

SCHEDULE A

1. Section 1.1 (3) of National Instrument 14-101 Definitions, B.C. Reg. 48/97, is amended

(a) by repealing the definition of “Canadian auditor’s report”; and

(b) by adding the following definitions:

“IFRS” means the standards and interpretations adopted by the International Accounting Standards Board, as amended from time to time;

“International Standards on Auditing” means auditing standards set by the International Auditing and Assurance Standards Board, as amended from time to time; .

SCHEDULE B

1. National Instrument 31-103 Registration Requirements and Exemptions, B.C. Reg. 226A/2009, is amended by this Schedule.

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

“interim period” means a period commencing on the first day of the financial year and ending 9, 6 or 3 months before the end of the financial year; .

3. Section 12.10 is amended by

(a) repealing subsection (1) and substituting the following:

(1) Annual financial statements delivered to the regulator under this Division for financial years beginning on or after January 1, 2011 must include the following:

(a) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows, each prepared for the most recently completed financial year and the financial year immediately preceding the most recently completed financial year, if any;

(b) a statement of financial position, signed by at least one director of the registered firm, as at the end of the most

recently completed financial year and the financial year immediately preceding the most recently completed financial year, if any;

(c) notes to the financial statements. , *and*

(b) *repealing subsection (3).*

4. *Section 12.11 is amended by repealing subsection (1) and substituting the following:*

(1) Interim financial information delivered to the regulator under this Division for interim periods relating to financial years beginning on or after January 1, 2011 may be limited to the following:

(a) a statement of comprehensive income for the 3-month period ending on the last day of the interim period and for the same period of the immediately preceding financial year, if any;

(b) a statement of financial position, signed by at least one director of the registered firm, as at the end of the interim period and as at the end of the same interim period of the immediately preceding financial year, if any.

5. *Section 12.12 (2) is amended by striking out “quarter” wherever it occurs and substituting “interim period”.*

6. *Section 12.14 (2) is amended by striking out “quarter” wherever it occurs and substituting “interim period”.*

7. *Part 12 is amended by adding the following:*

12.15 Exemptions for financial years beginning in 2011

(1) Despite subsections 12.10 (1), 12.11 (1), 12.12 (1) and (2), 12.13 and 12.14 (1) and (2), the annual financial statements, the interim financial information, and the completed Form 31-103F1 *Calculation of Excess Working Capital*, for a financial year beginning in 2011 or for interim periods relating to a financial year beginning in 2011 may exclude comparative information for the preceding financial period.

(2) Despite subsection 12.12 (2), the first interim financial information, and the first completed Form 31-103F1 *Calculation of Excess Working Capital*, required to be delivered in respect of an interim period beginning

on or after January 1, 2011 must be delivered no later than the 45th day after the end of the interim period.

- (3) Despite subsection 12.14 (2), the first interim financial information, the first completed Form 31-103F1 *Calculation of Excess Working Capital*, and the description of any net asset value adjustment, required to be delivered in respect of an interim period beginning on or after January 1, 2011 must be delivered no later than the 45th day after the end of the interim period.

8. *Form 31-103F1 is amended*

- (a) *by striking out* “Notes: This form must be prepared on an unconsolidated basis.” *and substituting* “Notes: This form must be prepared on a non-consolidated basis; registrants must account for investments in subsidiaries, jointly controlled entities and associates as specified for separate financial statements in International Accounting Standard 27 *Consolidated and Separate Financial Statements.*”, *and*

- (b) *in Line 11 by striking out* “balance sheet” *and substituting* “statement of financial position”.

9. *The effect of this Schedule applies only to annual financial statements and interim financial information in respect of periods relating to financial years beginning on or after January 1, 2011; for financial statements or financial information in respect of periods relating to financial years beginning before January 1, 2011, the provisions of National Instrument 31-103 Registration Requirements and Exemptions in force on December 31, 2010 apply.*

SCHEDULE C

1. *National Instrument 41-101 General Prospectus Requirements, B.C. Reg. 59/2008, is amended by this Schedule.*

2. *Section 1.1 is amended*

- (a) *by adding the following definition:*

“**acquisition date**” has the same meaning as in section 1.1 of NI 51-102; ,

- (b) *by repealing the definition of “date of acquisition”,*

- (c) *by adding the following definitions:*

“date of transition to IFRS” has the same meaning as in section 1.1 of NI 51-102;

“financial statements” includes interim financial reports;

“first IFRS financial statements” has the same meaning as in section 1.1 of NI 51-102; ,

- (d) *in the definition of “Form 52-110F1” by striking out “MI 52-110” and substituting “NI 52-110”,*
- (e) *in the definition of “Form 52-110F2” by striking out “MI 52-110” and substituting “NI 52-110”,*
- (f) *by repealing the definition of “income from continuing operations”,*
- (g) *in the definition of “junior issuer”*
 - (i) *by striking out “balance sheet” wherever it occurs and substituting “statement of financial position”,*
 - (ii) *by striking out “shareholders’” wherever it occurs,*
 - (iii) *in paragraphs (d) and (g) by striking out “annual income statement” and substituting “annual statement of comprehensive income”, and*
 - (iv) *in subparagraph (g) by striking out “an income statement” and substituting “a statement of comprehensive income”,*
- (h) *by repealing the definition of “MI 52-110”,*
- (i) *in the definition of “NI 52-107”, by striking out “Acceptable Accounting Principles, Auditing Standards and Reporting Currency” and substituting “Acceptable Accounting Principles and Auditing Standards”,*
- (j) *by adding the following definitions:*

“NI 52-110” means National Instrument 52-110 *Audit Committees*;

“profit or loss attributable to owners of the parent” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;

“profit or loss from continuing operations attributable to owners of the parent” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;

“publicly accountable enterprise” has the same meaning as in Part 3 of NI 52-107;

“retrospective” has the same meaning as in section 1.1 of NI 51-102;

“retrospectively” has the same meaning as in section 1.1 of NI 51-102;

“U.S. AICPA GAAS” has the same meaning as in section 1.1 of NI 52-107; ,

(k) *by repealing the definition of “U.S. GAAS”, and*

(l) *by adding the following definition:*

“U.S. PCAOB GAAS” has the same meaning as in section 1.1 of NI 52-107; .

3. *Subsection 4.2 (2) is amended by striking out “interim financial statements” and substituting “an interim financial report”.*

4. *Paragraph 4.3 (3) (a) is repealed and the following substituted:*

(a) U.S. AICPA GAAS, the unaudited financial statements may be reviewed in accordance with the review standards issued by the American Institute of Certified Public Accountants,

(a.1) U.S. PCAOB GAAS, the unaudited financial statements may be reviewed in accordance with the review standards issued by the Public Company Accounting Oversight Board (United States of America), .

5. *Section 14.2 is amended by striking out “shareholders’” wherever it occurs.*

6. *Section 20.1 is repealed.*

7. *Schedule 3 of Appendix A is amended*

(a) *opposite “Northwest Territories” by*

(i) *striking out “Securities Registries” and substituting “Superintendent of Securities”, and*

- (ii) **striking out** “www.justice.gov.nt.ca/SecuritiesRegistry/SecuritiesRegistry.html” **and substituting** “www.justice.gov.nt.ca/SecuritiesRegistry”,
 - (b) **opposite** “Nunavut” **by adding** “Superintendent of Securities” **above** “Government of Nunavut”, **and**
 - (c) **opposite** “Yukon” **by striking out** “Registrar of Securities” **and substituting** “Superintendent of Securities”.
8. **The General Instructions of Form 41-101F1 are amended**
- (a) **in instruction (3) by striking out** “This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.”,
 - (b) **in instruction (7) by striking out** “the Handbook” **and substituting** “Canadian GAAP applicable to publicly accountable enterprises”,
 - (c) **in instruction (8) by striking out** “special purpose vehicle” **and substituting** “special purpose entity”,
 - (d) **in instruction (10) by striking out** “disclose the currency in which the financial information is disclosed” **and substituting** “display the presentation currency”, **and**
 - (e) **in instruction (15) by striking out** “Forward-looking information included” **and substituting** “Forward-looking information, as defined in NI 51-102, included”.
9. **Section 1.5 of Form 41-101F1 is amended by striking out** “reporting”.
10. **Paragraph 4.2 (4) (b) of Form 41-101F1 is amended**
- (a) **by striking out** “sales and operating revenues” **wherever it occurs and substituting** “revenue”, **and**
 - (b) **by striking out** “do” **and substituting** “does”.
11. **Subsection 5.1 (1) of Form 41-101F1 is amended by striking out** “as those terms are used in the Handbook” **and substituting** “as those terms are described in the issuer’s GAAP”.
12. **Section 5.5 of Form 41-101F1 is amended**

- (a) *in subsection (1) by striking out “balance sheet” wherever it occurs and substituting “statement of financial position”,*
 - (b) *in paragraph (1) (b) by striking out “income statement” and substituting “statement of comprehensive income”, and*
 - (c) *in subsection (4) by striking out “balance sheet” and substituting “statement of financial position”.*
13. *Subsection 8.1 (1) of Form 41-101F1 is amended by striking out “or Item 303 of Regulation S-B”.*
14. *Section 8.2 of Form 41-101F1 is amended*
- (a) *in paragraph (1) (b) by striking out “interim financial statements” and substituting “interim financial report”,*
 - (b) *in subsection (2) by striking out “If the prospectus includes the issuer’s annual income statements, statements of retained earnings, and cash flow statements” and substituting “If the prospectus includes the issuer’s annual statements of comprehensive income, statements of changes in equity, and statements of cash flow”, and*
 - (c) *in subsection (3) by striking out “balance sheet” and substituting “statement of financial position”.*
15. *Section 8.3 of Form 41-101F1 is repealed.*
16. *Section 8.6 of Form 41-101F1 is amended*
- (a) *by repealing paragraph (1) (a) and substituting the following:*
 - (a) exploration and evaluation assets or expenditures, ,
 - (b) *by repealing paragraph (1) (c) and substituting the following:*
 - (c) intangible assets arising from development, ,
 - (c) *in paragraph (1) (e) by striking out “capitalized, deferred or expensed” and substituting “expensed or recognized as assets”,*
 - (d) *in subsection (2) by striking out “capitalized or expensed exploration and development costs” and substituting “exploration and evaluation assets or expenditures”, and*

- (e) ***in paragraph (3) (b) by striking out “interim financial statements” and substituting “interim financial report”.***

17. Section 8.7 of Form 41-101F1 is amended

- (a) ***by striking out “negative operating cash flow” and substituting “negative cash flow from operating activities”, and***
- (b) ***by adding the following after paragraph (c):***

In determining cash flow from operating activities, the issuer must include cash payments related to dividends and borrowing costs.

