

PROVINCE OF BRITISH COLUMBIA

RULE OF THE BRITISH COLUMBIA SECURITIES COMMISSION

*Securities Act*

The British Columbia Securities Commission orders that, effective June 12, 2018,

- (i) *National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, B.C. Reg. 226A/2009, is amended as set out in the attached Schedule A,*
- (ii) *National Instrument 33-109 Registration Information, B.C. Reg. 226B/2009, is amended as set out in the attached Schedule B,*
- (iii) *National Instrument 41-101 General Prospectus Requirements, B.C. Reg. 59/2008, is amended as set out in the attached Schedule C,*
- (iv) *National Instrument 44-101 Short Form Prospectus Distributions, B.C. Reg. 370/2005, is amended as set out in the attached Schedule D,*
- (v) *National Instrument 44-102 Shelf Distributions, B.C. Reg. 425/2000, is amended as set out in the attached Schedule E,*
- (vi) *National Instrument 45-106 Prospectus Exemptions, B.C. Reg. 227/2009, is amended as set out in the attached Schedule F,*
- (vii) *National Instrument 51-102 Continuous Disclosure Obligations, B.C. Reg. 110/2004, is amended as set out in the attached Schedule G,*
- (viii) *National Instrument 81-102 Investment Funds, B.C. Reg. 2/2000, is amended as set out in the attached Schedule H, and*
- (ix) *National Instrument 81-106 Investment Fund Continuous Disclosure, B.C. Reg. 218/2005, is amended as set out in the attached Schedule I.*

DEPOSITED

June 8, 2018

B.C. REG. 111/2018

June 7, 2018

Date



British Columbia Securities Commission

*(This part is for administrative purposes only and is not part of the Order)*

Authority under which Order is made:

Act and section: Securities Act, R.S.B.C. 1996, c. 418, s. 184

Other: \_\_\_\_\_

## Schedule A

1. *National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, B.C. Reg. 226A/2009, is amended as set out in this Schedule.*

2. *Section 1.1 is amended by replacing the definition of “designated rating” with the following:*

“**designated rating**” has the same meaning as in paragraph (b) of the definition of “designated rating” in National Instrument 81-102 *Investment Funds*; .

3. *Section 1.1 is amended by replacing the definition of “designated rating organization” with the following:*

“**designated rating organization**” has the same meaning as in National Instrument 44-101 *Short Form Prospectus Distributions*; .

4. *Section 1.1 is amended by adding the following definition:*

“**successor credit rating organization**” has the same meaning as in National Instrument 44-101 *Short Form Prospectus Distributions*; .

5. *Schedule 1 of Form 31-103F1 Calculation of Excess Working Capital is amended by replacing subparagraph (a) (i) with the following:*

(i) Bonds, debentures, treasury bills and other securities of or guaranteed by the Government of Canada, of the United Kingdom, of the United States of America or of any other national foreign government (provided those foreign government securities have a current credit rating described in subparagraph (i.1)) maturing (or called for redemption):

within 1 year: 1% of fair value multiplied by the fraction determined by dividing the number of days to maturing by 365

over 1 year to 3 years: 1% of fair value

over 3 years to 7 years: 2% of fair value

over 7 years to 11 years: 4% of fair value

over 11 years 4% of fair value

(i.1) A credit rating from a designated rating organization listed below, from a DRO affiliate of an organization listed below, from a designated rating organization that is a successor credit rating organization of an organization listed below or from a DRO

affiliate of such successor credit rating organization, that is the same as one of the following corresponding rating categories or that is the same as a category that replaces one of the following corresponding rating categories:

Designated Rating Organization	Long Term Debt	Short Term Debt
DBRS Limited	AAA	R-1(high)
Fitch Ratings, Inc.	AAA	F1+
Moody's Canada Inc.	Aaa	Prime-1
S&P Global Ratings Canada	AAA	A-1+

