

British Columbia Securities Commission

BC Instrument 32-522

Exemption from the registration requirement for trades in short-term debt instruments

Definitions

1. Terms defined in the *Securities Act*, National Instrument 14-101 *Definitions*, National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (NI 31-103) have the same meaning in this order.
2. “Approved credit rating” has the same meaning ascribed to it in National Instrument 81-102 *Mutual Funds* (NI 81-102) with the exception of paragraph (b) of such definition.

Background

3. A person or company in British Columbia was, prior to March 27, 2010, exempt from the registration requirement for trades in short-term debt under section 3.35 of NI 45-106 *Prospectus and Registration Exemptions* (NI 45-106) which provided that the dealer registration requirement for short-term debt was available only where, among other things, the negotiable promissory note or commercial paper “has an approved credit rating from an approved credit rating organization.”
4. NI 45-106 also incorporated by reference the definitions for “approved credit rating” and “approved credit rating organization” in NI 81-102.
5. On March 26, 2010, the Commission issued BCI 32-515 *Exemption from the registration requirement for trades in short-term debt instruments* (the 2010 Order) exempting certain Canadian financial institutions from the requirement to register when trading in short-term debt instruments, until September 28, 2011.
6. The Commission considers that extending the relief granted by the 2010 order would not be prejudicial to the public interest.

Order

7. The dealer registration requirement does not apply to
 - i. a bank listed in Schedule I, II or III to the *Bank Act* (Canada);
 - ii. an association to which the *Cooperative Credit Associations Act* (Canada) applies or a central cooperative credit society for which an order has been made under subsection 473 (1) of that Act;

- iii. a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative or credit union league or federation that is authorized by a statute of Canada or of a jurisdiction in Canada to carry on business in Canada or in any jurisdiction in Canada, as the case may be; and
- iv. the Business Development Bank of Canada;

in respect of a trade in a negotiable promissory note or commercial paper maturing not more than one year from the date of issue, if the note or commercial paper traded

- (a) is not convertible or exchangeable into or accompanied by a right to purchase another security other than a security described in this order; and
- (b) has an approved credit rating issued by one of the following rating organizations, or any of their successors, at or above one of the following rating categories or a rating that replaces a category listed below:

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

8. This order comes into effect on September 29, 2011 and expires on March 31, 2014.

September 21, 2011

Brenda M. Leong
Chair

(This part is for administrative purposes only and is not part of the Order)

Authority under which Order is made:

Act and section: *Securities Act*, section 48(1)