18. Section 8.8 of Form 41-101F1 is amended

- (a) ***by repealing paragraph (1) (a) and substituting the following:***
 - (a) summarized financial information of the equity investee, including the aggregated amounts of assets, liabilities, revenue and profit or loss, ,
- (b) ***in paragraph (1) (b) by striking out “earnings” and substituting “profit or loss”, and***
- (c) ***in subsection (2) (b) by striking out “interim financial statements” and substituting “interim financial report”.***

19. Section 9.1 of Form 41-101F1 is amended

- (a) ***in paragraph (1) (c) by striking out “interim financial statements of the issuer have” and substituting “an interim financial report of the issuer has”,***
- (b) ***in paragraphs (2) (b) and (d) by striking out “annual or interim financial statements” wherever it occurs and substituting “annual financial statements or interim financial report”,***
- (c) ***in paragraph (2) (c) by striking out “annual or interim financial statements” and substituting “annual financial statements or interim financial report, and”,***
- (d) ***in paragraphs (2) (c) and (d) by striking out “long-term” wherever it occurs,***
- (e) ***in paragraph (2) (d) by striking out “prospectus, and” and substituting “prospectus.”,***

- (f) *by repealing paragraph (2) (e),*
 - (g) *by repealing subsection (3), and*
 - (h) *in subsection (4) by striking out “earnings required” and substituting “numerator required”.*
20. *The Instructions under item 9 of Form 41-101F1 are amended*
- (a) *in instruction (2) by striking out “entity’s earnings (the numerator) by its interest” and substituting “entity’s profit or loss attributable to owners of the parent (the numerator) by its borrowing costs”,*
 - (b) *in instruction (3)*
 - (i) *in paragraph (a) by striking out “net income before interest” and substituting “profit or loss attributable to owners of the parent before borrowing costs”,*
 - (ii) *by repealing paragraph (c),*
 - (iii) *by striking out paragraph (d) and substituting the following:*
 - (d) *for distributions of debt securities, the appropriate denominator is borrowing costs, after giving effect to the new debt securities issue and any retirement of obligations, plus the borrowing costs that have been capitalized during the period; ,*
 - (iv) *in subparagraph (e) (i) by striking out “annual interest requirements, including the amount of interest that has” and substituting “annual borrowing cost requirements, including the borrowing costs that have”, and*
 - (v) *in paragraph (f) by adding “securities” after “effect of the debt”,*
 - (c) *in instruction (4)*
 - (i) *by striking out “interest obligations on all long-term debt” and substituting “borrowing cost obligations on all financial liabilities”,*
 - (ii) *by striking out paragraph (a) and substituting the following:*
 - (a) *the issuance of all financial liabilities and, in addition in the case of an issuance of preferred shares, all preferred*

shares issued, since the date of the annual financial statements or interim financial report; ,

(iii) in paragraph (b) by adding “and” after “distributed;”, and

(iv) by striking out paragraph (c) and substituting the following:

(c) the repayment or redemption of all financial liabilities since the date of the annual financial statements or interim financial report, all financial liabilities to be repaid or redeemed from the proceeds to be realized from the sale of securities under the prospectus and, in addition, in the case of an issuance of preferred shares, all preferred shares repaid or redeemed since the date of the annual financial statements or interim financial report and all preferred shares to be repaid or redeemed from the proceeds to be realized from the sale of securities under the prospectus. ,

(v) by repealing paragraph (d),

(d) by repealing instruction (5),

(e) in instruction (6) by striking out “interest requirements, after giving effect to the issue of [the debt securities to be distributed under the prospectus], amounted to \$• for the 12 months ended •. [Name of the issuer]’s earnings before interest and income tax for the 12 months then ended was \$•, which is • times [name of the issuer]’s interest requirements” and substituting “borrowing cost requirements, after giving effect to the issue of [the debt securities to be distributed under the prospectus], amounted to \$• for the 12 months ended •. [Name of the issuer]’s profit or loss attributable to owners of the parent before borrowing costs and income tax for the 12 months then ended was \$•, which is • times [name of the issuer]’s borrowing cost requirements”, and

(f) in instruction (7) by striking out “interest requirements for the 12 months then ended amounted to \$•. [Name of the issuer]’s earnings before interest and income tax for the 12 months ended • was \$•, which is • times [name of the issuer]’s aggregate dividend and interest requirements” and substituting “borrowing cost requirements for the 12 months then ended amounted to \$•. [Name of the issuer]’s profit or loss attributable to owners of the parent before borrowing costs and income tax for the 12 months ended • was \$•, which is • times [name of the issuer]’s aggregate dividend and borrowing cost requirements”.

21. Paragraph 10.3 (8) (b) of Form 41-101F1 is amended by striking out “income” and substituting “profit”.

22. *The instruction under section 10.9 of Form 41-101F1 is amended by striking out “derivatives” and substituting “derivative instruments”.*
23. *Paragraph 32.1 (c) of Form 41-101F1 is amended by striking out “continuity of interests” and substituting “combination in which all of the combining entities or businesses ultimately are controlled by the same party or parties both before and after the combination, and that control is not temporary”.*
24. *Item 32.2 of Form 41-101F1 is repealed and the following substituted:*

Annual financial statements

- 32.2 (1) Subject to section 32.4, include annual financial statements of the issuer consisting of
- (a) a statement of comprehensive income, a statement of changes in equity, and a statement of cash flows for each of the three most recently completed financial years ended more than
 - (i) 90 days before the date of the prospectus, or
 - (ii) 120 days before the date of the prospectus, if the issuer is a venture issuer,
 - (b) a statement of financial position as at the end of the two most recently completed financial years described in paragraph (a),
 - (c) a statement of financial position as at the beginning of the earliest comparative period for which financial statements that are included in the prospectus comply with IFRS in the case of an issuer that
 - (i) discloses in its annual financial statements an unreserved statement of compliance with IFRS, and
 - (ii) does any of the following:
 - (A) applies an accounting policy retrospectively in its annual financial statements,
 - (B) makes a retrospective restatement of items in its annual financial statements, or
 - (C) reclassifies items in its annual financial statements,

- (d) in the case of an issuer's first IFRS financial statements, the opening IFRS statement of financial position at the date of transition to IFRS, and
 - (e) notes to the annual financial statements.
- (2) If an issuer presents the components of profit or loss in a separate income statement, the separate income statement must be displayed immediately before the statement of comprehensive income filed under subsection (1).
- (3) If the issuer has not completed three financial years, include the financial statements described under subsection (1) for each completed financial year ended more than
 - (a) 90 days before the date of the prospectus, or
 - (b) 120 days before the date of the prospectus, if the issuer is a venture issuer.
- (4) If the issuer has not included in the prospectus financial statements for a completed financial year, include the financial statements described under subsection (1) or (2) for a period from the date the issuer was formed to a date not more than 90 days before the date of the prospectus.
- (5) If an issuer changed its financial year end during any of the financial years referred to in this section and the transition year is less than nine months, the transition year is deemed not to be a financial year for the purposes of the requirement to provide financial statements for a specified number of financial years in this section.
- (6) Despite subsection (5), all financial statements of the issuer for a transition year referred to in subsection (5) must be included in the prospectus.
- (7) Subject to section 32.4, if financial statements of any predecessor entity, business or businesses acquired by the issuer, or of any other entity, are required under this section, then include
 - (a) statements of comprehensive income, statements of changes in equity, and statements of cash flow for the entities or businesses for as many periods before the acquisition as may be necessary so that, when these periods are added to the periods for which the issuer's statements of comprehensive

income, statements of changes in equity, and statements of cash flow are included in the prospectus, the results of the entities or businesses, either separately or on a consolidated basis, total three years,

- (b) statements of financial position for the entities or businesses for as many periods before the acquisition as may be necessary so that, when these periods are added to the periods for which the issuer's statements of financial position are included in the prospectus, the financial position of the entities or businesses, either separately or on a consolidated basis, totals two years,
- (c) if the entities or businesses have not completed three financial years, the financial statements described under paragraphs (a) and (b) for each completed financial year of the entities or businesses for which the issuer's financial statements in the prospectus do not include the financial statements of the entities or businesses, either separately or on a consolidated basis, and ended more than
 - (i) 90 days before the date of the prospectus, or
 - (ii) 120 days before the date of the prospectus, if the issuer is a venture issuer,
- (d) if an entity's or business's first IFRS financial statements are included under paragraph (a), (b) or (c), the opening IFRS statement of financial position at the date of transition to IFRS, and
- (e) a statement of financial position as at the beginning of the earliest comparative period for which financial statements that are included in the prospectus comply with IFRS in the case of an issuer that
 - (i) discloses in its annual financial statements an unreserved statement of compliance with IFRS, and
 - (ii) does any of the following:
 - (A) applies an accounting policy retrospectively in its financial statements,
 - (B) makes a retrospective restatement of items in its financial statements, or

(C) reclassifies items in its financial statements.