### Schedule B

1. *National Instrument 33-109 Registration Information, B.C. Reg. 226B/2009, is amended as set out in this Schedule.*
2. *Schedule C of Form 33-109F6 Firm Registration is amended, under the heading "Schedule 1 of Form 31-103F1 Calculation of Excess Working Capital", by replacing subparagraph (a) (i) with the following:*
  - (i) Bonds, debentures, treasury bills and other securities of or guaranteed by the Government of Canada, of the United Kingdom, of the United States of America or of any other national foreign government (provided those foreign government securities have a current credit rating described in subparagraph (i.1)) maturing (or called for redemption):
    - within 1 year: 1% of fair value multiplied by the fraction determined by dividing the number of days to maturing by 365
    - over 1 year to 3 years: 1% of fair value
    - over 3 years to 7 years: 2% of fair value
    - over 7 years to 11 years: 4% of fair value
    - over 11 years 4% of fair value
  - (i.1) A credit rating from a designated rating organization listed below, from a DRO affiliate of an organization listed below, from a designated rating organization that is a successor credit rating organization of an organization listed below or from a DRO affiliate of such successor credit rating organization, that is the same as one of the following corresponding rating categories or that is the same as a category that replaces one of the following corresponding rating categories:

Designated Rating Organization	Long Term Debt	Short Term Debt
DBRS Limited	AAA	R-1(high)
Fitch Ratings, Inc.	AAA	F1+
Moody's Canada Inc.	Aaa	Prime-1
S&P Global Ratings Canada	AAA	A-1+

### Schedule C

1. *National Instrument 41-101 General Prospectus Requirements, B.C. Reg. 59/2008, is amended as set out in this Schedule.*
2. *Section 1.1 is amended by replacing the definition of “designated rating organization” with the following:*  
  

“designated rating organization” has the same meaning as in National Instrument 44-101 *Short Form Prospectus Distributions*; .
3. *Section 1.1 is amended by adding the following definition:*  
  

“successor credit rating organization” has the same meaning as in National Instrument 44-101 *Short Form Prospectus Distributions*; .
4. *Section 7.2 is amended*
  - (a) *in subsection (2) by adding “and subject to subsection (2.1),” after “Despite subsection (1),”*
  - (b) *in subsection (2) by replacing “received a rating” with “received a credit rating”, and*
  - (c) *by adding the following subsection:*
    - (2.1) If the only credit ratings of the securities referred to in subsection (2) are from Kroll Bond Rating Agency, Inc., its DRO affiliate, any successor credit rating organization of Kroll Bond Rating Agency, Inc. or any DRO affiliate of any successor credit rating organization of Kroll Bond Rating Agency, Inc., subsection (2) does not apply unless the distribution is of asset-backed securities. .
5. *Subsection 19.1 (3) is amended by adding “Alberta and” before “Ontario”.*

**Schedule D**

1. *National Instrument 44-101 Short Form Prospectus Distributions, B.C. Reg. 370/2005, is amended as set out in this Schedule.*
2. *Section 1.1 is amended by replacing the definition of “designated rating” with the following:*

“designated rating” means the following:

- (a) for the purposes of paragraph 2.6 (1) (c), a credit rating from a designated rating organization listed in this paragraph, from a DRO affiliate of an organization listed in this paragraph, from a designated rating organization that is a successor credit rating organization of an organization listed in this paragraph or from a DRO affiliate of such successor credit rating organization, that is at or above one of the following corresponding rating categories or that is at or above a category that replaces one of the following corresponding rating categories:

<b>Designated Rating Organization</b>	<b>Long Term Debt</b>	<b>Short Term Debt</b>	<b>Preferred Shares</b>
DBRS Limited	BBB	R-2	Pfd-3
Fitch Ratings, Inc.	BBB	F3	BBB
Kroll Bond Rating Agency, Inc.	BBB	K3	BBB
Moody’s Canada Inc.	Baa	Prime-3	Baa
S&P Global Ratings Canada	BBB	A-3	P-3

- (b) except as described in paragraph (a), a credit rating from a designated rating organization listed in this paragraph, from a DRO affiliate of an organization listed in this paragraph, from a designated rating organization that is a successor credit rating organization of an organization listed in this paragraph or from a DRO affiliate of such successor credit rating organization, that is at or above one of the following corresponding rating categories or that is at or above a category that replaces one of the following corresponding rating categories:

<b>Designated Rating Organization</b>	<b>Long Term Debt</b>	<b>Short Term Debt</b>	<b>Preferred Shares</b>
DBRS Limited	BBB	R-2	Pfd-3
Fitch Ratings, Inc.	BBB	F3	BBB
Moody’s Canada Inc.	Baa	Prime-3	Baa
S&P Global Ratings Canada	BBB	A-3	P-3

3. *Section 1.1 is amended by replacing the definition of “designated rating organization” with the following:*

**“designated rating organization”** means,

- (a) if designated under securities legislation, any of
  - (i) DBRS Limited, Fitch Ratings, Inc., Kroll Bond Rating Agency, Inc., Moody’s Canada Inc. or S&P Global Ratings Canada, or
  - (ii) a successor credit rating organization of a credit rating organization listed in subparagraph (i), or
- (b) any other credit rating organization designated under securities legislation; .

