

Interim BC Policy 47-601
Advertising

Effective March 17, 2008

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INTRODUCTION

This policy sets out guidelines about advertising intended to promote investor interest in an issuer or its securities.

PART 1 APPLICATION

This policy applies to advertising and similar communications made, in any form, by or on behalf of an issuer to promote investor interest in an issuer or its securities. Anyone who is paid for, or benefits from, promoting investor interest may be acting on behalf of the issuer, even if the payment or benefit is indirect.

PART 2 RESTRICTIONS ON ADVERTISING

2.1 Advertising may be “trading”

The Act defines "trade" as any act, advertisement, solicitation, conduct or negotiation directly or indirectly in furtherance of a trade. Since anyone who trades must be registered, only those who are registered, or exempt from registration, can advertise.

2.2 National Policy 42

National Policy 42 says no one should advertise over radio or television except during a distribution of the securities under a receipted prospectus.

PART 3 CONTENTS OF ADVERTISEMENTS

3.1 Refer to the disclosure document

You should warn investors that there are risks associated with the investment and encourage them to read the relevant offering documents. Statements in advertisements should be consistent with what the investor will read in those documents.

3.2 Avoid misrepresentations and incorrect inferences

You must not make any misrepresentations. [s. 50(1)(d), *Securities Act*]

You should word advertisements so that a reasonable investor will not draw an incorrect inference.

Avoid words with special meanings, such as "preferred", "guaranteed", "liquid" and "indemnity", unless their special meaning applies to the securities offered. When you do use them, include relevant details.

For example, when you use "guaranteed", you should disclose what is guaranteed, the name of the guarantor, the security, if any, for the guarantee, or, if there is none, that there is no underlying security.

Similarly, "liquid" means "readily convertible into cash" and you should use it only when the investor is readily able to convert the investment into cash or to sell it in the open market.

3.3 Avoid partial disclosure

You should avoid partial disclosure. For example, if the advertisement mentions a benefit, you should also disclose its related conditions and risks so that the reader does not infer there are none.

3.4 Historical data

If you refer to historical data, generally, you should disclose it based on the previous three consecutive years. If the relevant data for the previous three years is not available, you should say why.

3.5 Forward-looking information

Any forward-looking information that you include in your advertisement must comply with the requirements for such information set out in National Instrument 51-102 *Continuous Disclosure Obligations*.

PART 4 PROSPECTUS DISTRIBUTIONS

An advertisement for an offering of securities under a prospectus must comply with Part 13 of National Instrument 41-101 *General Prospectus Requirements* or Part 15 of National Instrument 81-102 *Mutual Funds*. There is further guidance on advertising in connection with a prospectus offering in Part 6 of the Companion Policy to National Instrument 41-101.

PART 5 ADVERTISING DURING THE WAITING PERIOD

We provide guidance on advertising during the waiting period in Part 6 of the Companion Policy to National Instrument 41-101.

PART 6 MUTUAL FUNDS

An advertisement related to a mutual fund must comply with Part 15 of National Instrument 81-102 *Mutual Funds*.

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