25. *Section 32.3 of Form 41-101F1 is repealed and the following substituted:*

Interim financial report

- 32.3 (1)** Include a comparative interim financial report of the issuer for the most recent interim period, if any, ended
- (a) subsequent to the most recent financial year in respect of which annual financial statements of the issuer are included in the prospectus, and
 - (b) more than
 - (i) 45 days before the date of the prospectus, or
 - (ii) 60 days before the date of the prospectus if the issuer is a venture issuer.
- (2) The interim financial report referred to in subsection (1) must include
- (a) a statement of financial position as at the end of the interim period and a statement of financial position as at the end of the immediately preceding financial year, if any,
 - (b) a statement of comprehensive income, a statement of changes in equity, and a statement of cash flows, all for the year-to-date interim period, and comparative financial information for the corresponding interim period in the immediately preceding financial year, if any,
 - (c) for interim periods other than the first interim period in an issuer's financial year, a statement of comprehensive income for the three month period ending on the last day of the interim period and comparative financial information for the corresponding period in the immediately preceding financial year, if any,
 - (d) a statement of financial position as at the beginning of the earliest comparative period for which financial statements that are included in the prospectus comply with IFRS in the case of an issuer that

- (i) discloses in its interim financial report an unreserved statement of compliance with International Accounting Standard 34 *Interim Financial Reporting*, and
 - (ii) does any of the following:
 - (A) applies an accounting policy retrospectively in its interim financial report,
 - (B) makes a retrospective restatement of items in its interim financial report, or
 - (C) reclassifies items in its interim financial report,
 - (e) in the case of the first interim financial report required to be filed in the year of adopting IFRS, the opening IFRS statement of financial position at the date of transition to IFRS, and
 - (f) notes to the interim financial report.
- (3) If an issuer presents the components of profit or loss in a separate income statement, the separate income statement must be displayed immediately before the statement of comprehensive income filed under subsection (2).
- (4) If the issuer is required to include under subsection 32.3 (1) a comparative interim financial report of the issuer for the second or third interim period in the year of adopting IFRS, include
- (a) the issuer's first interim financial report in the year of adopting IFRS, or
 - (b) both
 - (i) the opening IFRS statement of financial position at the date of transition to IFRS, and
 - (ii) the annual and date of transition to IFRS reconciliations required by IFRS 1 *First-time Adoption of International Financial Reporting Standards* to explain how the transition from previous GAAP to IFRS affected the issuer's reported financial position, financial performance and cash flows.
- (5) Subsection (4) does not apply to an issuer that was a reporting issuer in at least one jurisdiction immediately before filing the prospectus.

26. *Section 32.4 of Form 41-101F1 is repealed and the following substituted:*

Exceptions to financial statement requirements

- 32.4** Despite section 32.2, an issuer is not required to include the following financial statements in a prospectus
- (a) the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the third most recently completed financial year, if the issuer is a reporting issuer in at least one jurisdiction immediately before filing the prospectus,
 - (b) the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the third most recently completed financial year, and the financial statements for the second most recently completed financial year, if
 - (i) the issuer is a reporting issuer in at least one jurisdiction immediately before filing the prospectus, and
 - (ii) the issuer includes financial statements for a financial year ended less than
 - (A) 90 days before the date of the prospectus, or
 - (B) 120 days before the date of the prospectus, if the issuer is a venture issuer,
 - (c) the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the third most recently completed financial year, and the statement of financial position for the second most recently completed financial year, if the issuer includes financial statements for a financial year ended less than 90 days before the date of the prospectus,
 - (d) the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the third most recently completed financial year, and the financial statements for the second most recently completed financial year, if
 - (i) the issuer is a reporting issuer in at least one jurisdiction immediately before filing the prospectus,

- (ii) the issuer includes audited financial statements for a period of at least nine months commencing the day after the most recently completed financial year for which financial statements are required under section 32.2,
 - (iii) the business of the issuer is not seasonal, and
 - (iv) none of the financial statements required under section 32.2 are for a financial year that is less than nine months,
- (e) the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the third most recently completed financial year, and the statement of financial position for the second most recently completed financial year, if
- (i) the issuer includes audited financial statements for a period of at least nine months commencing the day after the most recently completed financial year for which financial statements are required under section 32.2,
 - (ii) the business of the issuer is not seasonal, and
 - (iii) none of the financial statements required under section 32.2 are for a financial year that is less than nine months, or
- (f) the separate financial statements of the issuer and the other entity for periods prior to the date of the transaction, if the restated combined financial statements of the issuer and the other entity are included in the prospectus under paragraph 32.1 (c).

27. ***Paragraph 32.5 (c) of Form 41-101F1 is amended by striking out “interim financial statements” and substituting “interim financial report”.***

28. ***Subsection 34.1 (1) of Form 41-101F1 is amended***

(a) in paragraph (c) by striking out “revenues” and substituting “revenue”,

(b) by repealing subparagraph (g) (i) to (iii) and substituting the following:

- (i) revenue;
- (ii) profit or loss from continuing operations attributable to owners of the parent;
- (iii) profit or loss attributable to owners of the parent; ,

- (c) *in subparagraph (g) (iv) by striking out “balance sheet” and substituting “statement of financial position”, and*
- (d) *by adding the following instruction after paragraph (g):*

INSTRUCTION

See section 1.1 of the Instrument for the definitions of “profit or loss attributable to owners of the parent” and “profit or loss from continuing operations attributable to owners of the parent”.

- 29. *Subparagraph 34.2 (e) (ii) of Form 41-101F1 is amended by striking out “interim and annual consolidated” and substituting “consolidated interim financial report and consolidated annual”.*
- 30. *Section 35.1 of Form 41-101F1 is amended*
 - (a) *in subsection (1) by striking out “accounted for as”, and*
 - (b) *in subsection (4)*
 - (i) *by striking out “date of the acquisition” wherever it occurs and substituting “acquisition date”,*
 - (ii) *in subparagraph (b) (iv) by striking out “income” and substituting “profit or loss”, and*
 - (iii) *in subparagraph (b) (vi) by striking out “annual audited statements” and substituting “audited annual statements”.*
- 31. *Section 35.3 of Form 41-101F1 is amended*
 - (a) *in the head note by striking out “date of acquisition” and substituting “acquisition date”, and*
 - (b) *by striking out “date of the acquisition” wherever it occurs and substituting “acquisition date”.*
- 32. *Section 35.4 of Form 41-101F1 is amended*
 - (a) *in the head note by striking out “Results” and substituting “Financial Performance”, and*
 - (b) *by striking out “operations” and substituting “financial performance”.*

33. *Subsection 35.5 (3) of Form 41-101F1 is amended by striking out “date of acquisition” wherever it occurs and substituting “acquisition date”.*
34. *Subsection 35.6 (3) of Form 41-101F1 is amended by striking out “date of the acquisition” wherever it occurs and substituting “acquisition date”.*
35. *Subsection 35.8 (1) of Form 41-101F1 is amended*
- (a) *by striking out “annual and interim financial statements” and substituting “annual financial statements and an interim financial report”, and*
 - (b) *by striking out “date of the acquisition” and substituting “acquisition date”.*
36. *Form 41-101F1 is amended by adding the following Item:*

ITEM 38: Transition

Interim financial report

- 38.1 (1)** Despite subsection 32.3 (1), an issuer may include a comparative interim financial report of the issuer for the most recent interim period, if any, ended
- (a) subsequent to the most recent financial year in respect of which annual financial statements of the issuer are included in the prospectus, and
 - (b) more than
 - (i) 75 days before the date of the prospectus, or
 - (ii) 90 days before the date of the prospectus if the issuer is a venture issuer.
- (2) Subsection (1) does not apply unless
- (a) the comparative interim financial report is the first interim financial report required to be filed in the year of adopting IFRS in respect of an interim period beginning on or after January 1, 2011,
 - (b) the issuer

- (i) is disclosing, for the first time, a statement of compliance with International Accounting Standard 34 *Interim Financial Reporting*, and
- (ii) did not previously file financial statements that disclosed compliance with IFRS,
- (c) the issuer is a reporting issuer in any jurisdiction immediately before the date of the final long form prospectus, and
- (d) the final long form prospectus is filed before July 5, 2012.

Asset-backed securities

- 38.2 (1) Despite subsection 10.3 (5), all financial disclosure that describes the underlying pool of financial assets of the issuer for a transition year must be included in the prospectus for the most recent interim period, if any, ended
- (a) subsequent to the most recent financial year referred to in paragraphs 10.3 (3) (a) and 10.3 (3) (b) in respect of which financial disclosure on the underlying pool of financial assets is included in the prospectus, and
 - (b) more than
 - (i) 75 days before the date of the prospectus, or
 - (ii) 90 days before the date of the prospectus if the issuer is a venture issuer.
- (2) Subsection (1) does not apply unless
- (a) the financial disclosure in respect of the interim period is the first interim financial report required to be filed in the year of adopting IFRS in respect of an interim period beginning on or after January 1, 2011,
 - (b) the issuer
 - (i) is disclosing, for the first time, a statement of compliance with International Accounting Standard 34 *Interim Financial Reporting*, and
 - (ii) did not previously file financial statements that disclosed compliance with IFRS,

- (c) the issuer is a reporting issuer in any jurisdiction immediately before the date of the final long form prospectus, and
 - (d) the final long form prospectus is filed before July 5, 2012.
- 37. *The effect of this Schedule applies only to a preliminary prospectus, an amendment to a preliminary prospectus, a final prospectus or an amendment to a final prospectus of an issuer which includes or incorporates by reference financial statements of the issuer in respect of periods relating to financial years beginning on or after January 1, 2011; for documents in respect of periods relating to financial years beginning before January 1, 2011, the provisions of National Instrument 41-101 General Prospectus Requirements in force on December 31, 2010 apply.*
- 38. *Despite section 37, an issuer may apply the amendments set out in this Schedule to a preliminary prospectus, an amendment to a preliminary prospectus, a final prospectus, or an amendment to a final prospectus of the issuer, which includes or incorporates by reference financial statements of the issuer in respect of periods relating to a financial year that begins before January 1, 2011 if the immediately preceding financial year ends no earlier than December 21, 2010 and if the issuer is relying on the exemption in section 5.3 of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards.*
- 39. *A head note revised or added by this Schedule*
 - (a) *does not form part of National Instrument 41-101 General Prospectus Requirements, and*
 - (b) *has been included for convenience of reference only.*

SCHEDULE D

- 1. *National Instrument 44-101 Short Form Prospectus Distributions, B.C. Reg. 370/2005, is amended by this Schedule.*
- 2. *Subsection 1.1 is amended, in the definition of “short form eligible exchange”, by striking out “Canadian Trading and Quotation System Inc.” and substituting “Canadian National Stock Exchange”.*
- 3. *Paragraph 4.3 (2) (a) is repealed and the following substituted:*

- (a) U.S. AICPA GAAS, the unaudited financial statements may be reviewed in accordance with the review standards issued by the American Institute of Certified Public Accountants,
- (a.1) U.S. PCAOB GAAS, the unaudited financial statements may be reviewed in accordance with the review standards issued by the Public Company Accounting Oversight Board (United States of America), .

