

45-506 In The Matter Of The System For Shorter Hold Periods With An Annual Information Form [BCI - Rescinded]

Published December 22, 2000

Effective December 22, 2000

Rescinded/Lapsed November 30, 2001

BRITISH COLUMBIA SECURITIES COMMISSION

The British Columbia Securities Commission, having considered that to do so would not be prejudicial to the public interest, orders, effective December 22, 2000, that:

1. the attached BC Instrument 45-506 entitled "In the Matter of the System for Shorter Hold Periods with an Annual Information Form" is made; and
2. BOR#98/7 is revoked.

DATED at Vancouver, British Columbia, on December 21, 2000.

Douglas M. Hyndman
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 171 and 187

Other (specify):-

**BC INSTRUMENT 45-506
IN THE MATTER OF THE SYSTEM FOR SHORTER HOLD PERIODS
WITH AN ANNUAL INFORMATION FORM**

Order Under Section 187 of the Securities Act

Definitions

1. In this Instrument:

"AIF" means an AIF as defined in the policy;

"CDNX" means the Canadian Venture Exchange;

"CDNX policy" means the CDNX's Policy 2.4 "Capital Pool Companies";

"CPC information circular" means an information circular filed and accepted by the CDNX in connection with a "qualifying transaction" under the CDNX policy;

"policy" means Local Policy Statement 3-27 dated August 27, 1998 or any successor instrument;

"qualifying issuer" means a reporting issuer that has equity securities listed on a recognized market as defined in this Instrument and

(a) the issuer's consolidated audited financial statements for the most recent year report,

(i) revenues of at least \$100,000, or

(ii) expenditures of more than,

(A) \$100,000 on exploration and development, in the case of a resource issuer, or

(B) \$200,000 directly related to the development of the business disclosed in the AIF, in the case of a non resource issuer, or

(b) if an issuer's financial statements for an interim period subsequent to its most recent year end that are subject to a review engagement report, or which are included in a prospectus, or CPC information circular, report

(i) revenues of at least \$100,000 or

(ii) expenditures of more than,

(A) \$100,000 on exploration and development, in the case of a resource issuer, or

(B) \$200,000 directly related to the development of the business disclosed in the AIF, in the case of a non resource issuer.

Interpretation

2. For the purposes of this Instrument, in referring to the policy any references therein to:

(a) "JCP information circular" means CPC information circular as defined herein;

(b) "JCP rule" means the CDNX policy;

(c) "recognized market" means the CDNX, The Toronto Stock Exchange, the Montreal Exchange, the New York Stock Exchange, the London Stock Exchange, the NASDAQ National Market and NASDAQ Small Cap Market or any other market recognized by the Commission under section 4.3 of the policy;

(d) "SHAIF BOR" means this Instrument or the equivalent provision of this Instrument, as the context requires;

(e) "VCP information circular" means CPC information circular as defined herein; and

(f) "VCP policy" means the CDNX policy.

Exemptions

3. Under section 187 of the *Securities Act*, the provisions of sections 142(2)(a), (b), (c) and (d) and 143(e) of the *Securities Rules* are varied by replacing the 12 month period set out in those provisions with a 4 month period provided that

(a) at the date of the distribution of the securities the issuer signs a certificate certifying that:

(i) the distribution is made by the issuer in a security of its own issue,

(ii) the issuer is a qualifying issuer,

(iii) the issuer has filed a current AIF as defined in the policy, together with all supporting documents as set out in the policy,

(iv) the issuer has filed all documents that it is required to file under the continuous disclosure provisions of the *Securities Act* and the *Securities Rules*, including annual and interim financial information, annual reports, press releases disclosing material changes and material change reports,

(v) if the issuer has made a substantial transaction since the date of its current AIF, the issuer has filed a material change report in compliance with section 5.14 of the policy, and

(vi) the Executive Director has not advised the issuer in writing that its securities are not eligible for the shorter hold period set out in this Instrument; and

(b) the issuer endorses the certificate representing the security with a legend stating that the security is subject to a 4 month hold period and may not be traded in British Columbia until the expiry of the hold period, except as permitted by the *Securities Act* and *Securities Rules* and that specifies the date the hold period expires.