DR").

Current Insider Reporting Obligations and Practices

10. Barclays and persons discharging managerial responsibilities with respect to Barclays and their connected persons are subject to notification obligations under the DR in respect of transactions conducted on their own account in shares of Barclays. A person discharging managerial responsibility is defined as a director or senior executive who has:
 - (a) regular access to inside information relating directly or indirectly to the issuer; and
 - (b) power to make managerial decisions affecting the future development and business prospects of the issuer.
11. The persons discharging managerial responsibility with respect to the Filer also are persons discharging managerial responsibility with respect to Barclays. As a result, the persons discharging managerial responsibility with respect to the Filer are subject to notification obligations in respect of their transactions in shares of Barclays, the sole holder of ordinary shares of the Filer.
12. The notification obligation under the DR requires persons discharging managerial responsibilities and their connected persons to notify Barclays in

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writing of all transactions conducted on their own account in shares of Barclays or derivatives or any other financial instruments relating to those shares within four business days of the day on which the transaction occurred. The notification must contain the following information:

- (1) the name of the person discharging managerial responsibilities within the issuer, or, where applicable, the name of the person connected with such a person;
 - (2) the reason for responsibility to notify;
 - (3) the name of the relevant issuer;
 - (4) a description of the financial instrument;
 - (5) the nature of the transaction (e.g. acquisition or disposal);
 - (6) the date and place of the transaction; and
 - (7) the price and volume of the transaction.
13. Barclays must notify a Regulatory Information Service (“RIS”) of any information notified to it in accordance with DR 3.1.2R and section 324 as extended by section 328 of the Companies Act 1985 or entered into Barclays’ register in accordance with section 325(3) or (4) of the Companies Act 1985 as soon as possible and in any event no later than the end of the business day following the receipt of the information by Barclays.
 14. As part of its internal compliance procedures, the shareholdings of its directors and persons discharging managerial responsibilities are monitored and all of their transactions are notified to Barclays centrally by its registrar and the administrators of its share plans and dividend reinvestment plans.
 15. At least monthly Barclays and the Filer furnish a report to the SEC on Form 6 K that provides, among other things, notice of the transactions notified to a RIS as described in paragraph 13.
 16. As a foreign private issuer under U.S. federal securities law, each of Barclays and the Filer is exempt from the insider reporting requirements under section 16 of the 1934 Act.

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The Program

17. The Filer currently offers Notes in the United States under an existing medium-term note program (the “Program”), and it proposes to offer Notes in Canada from time to time under the Program. It is proposed that certain Notes will be offered by prospectus in Canada.
18. It is proposed that a base shelf prospectus (the “Canadian Base Shelf Prospectus”) will be filed with the OSC and each of the other Decision Makers pursuant to the shelf procedures set forth in National Instrument 44-102 (“NI 44-102”) – *Shelf Distributions*. The Canadian Base Shelf Prospectus will qualify the Notes for distribution in Canada. On July 21, 2006 each of the Decision Makers exempted the Filer from the reporting issuer requirements set out in paragraph 2.3 1.(b) of National Instrument 44-101 – *Short Form Prospectus Distributions*. The Filer has filed with the Decision Makers a preliminary Canadian Base Shelf Prospectus dated July 26, 2006, for which a preliminary MRRS decision document was issued on July 27, 2006.
19. Once the Filer becomes a reporting issuer in Canada, it will be an “SEC issuer” under National Instrument 51-102 – *Continuous Disclosure Obligations* (“NI 51-102”) and a “foreign reporting issuer” and an “SEC foreign issuer” under National Instrument 71-102 – *Continuous Disclosure and Other Exemption Relating to Foreign Issuers* (“NI 71-102”). The Filer intends to satisfy its ongoing continuous disclosure obligations in Canada by filing the documents that it prepares and files in the United States with the SEC as contemplated by NI 71-102. Under subsection 11.1(1) of NI 51-102, the Filer will be required to file with the securities regulatory authorities in each of the Jurisdictions (and Prince Edward Island) through SEDAR copies of the Form 6-Ks required to be furnished to the SEC providing notice of transactions mentioned in paragraph 15.
- 20.1 The Filer has created a filer profile on SEDAR as defined in National Instrument 13-101 – *System for Electronic Document Analysis and Retrieval (SEDAR)*. As a result, once the Filer becomes a reporting issuer, it will be a “SEDI issuer” under NI 55-102.
21. It is not currently anticipated that the Notes issued in Canada will be listed on any stock exchange in Canada, but a listing in Canada may occur in the future.

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Decisions

22. 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 decisions has been met.
23. The decision of the Decision Makers under the Legislation is that an insider of the Filer is exempt from the insider reporting requirements of the Legislation if
 - (a) the Filer has a class of securities registered under section 12 of the 1934 Act;
 - (b) the insider complies with the notification obligations under the DR and the requirements of U.S. federal securities law relating to insider reporting; and
 - (c) neither Barclays nor the Filer has a class of equity securities listed on an exchange in Canada.
24. The further decision of the Decision Maker in each Jurisdiction other than New Brunswick under the Legislation is that
 - (a) an insider of the Filer is exempt from the requirements of NI 55-102 if the conditions in paragraph 23 are met; and
 - (b) the Filer is exempt from the requirements of NI 55-102 if
 - (i) the conditions in subparagraphs 23(a) and (c) are met; and
 - (ii) Barclays complies with its obligations to notify a RIS as set out in paragraph 13.

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