4. *Section 1.1 is amended by adding the following definition:*

**“successor credit rating organization”** means, with respect to a credit rating organization, any credit rating organization that succeeded to or otherwise acquired all or substantially all of another credit rating organization’s business in Canada, whether through a restructuring transaction or otherwise, if that business was, at any time, owned by the first-mentioned credit rating organization; .

5. *Subsection 8.1 (4) is amended by adding “Alberta and” before “Ontario”.*

#### **Schedule E**

1. *National Instrument 44-102 Shelf Distributions, B.C. Reg. 425/2000, is amended as set out in this Schedule.*

2. *Subsection 1.1 (1) is amended by adding the following definition:*

**“designated rating”** has,

- (a) for the purposes of section 2.6, the meaning ascribed to that term in paragraph (a) of the definition of “designated rating” in NI 44-101, and
- (b) except as described in paragraph (a), the meaning ascribed to that term in paragraph (b) of the definition of “designated rating” in NI 44-101; .

3. *Subsection 11.1 (2.1) is amended by adding “Alberta and” before “Ontario”.*

## Schedule F

1. *National Instrument 45-106 Prospectus Exemptions, B.C. Reg. 227/2009, is amended as set out in this Schedule.*

2. *Section 1.1 is amended by replacing the definition of “designated rating” with the following:*

“**designated rating**” has the same meaning as in paragraph (b) of the definition of “designated rating” in National Instrument 81-102 *Investment Funds*; .

3. *Section 1.1 is amended by replacing the definition of “designated rating organization” with the following:*

“**designated rating organization**” has the same meaning as in National Instrument 44-101 *Short Form Prospectus Distributions*; .

4. *Section 1.1 is amended by adding the following definition:*

“**successor credit rating organization**” has the same meaning as in National Instrument 44-101 *Short Form Prospectus Distributions*; .

5. *Subsection 2.35 (1) is amended by replacing paragraphs (b) and (c) with the following:*

(b) the note or commercial paper has a credit rating from a designated rating organization listed below, from a DRO affiliate of an organization listed below, from a designated rating organization that is a successor credit rating organization of an organization listed below or from a DRO affiliate of such successor credit rating organization, that is at or above one of the following corresponding rating categories or that is at or above a category that replaces one of the following corresponding rating categories:

(i) R-1(low) - DBRS Limited;

(ii) F1 - Fitch Ratings, Inc.;

(iii) P-1 - Moody’s Canada Inc.;

(iv) A-1(Low) (Canada national scale) - S&P Global Ratings Canada;

(c) the note or commercial paper has no credit rating from a designated rating organization listed below, from a DRO affiliate of an organization listed below, from a designated rating organization that is a successor credit rating organization of an organization listed below or from a DRO affiliate of such successor credit rating organization, that is below one of the following corresponding rating categories or

that is below a category that replaces one of the following corresponding rating categories:

- (i) R-1(low) - DBRS Limited;
- (ii) F2 - Fitch Ratings, Inc.;
- (iii) P-2 - Moody's Canada Inc.;
- (iv) A-1(Low) (Canada national scale) or A-2 (global scale) - S&P Global Ratings Canada. .

6. *The following section is added before section 2.35.2:*

**Definition applicable to section 2.35.2**

2.35.1.1 For the purposes of paragraph 2.35.2 (a), a reference to “designated rating organization” includes the DRO affiliates of the organization, a designated rating organization that is a successor credit rating organization of the designated rating organization and the DRO affiliates of such successor credit rating organization. .

7. *Section 2.35.2 is amended by replacing subparagraphs (a) (i) and (a) (ii) with the following:*

- (i) it has a credit rating from not less than two designated rating organizations listed below and at least one of the credit ratings is at or above one of the following corresponding rating categories or is at or above a category that replaces one of the following corresponding rating categories:
  - (A) R-1(high)(sf) - DBRS Limited;
  - (B) F1+sf - Fitch Ratings, Inc.;
  - (C) P-1(sf) - Moody's Canada Inc.;
  - (D) A-1(High)(sf) (Canada national scale) or A-1+(sf) (global scale) - S&P Global Ratings Canada;
- (ii) it has no credit rating from a designated rating organization listed below that is below one of the following corresponding rating categories or that is below a category that replaces one of the following corresponding rating categories:
  - (A) R-1(low)(sf) - DBRS Limited;
  - (B) F2sf - Fitch Ratings, Inc.;
  - (C) P-2(sf) - Moody's Canada Inc.;



(D) A-1(Low)(sf) (Canada national scale) or A-2(sf) (global scale) - S&P Global Ratings Canada; .