4. *The general instructions of Form 44-101F1 are amended*

- (a) *in instruction (3) by striking out “This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.”,*
- (b) *in instruction (8) by striking out “the Handbook” and substituting “Canadian GAAP applicable to publicly accountable enterprises”, and*
- (c) *in instruction (14) by striking out “disclose the currency in which the financial information is disclosed” and substituting “display the presentation currency”.*

5. *Section 1.6.1 of Form 44-101F1 is amended by striking out “reporting”.*

6. *Section 6.1 of Form 44-101F1 is amended*

- (a) *in paragraph (1) (c) by striking out “interim financial statements of the issuer have” and substituting “an interim financial report of the issuer has”,*
- (b) *in subparagraph 2 (b) (i) by striking out “issued”,*
- (c) *in paragraphs (2) (b) and (d) by striking out “annual or interim financial statements” wherever it occurs and substituting “annual financial statements or interim financial report”,*
- (d) *in paragraph (2) (c) by striking out “annual or interim financial statements” and substituting “annual financial statements or interim financial report; and”,*
- (e) *in paragraphs (2) (c) and (d) by striking out “long-term” wherever it occurs,*
- (f) *in paragraph (2) (d) by striking out “prospectus; and” and substituting “prospectus.”,*
- (g) *by repealing paragraph (2) (e),*

- (h) *by repealing subsection (3), and*
 - (i) *in subsection (4) by striking out “earnings required” and substituting “numerator required”.*
7. *The instructions under item 6 of Form 44-101F1 are amended*
- (a) *in instruction (2) by striking out “entity’s earnings (the numerator) by its interest” and substituting “entity’s profit or loss attributable to owners of the parent (the numerator) by its borrowing costs”,*
 - (b) *in instruction (3)*

 - (i) *in paragraph (a) by striking out “net income before interest” and substituting “profit or loss attributable to owners of the parent before borrowing costs”,*
 - (ii) *by repealing paragraph (c),*
 - (iii) *by repealing paragraph (d) and substituting the following:*

 - (d) *for distributions of debt securities, the appropriate denominator is borrowing costs, after giving effect to the new debt securities issue and any retirement of obligations, plus the borrowing costs that have been capitalized during the period; ,*
 - (iv) *in subparagraph (e) (i) by striking out “annual interest requirements, including the amount of interest that has” and substituting “annual borrowing cost requirements, including the borrowing costs that have”, and*
 - (v) *in paragraph (f) by adding “securities” after “effect of the debt”,*
 - (c) *in instruction (4)*

 - (i) *by striking out “interest obligations on all long-term debt” and substituting “borrowing cost obligations on all financial liabilities”,*
 - (ii) *by repealing paragraph (a) and substituting the following:*

 - (a) *the issuance of all financial liabilities and, in addition in the case of an issuance of preferred shares, all preferred*

shares issued, since the date of the annual financial statements or interim financial report; ,

- (iii) in paragraph (b) by adding “and” after “distributed;”,**
- (iv) by repealing paragraph (c) and substituting the following:**

 - (c) the repayment or redemption of all financial liabilities since the date of the annual financial statements or interim financial report, all financial liabilities to be repaid or redeemed from the proceeds to be realized from the sale of securities under the short form prospectus and, in addition, in the case of an issuance of preferred shares, all preferred shares repaid or redeemed since the date of the annual financial statements or interim financial report and all preferred shares to be repaid or redeemed from the proceeds to be realized from the sale of securities under the short form prospectus. , and**
- (v) by repealing paragraph (d),**
- (d) by repealing instruction (5),**
- (e) in instruction (6) by striking out “interest requirements, after giving effect to the issue of [the debt securities to be distributed under the short form prospectus], amounted to \$• for the 12 months ended •. [Name of the issuer]’s earnings before interest and income tax for the 12 months then ended was \$•, which is • times [name of the issuer]’s interest requirements” and substituting “borrowing cost requirements, after giving effect to the issue of [the debt securities to be distributed under the short form prospectus], amounted to \$• for the 12 months ended •. [Name of the issuer]’s profit or loss attributable to owners of the parent before borrowing costs and income tax for the 12 months then ended was \$•, which is • times [name of the issuer]’s borrowing cost requirements”, and**
- (f) in instruction (7) by striking out “interest requirements for the 12 months then ended amounted to \$•. [Name of the issuer]’s earnings before interest and income tax for the 12 months ended • was \$•, which is • times [name of the issuer]’s aggregate dividend and interest requirements” and substituting “borrowing cost requirements for the 12 months then ended amounted to \$•. [Name of the issuer]’s profit or loss attributable to owners of the parent before borrowing costs and income tax for the 12 months ended • was \$•, which is • times [name of the issuer]’s aggregate dividend and borrowing cost requirements”.**

8. ***Paragraph 7.3 (3) (b) of Form 44-101F1 is amended by striking out “income” and substituting “profit”.***
9. ***Paragraph 11.1 (1) 3 of Form 44-101F1 is amended by striking out “interim financial statements” and substituting “interim financial report”.***
10. ***Subsection 13.1 (1) of Form 44-101F1 is amended***
 - (a) ***in paragraph (c) by striking out “revenues” and substituting “revenue”,***
 - (b) ***by repealing subparagraph (g) (i) to (iii) and substituting the following:***
 - (i) revenue;
 - (ii) profit or loss from continuing operations attributable to owners of the parent;
 - (iii) profit or loss attributable to owners of the parent; ,
 - (c) ***in subparagraph (g) (iv) by striking out “balance sheet” and substituting “statement of financial position”, and***
 - (d) ***by adding the following instruction after paragraph (g):***

INSTRUCTION

See section 1.1 of NI 41-101 for the definitions of “profit or loss attributable to owners of the parent” and “profit or loss from continuing operations attributable to owners of the parent”.

11. ***Subparagraph 13.2 (f) (ii) of Form 44-101F1 is amended by striking out “interim and annual consolidated” and substituting “consolidated interim financial report and consolidated annual”.***
12. ***The effect of this Schedule applies only to a preliminary short form prospectus, an amendment to a preliminary short form prospectus, a final short form prospectus or an amendment to a final short form prospectus of an issuer which includes or incorporates by reference financial statements of the issuer in respect of periods relating to financial years beginning on or after January 1, 2011; for documents in respect of periods relating to financial years beginning before January 1, 2011, the provisions of National Instrument 44-101 Short Form Prospectus Distributions in force on December 31, 2010 apply.***
13. ***Despite section 12, an issuer may apply the amendments set out in this Schedule to a preliminary short form prospectus, an amendment to a preliminary short form prospectus, a final short form prospectus, or an amendment to a final short form prospectus of the issuer, which includes or incorporates by reference financial statements of the issuer in respect of periods relating to a financial***

year that begins before January 1, 2011 if the immediately preceding financial year ends no earlier than December 21, 2010 and if the issuer is relying on the exemption in section 5.3 of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards.

SCHEDULE E

- 1. National Instrument 44-102 Shelf Distributions, B.C. Reg. 425/2000, is amended by this Schedule.**
- 2. Subsection 6.2 (4) is amended**
 - (a) by striking out “Acceptable Accounting Principles, Auditing Standards and Reporting Currency”, and**
 - (b) by repealing paragraph (a) and substituting the following:**
 - (a) U.S. AICPA GAAS, the unaudited financial statements may be reviewed in accordance with the review standards issued by the American Institute of Certified Public Accountants,
 - (a.1) U.S. PCAOB GAAS, the unaudited financial statements may be reviewed in accordance with the review standards issued by the Public Company Accounting Oversight Board (United States of America), .
- 3. Paragraph 8.4 (a) is amended by striking out “interim” and substituting “an interim financial report”.**
- 4. The effect of this Schedule applies only to a preliminary base shelf prospectus, an amendment to a preliminary base shelf prospectus, a base shelf prospectus, an amendment to a base shelf prospectus or a shelf prospectus supplement of an issuer which includes or incorporates by reference financial statements of the issuer in respect of periods relating to financial years beginning on or after January 1, 2011; for documents in respect of periods relating to financial years beginning before January 1, 2011, the wording of section 6.2 (4) of National Instrument 44-102 Shelf Distributions in force on December 31, 2010 applies.**
- 5. Despite section 4, an issuer may apply the amendments set out in this Schedule to a preliminary base shelf prospectus, an amendment to a preliminary base shelf prospectus, a base shelf prospectus, an amendment to a base shelf prospectus, or a shelf prospectus supplement of the issuer, which includes or incorporates by reference financial statements of the issuer in respect of periods relating to a financial year that begins before January 1, 2011 if the**

immediately preceding financial year ends no earlier than December 21, 2010 and if the issuer is relying on the exemption in section 5.3 of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards.

SCHEDULE F

1. *National Instrument 45-106 Prospectus and Registration Exemptions, B.C. Reg. 227/2009, is amended by this Instrument.*

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

“acquisition date” has the same meaning as in the issuer’s GAAP;

“financial statements” includes interim financial reports;

“issuer’s GAAP” has the same meaning as in National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

“private enterprise” has the same meaning as in Part 3 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

“publicly accountable enterprise” has the same meaning as in Part 3 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

“retrospective” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;

“retrospectively” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises; .

