

British Columbia Securities Commission

BC Instrument 45-504

The Commission, having considered that to do so would not be prejudicial to the public interest, orders that, effective September 14, 2005:

1. the attached BC Instrument 45-504 *Trades to trust companies, insurers and portfolio managers outside British Columbia* is made; and
2. BC Instrument 45-504 *Trades to trust companies, insurers and portfolio managers outside British Columbia*, published and effective June 20, 2003, is revoked.

September 8, 2005

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 48, 76 and 171

Other (specify):- National Instrument 45-106 *Prospectus and Registration Exemptions*

**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. 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 trade meets the conditions set out in sections 2.3, 2.9 or 2.10 of National Instrument 45-106 *Prospectus and Registration Exemptions*, except for the condition that the purchaser purchases the security as principal.
2. The exemption in section 1 is available only if the issuer of the security files a Form 45-106F1 on or before the 10th day after the distribution.
3. 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 security holder initially acquired securities of the mutual fund for an acquisition cost of not less than \$150,000 paid in cash at the time of the trade,
 - (b) the subsequent trade is for a security of the same class or series as the initial trade, and
 - (c) the security holder, as at the date of the subsequent trade, holds securities of the mutual fund that have
 - (i) an acquisition cost of not less than \$150,000, or

- (ii) a net asset value of not less than \$150,000.
4. The exemption in section 3 is available only if the issuer files a Form 45-106F1 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

5. 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 the trade meets the conditions set out in 2.3, 2.9 or 2.10 of National Instrument 45-106 *Prospectus and Registration Exemptions*, except for the condition that the purchaser purchases the security as principal.
6. The exemption in section 5 is available only if the issuer of the security files a Form 45-106F1 on or before the 10th day after the distribution.
7. 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 security holder initially acquired securities of the mutual fund for an acquisition cost of not less than \$150,000 paid in cash at the time of the trade,
 - (b) the subsequent trade is for a security of the same class or series as the initial trade, and
 - (c) the security holder, as at the date of the subsequent trade, holds securities of the mutual fund that have
 - (i) an acquisition cost of not less than \$150,000, or
 - (ii) a net asset value of not less than \$150,000.
8. The exemption in section 7 is available only if the issuer files a Form 45-106F1 not later than 30 days after the end of the issuer's financial year in which the distribution took place.

Resale Restrictions

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