

British Columbia Securities Commission

BC Instrument 45-504

Effective April 3, 2002, the British Columbia Securities Commission made BC Instrument 45-504 entitled "Trades to Trust Companies, Insurers and Portfolio Managers outside British Columbia" (the original instrument).

The Commission, having considered that to do so would not be prejudicial to the public interest, orders that effective June 20, 2003:

1. the attached BC Instrument 45-504 entitled "Trades to Trust Companies, Insurers and Portfolio Managers outside British Columbia" is made; and
2. the original instrument is revoked.

June 20, 2003

Adrienne Salvail-Lopez
Vice Chair

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

Authority under which Order is made:

Act and sections:- *Securities Act*, sections 48, 76 and 171

Other (specify):-

**Trades to Trust Companies, Insurers and Portfolio Managers
outside British Columbia**

Order under sections 48 and 76 of the *Securities Act*

**Exemption for Trust Companies, Insurers and Portfolio Managers in other
Provinces**

1. (1) The registration and prospectus requirements of sections 34 (1)(a) and 61 of the *Securities Act* do not apply to a trade or distribution in a security to
 - (a) a trust company or an insurer, authorized to carry on business under the laws of a province other than British Columbia, that purchases the security as an agent or trustee for accounts that are fully managed by it, or
 - (b) a portfolio manager, registered or exempted from registration as a portfolio manager under the laws of a province other than British Columbia, that purchases the security as an agent for accounts that are fully managed by the portfolio manager,provided that
 - (c) the aggregate acquisition cost to the purchaser is not less than \$97,000, or
 - (d) the trade meets the conditions set out in sections 4.1 or 5.1 of Multilateral Instrument 45-103 *Capital Raising Exemptions*, except for the condition that the purchaser purchases the security as principal.
1. (2) The exemption in subsection 1(1) is available only if the issuer of the security files a Form 45-103F4 on or before the 10th day after the distribution.
2. (1) The registration and prospectus requirements of sections 34(1)(a) and 61 of the *Securities Act* do not apply to a trade or distribution in a security of a mutual fund to a purchaser, other than the initial trade in a security of the mutual fund to that purchaser, if
 - (a) the initial trade in a security of the mutual fund to that purchaser was made under subsection 1(1)(c) of this Instrument, and
 - (b) either the net asset value or the aggregate acquisition cost, whichever is applicable, of the securities of the mutual fund held by the purchaser as at the date of the trade is not less than \$100,000.

2. (2) The exemption in subsection 2(1) is available only if the issuer files a Form 45-103F4 not later than 30 days after the end of the issuer's financial year in which the distribution took place.

Exemption for Foreign Portfolio Managers

3. (1) The registration and prospectus requirements of sections 34(1)(a) and 61 of the *Securities Act* do not apply to a trade or distribution in a security to a person that carries on business as a portfolio manager in a jurisdiction other than Canada and purchases the security as an agent for accounts that are fully managed by the person, provided that
 - (a) the aggregate acquisition cost to the purchaser is not less than \$97,000, or
 - (b) the trade meets the conditions set out in sections 4.1 or 5.1 of Multilateral Instrument 45-103 *Capital Raising Exemptions*, except for the condition that the purchaser purchases the security as principal.
3. (2) The exemption in subsection 3(1) is available only if the issuer of the security files a Form 45-103F4 on or before the 10th day after the distribution.
4. (1) The registration and prospectus requirements of sections 34(1)(a) and 61 of the *Securities Act* do not apply to a trade or distribution in a security of a mutual fund to a purchaser, other than the initial trade in a security of the mutual fund to that purchaser, if
 - (a) the initial trade in a security of the mutual fund to that purchaser was made under subsection 3(1)(a) of this Instrument, and
 - (b) either the net asset value or the aggregate acquisition cost, whichever is applicable, of the securities of the mutual fund held by the purchaser as at the date of the trade is not less than \$100,000.
4. (2) The exemption in subsection 4(1) is available only if the issuer files a Form 45-103F4 not later than 30 days after the end of the issuer's financial year in which the distribution took place.

Resale Restrictions

5. A trade in a security acquired under this Instrument is subject to section 2.5 of Multilateral Instrument 45-102 *Resale of Securities*.