3. *Section 5.2 (e) (i) (C) is amended by striking out “statements” in both places and substituting “reports”.*

4. *Subsection 6.5 (1) is amended by striking out “or subsection 3.9 (15)”.*

5. ***Item 1.1 of Form 45-106F2 is amended by striking out “H” in the table and substituting “G”.***

6. ***Item 4.2 of Form 45-106F2 is amended***
 - (a) ***by striking out the heading “4.2 Long Term Debt” and substituting “4.2 Long Term Debt Securities”, and***
 - (b) ***by striking out “the current portion of the long-term debt” and substituting “the portion of the debt”.***

7. ***Item 8 (b) of Form 45-106F2 is amended by striking out “sales” and substituting “revenue”.***

8. ***Form 45-106F2 is amended under the heading “Instructions for Completing Form 45-106F2 Offering Memorandum for Non-Qualifying Issuers”, in Part B,***
 - (a) ***by repealing section 1 and substituting the following:***

1. All financial statements, operating statements for an oil and gas property that is an acquired business or a business to be acquired, and summarized financial information as to the aggregated amounts of assets, liabilities, revenue and profit or loss of an acquired business or business to be acquired that is, or will be, an investment accounted for by the issuer using the equity method included in the offering memorandum must comply with National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*, regardless of whether the issuer is a reporting issuer or not.

Under National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*, financial statements are generally required to be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises. An issuer using this form cannot use Canadian GAAP applicable to private enterprises, except, subject to the requirements of NI 52-107, certain issuers may use Canadian GAAP applicable to private enterprises for financial statements for a business referred to in Instruction C.1. An issuer that is not a reporting issuer may prepare acquisition statements in accordance with the requirements of NI 52-107 as if the issuer were a venture issuer as defined in NI

51-102. For the purposes of Form 45-106F2, the “applicable time” in the definition of a venture issuer is the acquisition date. ,

- (b) ***in paragraph 3 (a) by striking out “an income statement, a statement of retained earnings and a cash flow statement” and substituting “a statement of comprehensive income, a statement of changes in equity and a statement of cash flows”,***
- (c) ***in paragraph 3 (b) by striking out “balance sheet” and substituting “statement of financial position”,***
- (d) ***in paragraph 4 (a) by striking out “an income statement, a statement of comprehensive income and a statement of changes in equity” and substituting “a statement of comprehensive income, statement of changes in equity and a statement of cash flows”,***
- (e) ***in paragraph 4 (b) by striking out “balance sheet” and substituting “statement of financial position” and by striking out “and”,***
- (f) ***by repealing paragraph 4 (c) and substituting the following:***
 - (c) a statement of financial position as at the beginning of the earliest comparative period for which financial statements that are included in the offering memorandum comply with IFRS in the case of an issuer that
 - (i) discloses in its annual financial statements an unreserved statement of compliance with IFRS, and
 - (ii) does any of the following:
 - (A) applies an accounting policy retrospectively in its annual financial statements;
 - (B) makes a retrospective restatement of items in its annual financial statements;
 - (C) reclassifies items in its annual financial statements,

- (d) in the case of an issuer's first IFRS financial statements as defined in NI 51-102, the opening IFRS statement of financial position at the date of transition to IFRS as defined in NI 51-102, and
 - (e) notes to the financial statements. ,
- (g) **by adding the following section:**
- 4.1 If an issuer presents the components of profit or loss in a separate income statement, the separate income statement must be displayed immediately before the statement of comprehensive income filed under Item 4 above. ,
- (h) **in section 5 by striking out “interim financial statements” and substituting “an interim financial report”,**
- (i) **in paragraphs 5 (a) and 5 (b) by striking out “an income statement, a statement of retained earnings and a cash flow statement” and substituting “a statement of comprehensive income, a statement of changes in equity and a statement of cash flows”,**
- (j) **by repealing paragraph 5 (c) and substituting the following:**
- (c) a statement of financial position as at the end of the period required by paragraph (a) and the end of the immediately preceding financial year. ,
- (k) **by repealing paragraph 5 (d) and substituting the following:**
- (d) a statement of financial position as at the beginning of the earliest comparative period for which financial statements that are included in the offering memorandum comply with IFRS in the case of an issuer that
 - (i) discloses in its interim financial report an unreserved statement of compliance with International Accounting Standard 34 *Interim Financial Reporting*, and
 - (ii) does any of the following:

- (A) applies an accounting policy retrospectively in its interim financial report;
 - (B) makes a retrospective restatement of items in its interim financial report;
 - (C) reclassifies items in its interim financial report,
- (e) in the case of the first interim financial report in the year of adopting IFRS, the opening IFRS statement of financial position at the date of transition to IFRS,
- (f) for an issuer that is not a reporting issuer in at least one jurisdiction of Canada immediately before filing the offering memorandum, if the issuer is including an interim financial report of the issuer for the second or third interim period in the year of adopting IFRS, include
- (i) the issuer's first interim financial report in the year of adopting IFRS, or
 - (ii) both
 - (A) the opening IFRS statement of financial position at the date of transition to IFRS, and
 - (B) the annual and date of transition to IFRS reconciliations required by IFRS 1 *First-time Adoption of International Financial Reporting Standards* to explain how the transition from previous GAAP to IFRS affected the issuer's reported financial position, financial performance and cash flows, and
- (g) notes to the financial statements. ,
- (l) by adding the following section:**
- 5.1 If an issuer presents the components of profit or loss in a separate income statement, the separate income statement must be displayed immediately before the statement of comprehensive income filed under item 5 above. ,
- (m) by repealing section 8 and substituting the following:**

8. The comparative financial information required under section B.5 (b) and (c) may be omitted if the issuer has not previously prepared financial statements in accordance with its current or, if applicable, its previous GAAP. ,

- (n) *in section 13 by striking out “statements” and substituting “reports”,*
- (o) *in section 14 by adding “, as defined in NI 51-102,” after “Forward looking information”, and*
- (p) *by adding the following section:*

16. Despite section B.5, an issuer may include a comparative interim financial report of the issuer for the most recent interim period, if any, ended
- (a) subsequent to the most recent financial year in respect of which annual financial statements of the issuer are included in the offering memorandum, and
 - (b) more than 90 days before the date of the offering memorandum.

This section does not apply unless

- (a) the comparative interim financial report is the first interim financial report required to be filed in the year of adopting IFRS, and the issuer is disclosing, for the first time, a statement of compliance with International Accounting Standard 34 *Interim Financial Reporting*,
- (b) the issuer is a reporting issuer in the local jurisdiction immediately before the date of the offering memorandum, and
- (c) the offering memorandum is dated before June 29, 2012.

9. ***Form 45-106F2 is amended under the heading “Instructions for Completing Form 45-106F2 Offering Memorandum for Non-Qualifying Issuers”, in Part C,***

- (a) ***in paragraphs 2 (a) and (b) by striking out “date of acquisition” and substituting “acquisition date”,***
- (b) ***in paragraph 2 (b) by adding the following after “offering memorandum for a proposed acquisition.”:***

For information about how to perform the investment test in this paragraph, please refer to subsections 8.3 (4.1) and (4.2) of NI 51-102. Additional guidance may be found in the companion policy to NI 51-102. ,

- (c) ***by repealing section 2.1,***
- (d) ***in subparagraph 4 (a) (i) by striking out “an income statement, a statement of retained earnings and a cash flow statement” and substituting “a statement of comprehensive income, a statement of changes in equity and a statement of cash flows”,***
- (e) ***in clause 4 (a) (i) (B) by striking out “date of acquisition” wherever it appears and substituting “acquisition date”,***
- (f) ***in subparagraph 4 (a) (ii) by striking out “balance sheet” and substituting “statement of financial position”,***
- (g) ***in clause 4 (b) (i) (A) by striking out “an income statement, a statement of retained earnings and a cash flow statement ” and substituting “a statement of comprehensive income, a statement of changes in equity and a statement of cash flows”,***
- (h) ***in subclause 4 (b) (i) (A) i by striking out “date of acquisition” and substituting “acquisition date”,***
- (i) ***in clause 4 (b) (i) (B) by striking out “balance sheet” and substituting “statement of financial position”,***
- (j) ***by repealing subparagraph 4 (b) (ii) and substituting the following:***

- (ii) an interim financial report comprised of
 - (A) either
 - i a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for the most recently completed year-to-date interim period ending on the last date of the interim period that ended before the acquisition date and more than 60 days before the date of the offering memorandum and ended after the date of the financial statements required under subclause (b) (i) (A) i, and a statement of comprehensive income and a statement of changes in equity for the three month period ending on the last date of the interim period that ended before the acquisition date and more than 60 days before the date of the offering memorandum and ended after the date of the financial statements required under subclause (b) (i) (A) i, or
 - ii a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for the period from the first day after the financial year referred to in subparagraph (b) (i) to a date before the acquisition date and after the period end in subclause (b) (ii) (A) i,
 - (B) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for the corresponding period in the immediately preceding financial year, if any,
 - (C) a statement of financial position as at the end of the period required by clause (A) and the end of the immediately preceding financial year, and

(D) notes to the financial statements.

Refer to Instruction B.7 for the meaning of “interim period”.

