

CSA Staff Notice 55-314
Use of the terms “senior officer”, “officer” and “insider” in
National Instrument 55-101 *Insider Reporting Exemptions*

Introduction

The purpose of this notice is to provide guidance regarding the interpretation of the terms “senior officer”, “officer” and “insider”. This notice is issued by staff in all CSA jurisdictions other than Prince Edward Island, Yukon, Northwest Territories and Nunavut.

In order to facilitate harmonization of requirements and processes, a number of CSA jurisdictions have repealed or expect to repeal their definition of “senior officer”, and are amending the definition of “officer”. In addition, the term “insider” has been or is expected to be amended, in part, to replace the term “senior officer” with the term “officer”. Because these changes involve amendments to statutes, the timing of implementing these act amendments will differ among the jurisdictions.

National Instrument 55-101 *Insider Reporting Exemptions* (NI 55-101) currently exempts senior officers from insider reporting requirements, provided other conditions are met. Because NI 55-101 uses the term “senior officer”, we have been asked whether the exemptions in NI 55-101 are available in jurisdictions that no longer have a definition of “senior officer”. (This issue does not arise in jurisdictions that have not yet adopted the amended definitions.)

The definition of “officer” in the harmonized amendments is intended to replace the definition of “senior officer” currently used in legislation, including NI 55-101. The definitions are generally similar, except that the definition of senior officer included the five highest paid employees of an issuer, and the definition of officer includes a number of assistant officer positions.

Staff Interpretation

The changes to the definitions of insider, officer and senior officer were not intended to change the availability of the exemptions in NI 55-101. The reporting requirement in the legislation and exemptions in NI 55-101 should be read together. References to the term “senior officer” in NI 55-101 should be read as “officer” in jurisdictions that no longer have a definition of “senior officer”. In Québec, notwithstanding a transitional provision in the *Act to amend the Securities Act and other legislative provisions* (Bill 29) regarding this matter, staff of the Autorité des marchés financiers do not anticipate any practical effect on the interpretation of NI 55-101 exemptions given that the old definition of “senior executive” (equivalent of “senior officer”) and the new definition of “officer” are similar.

Questions

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February 23, 2007