

Consequential Amendments to the *Securities Rules* and amendments to other British Columbia Rules, Instruments and Policies

A. Amendments to the *Securities Rules*

1. *Subsection 1(1) of the Securities Rules, B.C. Reg. 194/97, is amended by*
 - (a) *repealing the definition of “debt security”,*
 - (b) *repealing the definition of “industrial issuer”,*
 - (c) *repealing the definition of “investment fund”,*
 - (d) *repealing the definition of “natural resource issuer”, and*
 - (e) *repealing the definition of “non-redeemable investment fund”.*
2. *Section 3(4) is repealed and replaced by the following:*

(4) Subject to National Instrument 41-101 *General Prospectus Requirements*, National Instrument 81-101 *Mutual Fund Prospectus Requirements*, National Instrument 44-101 *Short Form Prospectus Distributions*, National Instrument 44-102 *Shelf Distributions* and section 144(3), a person that is required to file financial statements under Part 9 of the Act or the regulations relating to that Part must include an auditor’s report.
3. *Section 95 is repealed.*
4. *Section 96 is repealed.*
5. *Section 97 is repealed.*
6. *Section 98 is repealed.*
7. *Section 98.1 is repealed.*
8. *Section 98.2 is repealed.*
9. *Section 98.3 is repealed.*
10. *Section 98.4 is repealed.*
11. *Section 98.5 is repealed.*
12. *Section 99 is repealed.*

13. *Section 106 is repealed.*
14. *Section 107 is repealed.*
15. *Section 108 is repealed.*
16. *Section 111 is repealed.*
17. *Section 112 is repealed.*
18. *Section 113 is repealed.*
19. *Section 113.1 is repealed.*
20. *Section 113.2 is repealed.*
21. *Section 114 is repealed.*
22. *Section 116 is repealed.*
23. *Section 117 is repealed.*
24. *Section 118 is repealed.*
25. *Section 119 is repealed.*
26. *Section 120(1) is amended by replacing “section 69 of the Act.” with “section 5.9 (1) of National Instrument 41-101.”.*
27. *Section 120(2) is repealed and replaced by the following:*

(2) The executive director must not issue a receipt for a prospectus if it appears to the executive director that,

- (a) the prospectus or any document required to be filed with it:
 - (i) does not comply in any substantial respect with any of the requirements of the Act or the regulations
 - (ii) contains any statement, promise, estimate or forward-looking information that is misleading, false or deceptive, or
 - (iii) contains a misrepresentation,
- (b) an unconscionable consideration has been paid or given or is intended to be paid or given for any services or promotional purposes or for the acquisition of property,
- (c) the aggregate of:

- (i) the proceeds from the sale of the securities under the prospectus that are to be paid into the treasury of the issuer, and
 - (ii) the other resources of the issuer is insufficient to accomplish the purpose of the issue stated in the prospectus,
- (d) the issuer cannot reasonably be expected to be financially responsible in the conduct of its business because of the financial condition of:
- (i) the issuer,
 - (ii) any of the issuer's officers, directors, promoters, or control persons, or
 - (iii) the investment fund manager of the issuer or any of the investment fund manager's officers, directors or control persons,
- (e) the business of the issuer may not be conducted with integrity and in the best interests of the security holders of the issuer because of the past conduct of:
- (i) the issuer,
 - (ii) any of the issuer's officers, directors, promoters or control persons, or
 - (iii) the investment fund manager of the issuer or any of the investment fund manager's officers, directors or control persons,
- (f) a person that has prepared or certified any part of the prospectus, or that is named as having prepared or certified a report or valuation used in connection with the prospectus, is not acceptable,
- (g) an escrow or pooling agreement in the form that the executive director considers necessary or advisable with respect to the securities has not been entered into,
- (h) adequate arrangements have not been made for the holding in trust of the proceeds payable to the issuer from the sale of the securities pending the distribution of the securities, or
- (i) the directors and officers of the issuer or the directors and officers of the investment fund manager of the issuer lack the knowledge and expertise necessary to conduct the business of the issuer in the best interests of the security holders of the issuer.

28. *Section 120(3)(a) is repealed.*

29. *Section 120(3)(b) is repealed.*

30. *Section 120(3)(c) is repealed.*

31. *Section 120(3)(d) is repealed.*

32. *Section 120(3)(e) is repealed.*
33. *Section 120(3)(f) is repealed.*
34. *Section 120(4) is repealed.*
35. *Section 120(5) is repealed.*
36. *Section 121 is repealed.*
37. *Section 122 is repealed.*
38. *Section 123 is repealed.*
39. *Section 124 is repealed.*
40. *Section 125 is repealed.*
41. *Section 126 is repealed.*
42. *Section 171 is amended by repealing (a) and replacing it with the following:*
 - (a) a “professional person” means a person whose profession gives authority to a statement made by the person in the person’s professional capacity and includes a barrister and solicitor, a public accountant, an appraiser, an auditor, an engineer and a geologist, and
43. *Section 181(1) is repealed and replaced by the following:*
 - (1) In this Part “security holder” has the same meaning as in section 116 of the Act, and “solicit” has the same meaning as in section 1(1) of National Instrument 51-102 *Continuous Disclosure Obligations*.