- (k) *in section 6 by striking out “date of acquisition” and substituting “acquisition date”, and*
 - (l) *in section 8 by striking out “accounted for as” and by striking out “, as that term is defined in the CICA Handbook,”.*
10. **Form 45-106F2 is amended under the heading “Instructions for Completing Form 45-106F2 Offering Memorandum for Non-Qualifying Issuers”, in Part D,**
- (a) *in paragraph 2 by striking out “section 3.2 (a) of NI 52-107” and substituting “section 3.3 (1) (a) (i) of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards”,*
 - (b) *in paragraph 2 (b) by striking out “contain” and substituting “express”,*
 - (c) *in paragraphs 2 (a) and (b) by striking out “balance sheet” and substituting “statement of financial position”,*
 - (d) *in paragraph 2 (c) by striking out “contained” and substituting “expressed”,*
 - (e) *in subparagraph 3 (a) (i) by striking out “assets, liabilities and results of operations” and substituting “aggregated amounts of assets, liabilities, revenue and profit or loss”,*
 - (f) *in subparagraph 3 (a) (ii) by striking out “earnings” and substituting “profit or loss”,*
 - (g) *in subparagraph 3 (c) (ii) by striking out “issued without a reservation of opinion” and substituting “an unmodified opinion”, and by striking out the following:*

If the financial information included in an offering memorandum under D.3 (a) has been derived from financial statements of a business incorporated or organized in a foreign jurisdiction that have been prepared in accordance with foreign GAAP, the information must be accompanied by a note that explains and quantifies the effect of material differences between Canadian GAAP and the foreign GAAP. ,

- (h) *in paragraph 4 (b) by striking out “accounted for as a “reverse take-over”” and substituting “a reverse take-over”, and by adding “and” after “NI 51-102,”*
 - (i) *by repealing paragraph 4 (c),*
 - (j) *by repealing subparagraph 4 (d) (i) and replacing it with the following:*
 - (i) *an operating statement for the business or related businesses for each of the financial periods for which financial statements would, but for this section, be required under section C.4 prepared in accordance with subsection 3.11 (5) of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards. The operating statement for the most recently completed financial period referred to in C.4 (b) (i) must be audited. , and*
 - (k) *in section 5 by striking out “date of acquisition” and substituting “acquisition date”.*
11. *Section 1.1 of Form 45-106F3 is amended by striking out “H” in the table and substituting “G”.*
12. *Item 8 (b) of Form 45-106F3 is amended by striking out “sales” and substituting “revenue”.*
13. *Form 45-106F3 is amended under the heading “Instructions for Completing Form 45-106F3 Offering Memorandum for Qualifying Issuers”, in section 1 of Part B, by striking out “Acceptable Accounting Principles, Auditing Standards and Reporting Currency” and substituting “Acceptable Accounting Principles and Auditing Standards”.*

14. ***Form 45-106F3 is amended under the heading “Instructions for Completing Form 45-106F3 Offering Memorandum for Qualifying Issuers”, in section 2 of Part C, by striking out “interim financial statements” and substituting “interim financial reports”.***

15. ***Form 45-106F3 is amended under the heading “Instructions for Completing Form 45-106F3 Offering Memorandum for Qualifying Issuers”, in paragraph 1 (c) of Part D, by striking out “interim financial statements” and substituting “interim financial report”, and by striking out “interim financial statements that are” and substituting “an interim financial report that is”.***

16. ***The effect of this Schedule applies only in respect of an offering memorandum or an amendment to an offering memorandum of an issuer if that offering memorandum or amendment includes or incorporates by reference financial statements of the issuer in respect of periods relating to financial years beginning on or after January 1, 2011; for an offering memorandum or an amendment that includes or incorporates by reference financial statements of the issuer in respect of periods relating to financial years beginning before January 1, 2011, the provisions of National Instrument 45-106 Prospectus and Registration Exemptions in force on December 31, 2010 apply.***

17. ***Despite section 16, an issuer may apply the amendments set out in this Schedule to an offering memorandum or an amendment to an offering memorandum of the issuer which includes or incorporates by reference financial statements of the issuer in respect of periods relating to a financial year that begins before January 1, 2011 if the immediately preceding financial year ends no earlier than December 21, 2010 and if the issuer is relying on the exemption in section 5.3 of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards.***

SCHEDULE G

1. *National Instrument 51-102 Continuous Disclosure Obligations, B.C. Reg. 110/2004, is amended by this Schedule.*
2. *Subsection 1.1 (1) is amended*
 - (a) *by adding the following definition:*

“acquisition date” has the same meaning as in the issuer’s GAAP; ,
 - (b) *in the definition of “AIF” by striking out “, Form 10-KSB”,*
 - (c) *by repealing the definition of “date of acquisition”,*
 - (d) *by adding the following definition:*

“date of transition to IFRS” means the date of transition to IFRS as that term is defined in Canadian GAAP applicable to publicly accountable enterprises; ,
 - (e) *in the definition of “financial outlook” by*
 - (i) *striking out “results of operations” and substituting “financial performance”, and*
 - (ii) *striking out “balance sheet, income statement or cash flow statement” and substituting “statement of financial position, statement of comprehensive income or statement of cash flows”,*
 - (f) *by adding the following definitions:*

“financial statements” includes interim financial reports;

“first IFRS financial statements” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises; ,
 - (g) *in the definition of “FOFI” by*
 - (i) *striking out “results of operations” and substituting “financial performance”, and*

- (ii) *striking out* “balance sheet, income statement or cash flow statement” *and substituting* “statement of financial position, statement of comprehensive income or statement of cash flows”,
- (h) *by repealing the definition of* “**income from continuing operations**”,
- (i) *by adding the following definition:*

“**forward-looking information**” means disclosure regarding possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action and includes future-oriented financial information with respect to prospective financial performance, financial position or cash flows that is presented either as a forecast or a projection; ,
- (j) *by repealing the definition of* “**inter-dealer bond broker**” *and substituting the following:*

“**inter-dealer bond broker**” means a person or company that is approved by the Investment Industry Regulatory Organization of Canada under its Rule 36 *Inter-Dealer Bond Brokerage Systems*, as amended, and is subject to its Rule 36 and its Rule 2100 *Inter-Dealer Bond Brokerage Systems*, as amended; ,
- (k) *in the definition of* “**issuer’s GAAP**” *by striking out* “*Acceptable Accounting Principles, Auditing Standards and Reporting Currency*” *and substituting* “*Acceptable Accounting Principles and Auditing Standards*”,
- (l) *in the definition of* “**MD&A**” *by striking out* “or item 303 of Regulation S-B”,
- (m) *by adding the following definitions:*

“**operating income**” means gross revenue minus royalty expenses and production costs; ,

“**private enterprise**” has the same meaning as in Part 3 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

“**profit or loss attributable to owners of the parent**” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;

“profit or loss from continuing operations attributable to owners of the parent” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;

“publicly accountable enterprise” has the same meaning as in Part 3 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

“retrospective” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;

“retrospectively” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises; ,

(n) *by repealing the definition of “reverse takeover” and substituting the following:*

“reverse takeover” means

- (a) a reverse acquisition, which has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises; or
- (b) a transaction where an issuer acquires a person or company by which the securityholders of the acquired person or company, at the time of the transaction, obtain control of the issuer, where, for purposes of this paragraph, **“control”** has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises; ,

(o) *by adding the following definition:*

“U.S. AICPA GAAS” has the same meaning as in National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*; ,

(p) *by repealing the definition of “U.S. GAAP” and substituting the following:*

“U.S. GAAP” has the same meaning as in National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*; ,

(q) *by adding the following definition:*

“U.S. PCAOB GAAS” has the same meaning as in National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*; , *and*

- (r) *in the definition of “venture issuer” by striking out “date of acquisition” and substituting “acquisition date”.*
3. *Section 4.1 is amended*
- (a) *by repealing subsection (1) and substituting the following:*
- (1) Subject to subsection 4.8 (6), a reporting issuer must file annual financial statements that include
- (a) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for
- (i) the most recently completed financial year; and
- (ii) the financial year immediately preceding the most recently completed financial year, if any;
- (b) a statement of financial position as at the end of each of the periods referred to in paragraph (a);
- (c) in the following circumstances, a statement of financial position as at the beginning of the financial year immediately preceding the most recently completed financial year:
- (i) the reporting issuer discloses in its annual financial statements an unreserved statement of compliance with IFRS; and
- (ii) the reporting issuer
- (A) applies an accounting policy retrospectively in its annual financial statements,
- (B) makes a retrospective restatement of items in its annual financial statements, or
- (C) reclassifies items in its annual financial statements;
- (d) in the case of the reporting issuer’s first IFRS financial statements, the opening IFRS statement of financial position at the date of transition to IFRS; and
- (e) notes to the annual financial statements. , *and*

(b) by adding the following subsection:

- (3) If a reporting issuer presents the components of profit or loss in a separate income statement, the separate income statement must be displayed immediately before the statement of comprehensive income filed under subsection (1).

4. Section 4.3 is amended

(a) in the head note by striking out “Interim Financial Statements” and substituting “Interim Financial Report”,

(b) in subsection (1) by striking out “interim financial statements for interim periods” and substituting “an interim financial report for each interim period”,

(c) by repealing subsection (2) and substituting the following:

- (2) Subject to subsections 4.7 (4), 4.8 (7), 4.8 (8) and 4.10 (3), the interim financial report required to be filed under subsection (1) must include
- (a) a statement of financial position as at the end of the interim period and a statement of financial position as at the end of the immediately preceding financial year, if any;
 - (b) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows, all for the year-to-date interim period, and comparative financial information for the corresponding interim period in the immediately preceding financial year, if any;
 - (c) for interim periods other than the first interim period in a reporting issuer’s financial year, a statement of comprehensive income for the three month period ending on the last day of the interim period and comparative financial information for the corresponding period in the immediately preceding financial year, if any;
 - (d) in the following circumstances, a statement of financial position as at the beginning of the immediately preceding financial year:
 - (i) the reporting issuer discloses in its interim financial report an unreserved statement of compliance with

International Accounting Standard 34 *Interim Financial Reporting*; and

- (ii) the reporting issuer
 - (A) applies an accounting policy retrospectively in its interim financial report,
 - (B) makes a retrospective restatement of items in its interim financial report, or
 - (C) reclassifies items in its interim financial report;
- (e) in the case of the reporting issuer's first interim financial report required to be filed in the year of adopting IFRS, the opening IFRS statement of financial position at the date of transition to IFRS; and
- (f) notes to the interim financial report. ,

(d) by adding the following after subsection (2):