8. *Section 2.35.2 is amended by replacing clause (a) (iv) (C) with the following:*

(C) the liquidity provider has a credit rating from each of the designated rating organizations providing a credit rating on the short-term securitized product referred to in subparagraph 2.35.2 (a) (i), for its senior, unsecured short-term debt, none of which is dependent upon a guarantee by a third party, and each credit rating from those designated rating organizations is at or above the following corresponding rating categories or is at or above a category that replaces one of the following corresponding rating categories:

1. R-1(low) - DBRS Limited;
2. F2 - Fitch Ratings, Inc.;
3. P-2 - Moody's Canada Inc.;
4. A-1(Low) (Canada national scale) or A-2 (global scale) - S&P Global Ratings Canada; .

**Schedule G**

1. *National Instrument 51-102 Continuous Disclosure Obligations, B.C. Reg. 110/2004, is amended as set out in this Schedule.*
2. *Section 1.1 is amended by repealing the definitions of “designated rating organization” and “DRO affiliate”.*
3. *Subsection 13.1 (3) is amended by adding “Alberta and” before “Ontario”.*

**Schedule H**

1. *National Instrument 81-102 Investment Funds, B.C. Reg. 2/2000, is amended as set out in this Schedule.*
2. *Section 1.1 is amended by replacing the definition of “designated rating” with the following:*

“designated rating” means,

- (a) for the purposes of paragraph 4.1 (4) (b), a designated rating under paragraph (b) of the definition of “designated rating” in National Instrument 44-101 *Short Form Prospectus Distributions*, or
- (b) except as described in paragraph (a), a credit rating from a designated rating organization listed below, from a DRO affiliate of an organization listed below, from a designated rating organization that is a successor credit rating organization of an organization listed below or from a DRO affiliate of such successor credit rating organization, that is at or above one of the following corresponding rating categories, or that is at or above a category that replaces one of the following corresponding rating categories, if
  - (i) there has been no announcement from the designated rating organization, from a DRO affiliate of the organization, from a designated rating organization that is a successor credit rating organization or from a DRO affiliate of such successor credit rating organization, of which the investment fund or its manager is or reasonably should be aware that the credit rating of the security or instrument to which the designated rating was given may be down-graded to a rating category that would not be a designated rating, and
  - (ii) no designated rating organization listed below, no DRO affiliate of an organization listed below, no designated rating organization that is a successor credit rating organization of an organization listed below and no DRO affiliate of such successor credit rating organization, has rated the security or instrument in a rating category that is not a designated rating:

<b>Designated Rating Organization</b>	<b>Commercial Paper/Short Term Debt</b>	<b>Long Term Debt</b>
DBRS Limited	R-1 (low)	A
Fitch Ratings, Inc.	F1	A
Moody’s Canada Inc.	P-1	A2
S&P Global Ratings Canada	A-1 (Low)	A

3. *Section 1.1 is amended by replacing the definition of “designated rating organization” with the following:*

“designated rating organization” means, if designated under securities legislation, any of

- (a) DBRS Limited, Fitch Ratings, Inc., Moody’s Canada Inc. or S&P Global Ratings Canada, or
- (b) a successor credit rating organization of a credit rating organization listed in paragraph (a); .

4. *Subsection 1.1 is amended by adding the following definition:*

**“successor credit rating organization”** means, with respect to a credit rating organization, any credit rating organization that succeeded to or otherwise acquired all or substantially all of another credit rating organization’s business in Canada, whether through a restructuring transaction or otherwise, if that business was, at any time, owned by the first-mentioned credit rating organization; .

5. *Subsection 4.1 (4.1) is repealed.*

#### Schedule I

1. *National Instrument 81-106 Investment Fund Continuous Disclosure, B.C. Reg. 218/2005, is amended as set out in this Schedule.*

2. *Section 1.1 is amended by adding the following definition:*

**“designated rating”** has the same meaning as in paragraph (b) of the definition of “designated rating” in National Instrument 81-102 *Investment Funds*; .

3. *Subsection 1.3 (2) is amended by replacing “Terms defined” with “Unless defined in section 1.1 of this Instrument, terms defined”.*