

British Columbia Securities Commission

BC Instrument 32-522

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

The British Columbia Securities Commission, considering that to do so would not be prejudicial to the public interest, orders that BC Instrument 32-522 *Exemption from the registration requirement for trades in short-term debt instruments* is varied by:

1. adding “National Instrument 25-101 *Designated Rating Organizations*” in paragraph 1;
2. substituting “designated rating” for “approved credit rating” in paragraph 2;
3. deleting paragraphs 3 and 4;
4. changing paragraph 5 to read “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 that satisfied certain conditions.”;
5. adding a new paragraph which reads “On September 21, 2011, the Commission extended the relief granted in the 2010 Order in BC Instrument 32-522 (the 2011 Order).”;
6. adding a new paragraph which reads “On April 20, 2012, NI 25-101 came into effect. NI 25-101 contains new terms that replace certain terms used in the 2011 Order and introduces a new defined term “DRO affiliate”.”;
7. deleting paragraph 6;
8. changing sub-paragraph 7(b) to read “has a designated rating issued by a designated rating organization, or its DRO affiliate, that is at or above one of the following rating categories or that is at or above a category that replaces one of the following rating categories:

Rating Organization	Rating
DBRS Limited	R-1 (low)
Fitch, Inc.	F2
Moody's Canada Inc.	P-2
Standard & Poor's Rating Services (Canada)	A-2

9. substituting “December 31, 2014” for “March 31, 2014” in paragraph 8; and
10. re-numbering paragraphs 3 through 7.

so that the instrument reads as attached.

Dated May 28, 2013 and effective May 31, 2013.

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 sections: *Securities Act*, sections 48(1), 171

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

Order under section 48(1) of the Securities Act

Definitions

1. Terms defined in the *Securities Act*, National Instrument 14-101 *Definitions*, National Instrument 25-101 *Designated Rating Organizations* (NI 25-101), and National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* have the same meaning in this order.
2. “Designated rating” has the same meaning ascribed to it in National Instrument 81-102 *Mutual Funds* with the exception of paragraph (b) of such definition.

Background

3. 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 that satisfied certain conditions.
4. On September 21, 2011, the Commission extended the relief granted in the 2010 Order in BC Instrument 32-522 (the 2011 Order).
5. On April 20, 2012, NI 25-101 came into effect. NI 25-101 contains new terms that replace certain terms used in the 2011 Order and introduces a new defined term “DRO affiliate”.

Order

6. 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 a designated rating issued by a designated rating organization, or its DRO affiliate, that is at or above one of the following rating categories or that is at or above a category that replaces one of the following rating categories:

Rating Organization	Rating
DBRS Limited	R-1 (low)
Fitch, Inc.	F2
Moody's Canada Inc.	P-2
Standard & Poor's Rating Services (Canada)	A-2

7. This order expires on December 31, 2014.