- (2.1) If a reporting issuer presents the components of profit or loss in a separate income statement, the separate income statement must be displayed immediately before the statement of comprehensive income filed under subsection (2). ,

(e) in subsection (3)

- (i) **in the head note by striking out “Interim Financial Statements” and substituting “an Interim Financial Report”,**
- (ii) **by striking out “interim financial statements” wherever it occurs and substituting “interim financial report”,**
- (iii) **in paragraph (a) by**
 - (a) **striking out “review of the” and substituting “review of an”, and**
 - (b) **striking out “financial statements have” and substituting “interim financial report has”,**
- (iv) **in paragraph (b) by striking out “review of the” and substituting “review of an”, and**

- (v) *in paragraph (c) by striking out “expressed a reservation in” and substituting “expressed a reservation of opinion in”,*
- (f) *in subsection (4)*
 - (i) *in the head note by striking out “Interim Financial Statements” and substituting “an Interim Financial Report”,*
 - (ii) *in paragraph (a) by*
 - (a) *striking out “interim financial statements” and substituting “an interim financial report”,*
 - (b) *adding “applicable to publicly accountable enterprises” after “Canadian GAAP”, and*
 - (c) *adding “annual” before “financial statements have been filed”,*
 - (iii) *in paragraph (b) by striking out “annual or interim financial statements” and substituting “annual financial statements or an interim financial report”,*
 - (iv) *in paragraph (c) by*
 - (A) *striking out “interim financial statements” and substituting “interim financial report”, and*
 - (B) *striking out “and comply with the reconciliation requirements set out in Part 4 of National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency”, and*
 - (v) *in paragraph (d) by striking out “restated financial statements” and substituting “restated interim financial report”.*

5. Section 4.4 is amended

- (a) *in the head note by striking out “Interim Financial Statements” and substituting “an Interim Financial Report”,*
- (b) *in the preamble by striking out “The interim financial statements” and substituting “An interim financial report”, and*

- (c) *in paragraphs (a) and (b) by striking out “interim financial statements” wherever it occurs and substituting “an interim financial report”.*

6. Section 4.5 is amended

- (a) *in subsection (1) by adding “annual” before “financial”,*
- (b) *in subsection (2) by*
 - (i) *striking out “financial statements” and substituting “interim financial report”, and*
 - (ii) *striking out “statements are” and substituting “report is”, and*
- (c) *in subsection (3) by striking out “financial statements” and substituting “interim financial report”.*

7. Section 4.6 is amended

- (a) *in subsection (1) by striking out “interim financial statements” wherever it occurs and substituting “interim financial reports”,*
- (b) *in subsection (3) by striking out “annual or interim financial statements” and substituting “annual financial statements or interim financial reports”, and*
- (c) *in subsection (4) by striking out “annual or interim financial statements” and substituting “annual financial statements or interim financial reports”.*

8. Section 4.7 is amended

- (a) *in subsection (1) by striking out “annual and interim financial statements” and substituting “annual financial statements and interim financial reports”,*
- (b) *in subsection (2) by adding “annual” after “those”,*
- (c) *in subsection (3) by*
 - (i) *striking out “interim financial statements” and substituting “an interim financial report”, and*
 - (ii) *striking out “those financial statements” and substituting “that interim financial report”, and*

(d) *in paragraph (4) (c) by striking out “interim financial statements” and substituting “interim financial report”.*

9. *Section 4.8 is amended*

(a) *in subsection (3)*

(i) *in paragraph (e) by striking out “the interim and annual financial statements” and substituting “each interim financial report and the annual financial statements”, and*

(ii) *in paragraph (f) by striking out “the interim and annual financial statements” and substituting “the annual financial statements and interim financial reports”,*

(b) *in subsection (5) by striking out “interim financial statements” and substituting “an interim financial report”,*

(c) *by repealing subsection (6) and substituting the following:*

(6) **Comparative Financial Information in Annual Financial Statements for New Financial Year** – If a transition year is less than nine months in length, the reporting issuer must include as comparative financial information to its annual financial statements for its new financial year

(a) a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows, and notes to the financial statements for its transition year;

(b) a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to the financial statements for its old financial year;

(c) in the following circumstances, a statement of financial position as at the beginning of the old financial year:

(i) the reporting issuer discloses in its annual financial statements an unreserved statement of compliance with IFRS; and

(ii) the reporting issuer

- (A) applies an accounting policy retrospectively in its annual financial statements,
 - (B) makes a retrospective restatement of items in its annual financial statements, or
 - (C) reclassifies items in its annual financial statements; and
- (d) in the case of the reporting issuer's first IFRS financial statements, the opening IFRS statement of financial position at the date of transition to IFRS. ,
- (d) *by repealing subsection (7) and substituting the following:*
- (7) **Comparative Financial Information in each Interim Financial Report if Interim Periods Not Changed in Transition Year** – If interim periods for the reporting issuer's transition year end three, six, nine or twelve months after the end of its old financial year, the reporting issuer must include
- (a) as comparative financial information in each interim financial report during its transition year, the comparative financial information required by subsection 4.3 (2), except if an interim period during the transition year is 12 months in length and the reporting issuer's transition year is longer than 13 months, the comparative financial information must be the statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows for the 12 month period that constitutes its old financial year;
 - (b) as comparative financial information in each interim financial report during its new financial year
 - (i) a statement of financial position as at the end of its transition year; and
 - (ii) the statement of comprehensive income, statement of changes in equity and statement of cash flows for the periods in its transition year or old financial year, for the same calendar months as, or as close as possible to, the calendar months in the interim period in the new financial year;

- (c) in the following circumstances, a statement of financial position as at the beginning of the earliest comparative period:
 - (i) the reporting issuer discloses in its interim financial report an unreserved statement of compliance with International Accounting Standard 34 *Interim Financial Reporting*; and
 - (ii) the reporting issuer
 - (A) applies an accounting policy retrospectively in its interim financial report,
 - (B) makes a retrospective restatement of items in its interim financial report, or
 - (C) reclassifies items in its interim financial report; and
- (d) in the case of the reporting issuer's first interim financial report required to be filed in the year of adopting IFRS, the opening IFRS statement of financial position at the date of transition to IFRS., *and*

(e) *by repealing subsection (8) and substituting the following:*

- (8) **Comparative Financial Information in Interim Financial Reports if Interim Periods Changed in Transition Year** – If interim periods for a reporting issuer's transition year end twelve, nine, six or three months before the end of the transition year, the reporting issuer must include
 - (a) as comparative financial information in each interim financial report during its transition year
 - (i) a statement of financial position as at the end of its old financial year; and
 - (ii) the statement of comprehensive income, statement of changes in equity and statement of cash flows for periods in its old financial year, for the same calendar months as, or as close as possible to, the calendar months in the interim period in the transition year;

- (b) as comparative financial information in each interim financial report during its new financial year
 - (i) a statement of financial position as at the end of its transition year; and
 - (ii) the statement of comprehensive income, statement of changes in equity and statement of cash flows in its transition year or old financial year, or both, as appropriate, for the same calendar months as, or as close as possible to, the calendar months in the interim period in the new financial year;
- (c) in the following circumstances, a statement of financial position as at the beginning of the earliest comparative period:
 - (i) the reporting issuer discloses in its interim financial report an unreserved statement of compliance with International Accounting Standard 34 *Interim Financial Reporting*; and
 - (ii) the reporting issuer
 - (A) applies an accounting policy retrospectively in its interim financial report,
 - (B) makes a retrospective restatement of items in its interim financial report, or
 - (C) reclassifies items in its interim financial report; and
 - (d) in the case of the reporting issuer's first interim financial report required to be filed in the year of adopting IFRS, the opening IFRS statement of financial position at the date of transition to IFRS.

10. Paragraph 4.9 (h) is amended by striking out “interim and annual financial statements” and substituting “interim financial reports and the annual financial statements”.

11. Section 4.10 is amended

- (a) **in paragraph (2) (c) by striking out “the interim financial statements” and substituting “each interim financial report”, and**

- (b) in subsection (3)**
 - (i) in the head note by striking out “Interim Financial Statements” and substituting “each Interim Financial Report”, and**
 - (ii) in paragraph (c) by striking out “interim financial statements” and substituting “interim financial report”.**

12. Section 4.11 is amended

- (a) by striking out “former auditor” wherever it occurs and substituting “predecessor auditor”,**
- (b) in subsection (1) in the definition of “disagreement” by**
 - (i) striking out “interim financial statements” wherever it occurs and substituting “interim financial report”, and**
 - (ii) striking out “reservation” wherever it occurs and substituting “modified opinion”,**
- (c) in subsection (2) by striking out “Handbook” and substituting “issuer’s GAAP”, and**
- (d) in paragraph (7) (d) by**
 - (i) striking out “contained any reservation” and substituting “expressed a modified opinion”, and**
 - (ii) striking out “each reservation” and substituting “each modification”.**

13. Section 5.1 is amended

- (a) in subsection (1) by striking out “annual and interim financial statements” and substituting “annual financial statements and each interim financial report”,**
- (b) in subsection (1.1) by striking out “annual and interim financial statements” and substituting “annual financial statements and interim financial reports”, and**
- (c) in subsection (2)**

- (i) *in the preamble by striking out “by” and substituting “on or before”, and*
- (ii) *in paragraph (a) by striking out “annual and interim financial statements” and substituting “annual financial statements and each interim financial report”.*

14. Section 5.2 is amended

- (a) *in the head note by striking out “and Supplement”,*
- (b) *in subsection (1) by striking out “or Item 303 of Regulation S-B”,*
- (c) *by repealing subsections (1.1) and (2).*

