

Appendix B

Proposed Amendments to National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* and Companion Policy

Schedule B-1

Proposed Amendment Instrument for National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*

Although this amendment instrument amends section headers in National Instrument 52-109, section headers do not form part of the instrument and are inserted for ease of reference only

1. *National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings is amended by this instrument.*
2. *Section 1.1 of National Instrument 52-109 is amended by*
 - (a) *after the definition of “financial period”, adding the following definition:*

“financial statements” has the same meaning as in section 1.1 of NI 51-102;
 - (b) *in the definition of “internal control over financial reporting”, in paragraph (c), striking out “interim financial statements” and substituting “interim financial reports”,*
 - (c) *in the definition of “interim filings”, striking out “interim financial statements” and substituting “interim financial report”,*
 - (d) *repealing the definition of “interim financial statements” and substituting the following:*

“interim financial report” means the interim financial report required to be filed under NI 51-102;
 - (e) *in the definition of “material weakness”, striking out “annual or interim financial statements” and substituting “annual financial statements or interim financial report”,*
 - (f) *in the definition of “NI 52-107”, striking out “Acceptable Accounting Principles, Auditing Standards and Reporting Currency” and substituting “Acceptable Accounting Principles and Auditing Standards”,*

- (g) *in the definition of “proportionately consolidated entity”, striking out “revenues” and substituting “revenue”,*
 - (h) *after the definition of “Sarbanes-Oxley Act”, adding the following definition:*

“special purpose entity” has, in respect of an issuer, the meaning ascribed to that term in the issuer’s GAAP;
 - (i) *in the definition of “U.S. marketplace”, adding “and” after “NI 51-102;”,*
 - (j) *repealing the definition of “variable interest entity”.*
3. *Section 3.3 of National Instrument 52-109 is amended by striking out “variable interest entity” wherever it occurs and substituting “special purpose entity”.*
 4. *Section 5.6 of National Instrument 52-109 is amended by striking out “interim financial statements” wherever it occurs and substituting “interim financial reports”.*
 5. *Section 6.2 of National Instrument 52-109 is amended by*
 - (a) *in the title, striking out “interim financial statements” and substituting “interim financial report”, and*
 - (b) *striking out “interim financial statements” wherever it occurs and substituting “interim financial report”.*
 6. *Subsection 8.2(3) of National Instrument 52-109 is amended by striking out “interim financial statements” wherever it occurs and substituting “interim financial report”.*
 7. *Part 9 of National Instrument 52-109 is amended by adding the following after section 9.2:*

9.3 Transition - Application of Amendments – The amendments to this Instrument that came into force on January 1, 2011 only apply to periods relating to financial years beginning on or after January 1, 2011.
 8. *Section 3 of Form 52-109F1 Certification of annual filings – full certificate is amended by striking out “results of operations” and substituting “financial performance”.*

9. ***Section 5.3 of Form 52-109F1 Certification of annual filings – full certificate is amended by striking out “variable interest entity” wherever it occurs and substituting “special purpose entity”.***
10. ***Section 3 of Form 52-109FV1 Certification of annual filings – venture issuer basic certificate is amended by striking out “results of operations” and substituting “financial performance”.***
11. ***Section 3 of Form 52-109F1 – IPO/RTO Certification of annual filings following an initial public offering, reverse takeover or becoming a non-venture issuer is amended by striking out “results of operations” and substituting “financial performance”.***
12. ***Section 1 of Form 52-109F2 Certification of interim filings – full certificate is amended by striking out “interim financial statements” and substituting “interim financial report”.***
13. ***Section 3 of Form 52-109F2 Certification of interim filings – full certificate is amended by***
 - (a) ***striking out “interim financial statements” and substituting “interim financial report”, and***
 - (b) ***striking out “results of operations” and substituting “financial performance”.***
14. ***Section 5.3 of Form 52-109F2 Certification of interim filings – full certificate is amended by striking out “variable interest entity” wherever it occurs and substituting “special purpose entity”.***
15. ***Section 1 of Form 52-109FV2 Certification of interim filings – venture issuer basic certificate is amended by striking out “interim financial statements” and substituting “interim financial report”.***
16. ***Section 3 of Form 52-109FV2 Certification of interim filings – venture issuer basic certificate is amended by***
 - (a) ***striking out “interim financial statements” and substituting “interim financial report”, and***
 - (b) ***striking out “results of operations” and substituting “financial performance”.***
17. ***Section 1 of Form 52-109F2 – IPO/RTO Certification of interim filings following an initial public offering, reverse takeover or becoming a non-venture***

- issuer is amended by striking out “interim financial statements” and substituting “interim financial report”.*
- 18. Section 3 Form 52-109F2 – IPO/RTO Certification of interim filings following an initial public offering, reverse takeover or becoming a non-venture issuer is amended by**
- (a) striking out “interim financial statements” and substituting “interim financial report”, and**
 - (b) striking out “results of operations” and substituting “financial performance”.**
- 19. Section 1 of Form 52-109F2R Certification of refiled interim filings is amended by striking out “interim financial statements” and substituting “interim financial report”.**
- 20. This instrument only applies to periods relating to financial years beginning on or after January 1, 2011.**
- 21. This instrument comes into force on January 1, 2011.**

Appendix B-2

Proposed Amendments to Companion Policy 52-109CP to National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings

