

45-502CP Cooperative Associations [CP - Rescinded]

PART 1 BACKGROUND

1.1 Background

Legislation introducing the *Cooperative Association Act*, S.B.C. 1999, c. 28, as amended, consequentially amended section 46(h) of the *Securities Act* by requiring that certain conditions must be met in order for an association to which the *Cooperative Association Act* applies (a "cooperative association"), to issue securities under the exemption from the trading registration requirements. Section 75(a) of the *Securities Act* provides a corresponding prospectus exemption.

1.2 Purpose

The purpose of Commission Rule 45-502 (BC) is to prescribe the conditions under which exemption from the registration and prospectus requirements of the *Securities Act* will be available to securities that cooperative associations issue under sections 46(h) and 75(a).

1.3 Application

The Commission Rule applies only to associations to which the *Cooperative Association Act* applies, including extraprovincial corporations that are registered under the *Cooperative Association Act*.

PART 2 STATUTORY EXEMPTIONS

2.1 General - The Commission Rule is not intended to restrict cooperative associations from using other exemptions that are available to issuers in general. These are described in BC Policy 45-601 *Statutory and Discretionary Exemptions*, Multilateral Instrument 45-103 *Capital Raising Exemptions* and Companion Policy 45-103 (CP). Where an offering memorandum is required for the use of an exemption, Form 45-103F1 or 45-103F2 is the required form of offering memorandum. Cooperative associations and their members are advised to consult with their legal counsel in relation to the interpretation or applicability of the Commission Rule or the statutory exemptions.

Amended April 3, 2002