

PROVINCE OF BRITISH COLUMBIA

RULE OF THE BRITISH COLUMBIA SECURITIES COMMISSION

Securities Act

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

(a) *National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, B.C. Reg. 226A/2009, is amended by repealing section 8.16 (3) (b) and substituting the following:*

(b) the conditions of any of the following exemptions are satisfied:

- (i) except in Alberta and Ontario, section 2.14 or 2.15 of National Instrument 45-102 *Resale of Securities*;
- (ii) in Ontario, section 2.7 or 2.8 of Ontario Securities Commission Rule 72-503 *Distributions Outside Canada*;
- (iii) in Alberta, exemptions similar to the exemptions set out in subparagraph (i) as made by the securities regulatory authority in Alberta, , *and*

(b) *National Instrument 45-102 Resale of Securities, B.C. Reg. 107/2004, is amended as set out in the attached Schedule.*


DEPOSITED

June 8, 2018

B.C. REG. 112/2018

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

1. *National Instrument 45-102 Resale of Securities, B.C. Reg. 107/2004, is amended as set out in this Schedule.*

2. *Section 2.14 is amended by adding the following subsection:*

(3) This section does not apply in Alberta or Ontario.

3. *The following section is added:*

2.15 First Trades in Securities of a Non-Reporting Foreign Issuer Distributed under a Prospectus Exemption

(1) In this section

“**executive officer**” means, for an issuer, an individual who is

- (a) a chair, vice-chair or president,
- (b) a chief executive officer or a chief financial officer, or
- (c) in charge of a principal business unit, division or function including sales, finance or production and that fact is disclosed in any of the following documents:
 - (i) the issuer’s most recent disclosure document containing that information that is publicly available in a foreign jurisdiction where its securities are listed or quoted;
 - (ii) the offering document provided by the issuer in connection with the distribution of the security that is the subject of the trade;

“**foreign issuer**” means an issuer that is not incorporated or organized under the laws of Canada, or a jurisdiction of Canada, unless any of the following apply:

- (a) the issuer has its head office in Canada;
 - (b) the majority of the executive officers or directors of the issuer ordinarily reside in Canada.
- (2) The prospectus requirement does not apply to the first trade of a security distributed under an exemption from the prospectus requirement if all of the following apply:
- (a) the issuer of the security was a foreign issuer at the distribution date;
 - (b) the issuer of the security
 - (i) was not a reporting issuer in any jurisdiction of Canada at the distribution date, or
 - (ii) is not a reporting issuer in any jurisdiction of Canada on the date of the trade;
 - (c) the trade is made
 - (i) through an exchange, or a market, outside of Canada, or

- (ii) to a person or company outside of Canada.
- (3) The prospectus requirement does not apply to the first trade of an underlying security if all of the following apply:
 - (a) the convertible security, exchangeable security or multiple convertible security that, directly or indirectly, entitled or required the holder to acquire the underlying security was distributed under an exemption from the prospectus requirement;
 - (b) the issuer of the underlying security was a foreign issuer at the distribution date;
 - (c) the issuer of the underlying security
 - (i) was not a reporting issuer in any jurisdiction of Canada at the distribution date, or
 - (ii) is not a reporting issuer in any jurisdiction of Canada on the date of the trade;
 - (d) the trade is made
 - (i) through an exchange, or a market, outside of Canada, or
 - (ii) to a person or company outside of Canada.
- (4) This section does not apply in Alberta and Ontario.

3. *Appendix D is amended*

(a) *by adding “1.” before “Except in Manitoba”,*

(b) *by adding the following after “as well as the following local exemptions from the prospectus requirement:”:*

- section 2.4 of Ontario Securities Commission Rule 72-503 *Distributions Outside Canada*; , *and*

(c) *by adding the following before “Transitional and Other Provisions”:*

2. In Ontario, Quebec, New Brunswick and Nova Scotia, the exemption from the prospectus requirement in section 5 [*crowdfunding prospectus exemption*] of Multilateral Instrument 45-108 *Crowdfunding*.