1. *Companion Policy 52-109CP to National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings is amended.*
2. *Part 1 is amended by adding the following after section 1.4,*
 - 1.5 **Accounting terms** – The Instrument uses accounting terms that are defined, or referred to, in Canadian GAAP. In certain cases, some of those terms are defined differently in securities legislation. In deciding which meaning applies, you should consider that National Instrument 14-101 *Definitions* provides that a term used in the Instrument and defined in the securities statute of a local jurisdiction has the meaning given to it in the statute unless: (a) the definition in that statute is restricted to a specific portion of the statute that does not govern continuous disclosure; or (b) the context otherwise requires.
 - 1.6 **Acceptable accounting principles other than Canadian GAAP** – If an issuer is permitted under NI 52-107 to file financial statements in accordance with acceptable accounting principles other than Canadian GAAP, then the issuer may interpret any reference in the Instrument to a term or provision defined, or referred to, in Canadian GAAP as a reference to the corresponding term or provision in the other acceptable accounting principles.
3. *Section 4.1 is amended by*
 - (a) *in the title, striking out “results of operations” and substituting “financial performance”.*
 - (b) *striking out “results of operations” wherever it occurs and substituting “financial performance”.*
4. *Section 4.2 is amended by striking out “balance sheet” and substituting “statement of financial position”.*
5. *Section 6.10 is amended by*
 - (a) *in subsection (2),*
 - (i) *striking out “net sales” and substituting “net revenue”,*

- (ii) *striking out* “on the income statement”,
 - (iii) *striking out* “gross sales” *wherever it occurs and substituting* “gross revenue”, *and*
 - (iv) *striking out* “sales returns” *and substituting* “returns”.
 - (b) *in subparagraph (3)(f), adding* “conditions that will give rise to” *after* “the likelihood (or possibility) of”, *and*
 - (c) *in subsection (4), by striking out* “revenues” *and substituting* “revenue”.
6. *Subsection 7.9(2) is amended by striking out* “sales” *and substituting* “revenue”.
7. *Section 13.1 is amended by*
- (a) *in paragraph (b),*
 - (i) *striking out* “variable interest entity” *and substituting* “special purpose entity”, *and*
 - (ii) *striking out* “VIE” *and substituting* “SPE”,
 - (b) *in paragraph (e), striking out* “accounted for using the cost method in the issuer’s financial statements” *and substituting* “not accounted for by consolidation or the equity method”, *and*
 - (c) *in the last paragraph,*
 - (i) *striking out* “VIE” *and substituting* “SPE”, *and*
 - (ii) *striking out* “The terms “consolidated”, “subsidiary”, “VIE”, “proportionately consolidated”, “equity method” and “cost method” have the meaning ascribed to such terms under the issuer’s GAAP.” *and substituting* “The terms “consolidated”, “subsidiary”, “SPE”, “proportionately consolidated”, and “equity method” have the meaning ascribed to such terms under the issuer’s GAAP.”.
8. *Section 13.3 is amended by*
- (a) *in subsection (1), striking out* “VIE” *wherever it occurs and substituting* “SPE”,
 - (b) *in subparagraph (2)(b),*

- (i) *striking out* “interim financial statements” *and substituting* “interim financial reports”, *and*
 - (ii) *striking out* “GAAP” *and substituting* “accounting principles”,
- (c) *in subsection (4)*,
 - (i) *striking out* “VIE” *wherever it occurs and substituting* “SPE”,
 - (ii) *striking out* “sales or revenues” *and substituting* “revenue”,
 - (iii) *striking out* “income or loss before discontinued operations and extraordinary items” *and substituting* “profit or loss before discontinued operations”,
 - (iv) *striking out* “net income or loss for the period” *and substituting* “profit or loss for the period”,
 - (v) *striking out* “balance sheet” *and substituting* “statement of financial position”, *and*
 - (vi) *striking out* “contingencies” *and substituting* “contingent liabilities”,
- (d) *in subsection (5)*,
 - (i) *in paragraph (c)*, *striking out* “any required impairment charge related to the investment” *and substituting* “any impairment loss in the investment”, *and*
 - (ii) *in paragraph (d)*, *striking out* “income/loss” *and substituting* “profit or loss”, *and*
- (e) *in subsection (6)*, *striking out* “VIE” *and substituting* “SPE”,

9. Section 14.2 is amended by

- (a) *striking out* “sales or revenues” *and substituting* “revenue”,
- (b) *striking out* “income or loss before discontinued operations and extraordinary items” *and substituting* “profit or loss before discontinued operations”,
- (c) *striking out* “net income or loss for the period” *and substituting* “profit or loss for the period”,

- (d) *striking out* “balance sheet” *and substituting* “statement of financial position”, *and*
 - (e) *striking out* “contingencies” *and substituting* “contingent liabilities”.
- 10. *Section 17.1 is amended by striking out* “acceptable form of GAAP” *and substituting* “acceptable form of accounting principles”.
- 11. *Part 19 is amended by adding the following after section 19.1:*
 - 19.2 Application of Amendments** – The amendments to this Policy which came into effect on January 1, 2011 only apply to periods relating to financial years beginning on or after January 1, 2011.
- 12. *These amendments only apply to periods relating to financial years beginning on or after January 1, 2011.*
- 13. *These amendments become effective on January 1, 2011.*