15. Section 5.3 is amended

- (a) *by repealing subsection (1) and substituting the following:*
 - (1) A venture issuer that has not had significant revenue from operations in either of its last two financial years must disclose in its MD&A, for each period referred to in subsection (2), a breakdown of material components of
 - (a) exploration and evaluation assets or expenditures;
 - (b) expensed research and development costs;
 - (c) intangible assets arising from development;
 - (d) general and administration expenses; and
 - (e) any material costs, whether expensed or recognized as assets, not referred to in paragraphs (a) through (d);and if the venture issuer’s business primarily involves mining exploration and development, the analysis of exploration and evaluation assets or expenditures must be presented on a property-by-property basis. ,
- (b) *in paragraph (2) (b) by striking out “interim financial statements” and substituting “interim financial report”, and*
- (c) *in subsection (3) by striking out “or MD&A supplement”.*

16. *Subsection 5.4 (1) is amended by striking out “, or in its MD&A supplement if one is required under section 5.2,”.*
17. *Section 5.5 is amended*
- (a) *in subsection (1) by striking out “and any annual MD&A supplement”,*
 - (b) *in subsection (2) by striking out “and any interim MD&A supplement”, and*
 - (c) *in subsection (3) by striking out “and any MD&A supplement”.*
18. *Section 5.6 is amended*
- (a) *in subsection (1) by*
 - (i) *striking out “and any MD&A supplement required under section 5.2”, and*
 - (ii) *striking out “annual or interim financial statements” and substituting “annual financial statements or interim financial report”,*
 - (b) *in subsection (2) by striking out “or MD&A supplement”,*
 - (c) *in subsection (3) by striking out “and any related MD&A supplement” wherever it occurs, and*
 - (d) *in subsection (4) by striking out “annual or interim financial statements” and substituting “annual financial statements or interim financial report”.*
19. *Section 5.7 is amended*
- (a) *in subsection (1) by striking out “, or in its MD&A supplement if one is required under section 5.2,”,*
 - (b) *by repealing paragraph (1) (a) and substituting the following:*
 - (a) *summarized financial information of the equity investee, including the aggregated amounts of assets, liabilities, revenue and profit or loss; and,*
 - (c) *in paragraph (1) (b) by striking out “earnings” and substituting “profit or loss”,*

(d) *in paragraph (2) (b) by striking out “statements” and substituting “report”, and*

(e) *in paragraph (3) (a) by striking out “or MD&A supplement”.*

20. Section 5.8 is amended

(a) *in subsection (2) by striking out “, or MD&A supplement if one is required under section 5.2,”,*

(b) *in subsection (3)*

(i) *by striking out “or MD&A supplement” wherever it occurs, and*

(ii) *in subparagraph (b) (iii) by striking out “on” and substituting “at”,*

(c) *in subsection (4) by striking out “, or MD&A supplement if one is required under section 5.2,”,*

(d) *in subsection (5)*

(i) *in paragraph (a) by striking out “, in its MD&A or MD&A supplement if one is required under section 5.2, disclose” and substituting “disclose in its MD&A”, and*

(ii) *in paragraph (b) by striking out “or MD&A supplement” wherever it occurs, and*

(e) *in subsection (6)*

(i) *by striking out “or MD&A supplement” wherever it occurs, and*

(ii) *in subparagraph (b) (iii) by striking out “on” and substituting “at”.*

21. Section 6.2 is amended

(a) *in paragraph (b) by striking out “AIF in” and substituting “AIF on”, and*

(b) *by striking out “, Form 10-KSB” wherever it occurs.*

22. Subsection 8.1 (1) is amended

- (a) *in the definition of “acquisition of related businesses” by striking out “upon a single common event; and” and substituting “upon a single common event;”,*
 - (b) *by adding “; and” after the definition of “business”, and*
 - (c) *by adding the following definition:*
 - “specified profit or loss” means profit or loss from continuing operations attributable to owners of the parent, adjusted to exclude income taxes.
23. *Section 8.2 amended by striking out “date of acquisition” wherever it occurs and substituting “acquisition date”.*
24. *Section 8.3 is amended*
- (a) *by striking out “date of the acquisition” wherever it occurs and substituting “acquisition date”,*
 - (b) *by striking out “date of acquisition” wherever it occurs and substituting “acquisition date”,*
 - (c) *by striking out “income from continuing operations” wherever it occurs and substituting “specified profit or loss”,*
 - (d) *in the preamble of subsection (2) by adding “and subject to subsections (4.1) and (4.2)” after “subsection (1)”,*
 - (e) *in paragraph (2) (a) by adding “annual” before “financial statements”,*
 - (f) *in paragraph 2 (c)*
 - (i) *in the head note by striking out “Income” and substituting “Profit or Loss”, and*
 - (ii) *by adding “annual” before “financial statements”,*
 - (g) *in subsection (4)*
 - (i) *in the preamble by adding “and subject to subsections (4.1) and (4.2)” after “subsection (3)”, and*
 - (ii) *in paragraph (c) in the head note by striking out “Income” and substituting “Profit or Loss”,*
 - (h) *by adding the following subsections:*

- (4.1) For the purposes of subsections (2) and (4), the reporting issuer must not remeasure its previously held equity interest in the business or related businesses.
- (4.2) For the purposes of paragraphs (2) (b) and (4) (b), the reporting issuer's investments in and advances to the business or related businesses must include
 - (a) the consideration transferred for the acquisition, measured in accordance with the issuer's GAAP,
 - (b) payments made in connection with the acquisition which do not constitute consideration transferred but which would not have been paid unless the acquisition had occurred, and
 - (c) contingent consideration for the acquisition measured in accordance with the issuer's GAAP. ,
- (i) ***in subsection (7)***
 - (i) ***in the head note by striking out "Income" and substituting "Profit or Loss", and***
 - (ii) ***by striking out "absolute value of the loss" and substituting "absolute value of the loss from continuing operations attributable to owners of the parent, adjusted to exclude income taxes",***
- (j) ***in the head note to subsection (8) by striking out "Income" wherever it occurs and substituting "Profit or Loss",***
- (k) ***in subsection (9)***
 - (i) ***in the head note by striking out "Income" wherever it occurs and substituting "Profit or Loss", and***
 - (ii) ***by striking out "average consolidated income" and substituting "average consolidated specified profit or loss",***
- (l) ***in subsection (10)***
 - (i) ***in the head note by striking out "Income" and substituting "Profit or Loss", and***
 - (ii) ***by striking out "average consolidated income" and substituting "average consolidated specified profit or loss",***

- (m) *in subsection (11)*
 - (i) *in the head note by striking out “Step-By-Step Acquisitions” and substituting “Multiple Investments in the Same Business”, and*
 - (ii) *by striking out “a “step-by-step” purchase as described in the Handbook” and substituting “multiple investments in the same business”,*
- (n) *in subsection (11.1)*
 - (i) *in the head note by striking out “Income” and substituting “Profit or Loss”, and*
 - (ii) *by striking out “income test” and substituting “profit or loss test”,*
- (o) *in subsection (12) by striking out “annual audited financial statements” and substituting “audited annual financial statements”,*
- (p) *by repealing subsection (13) and substituting the following:*
 - (13) **Application of Significance Tests – Accounting Principles and Currency** – For the purposes of calculating the significance tests in subsections (2) and (4), the amounts used for the business or related businesses must
 - (a) subject to subsection (13.1), be based on the issuer’s GAAP, and
 - (b) be translated into the same presentation currency as that used in the reporting issuer’s financial statements.
 - (13.1) **Application of Significance Tests – Exemption – Canadian GAAP Applicable to Private Enterprises** – Paragraph 8.3 (13) (a) does not apply to a venture issuer if
 - (a) the financial statements for the business or related businesses referred to in subsections 8.3 (2) and (4)
 - (i) are prepared in accordance with Canadian GAAP applicable to private enterprises, and
 - (ii) are prepared in a manner that consolidates any subsidiaries and accounts for significantly

influenced investees and joint ventures using the equity method; and

- (b) none of the accounting principles described in paragraphs 3.11 (1) (a) through (e) of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* were used to prepare financial statements for the business or related businesses referred to in subsections 8.3 (2) and (4). , **and**
- (q) **in subsection (14) by striking out** “subsection 6.1 (1) of National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*” **and substituting** “section 3.11 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*”.

25. Section 8.4 is amended

- (a) **by striking out** “date of acquisition” **wherever it occurs and substituting** “acquisition date”,
- (b) **by striking out** “balance sheet” **wherever it occurs and substituting** “statement of financial position”,
- (c) **in paragraph (1) (a) by striking out** “an income statement, a statement of retained earnings and a cash flow statement” **and substituting** “a statement of comprehensive income, a statement of changes in equity and a statement of cash flows”,
- (d) **in the head note to subsection (3) by striking out** “Interim Financial Statements” **and substituting** “Interim Financial Report”,
- (e) **by adding the following subsection:**
 - (3.1) **Contents of Interim Financial Report – Canadian GAAP Applicable to Private Enterprises** – If a reporting issuer is required under subsection (3) to include an interim financial report in a business acquisition report and the financial statements for the business or related businesses acquired are prepared in accordance with Canadian GAAP applicable to private enterprises, as permitted under National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*, the interim financial report must include

- (a) a balance sheet as at the end of the interim period and a balance sheet as at the end of the immediately preceding financial year, if any;
 - (b) an income statement, a statement of retained earnings and a cash flow statement, all for the year-to-date interim period, and comparative financial information for the corresponding interim period in the immediately preceding financial year, if any; and
 - (c) notes to the financial statements. ,
- (f) in subsection (4)**
- (i) *in the head note by striking out “Interim”,*
 - (ii) *in paragraph (a) by adding “and” after “before the acquisition;”, and*
 - (iii) *by repealing paragraph (4) (b),*
- (g) in paragraph (5) (b)**
- (i) *in clause (i) (B) by striking out “financial statements” and substituting “an interim financial report”, and*
 - (ii) *in subparagraph (ii) by striking out “an income statement” and substituting “a statement of comprehensive income”,*
- (h) in the head note to subsection (6) by striking out “Interim”, and**
- (i) in subsection (7)**
- (i) *by striking out paragraph (b) and substituting the following:*
 - (b) the reporting issuer must include in the pro forma financial statements
 - (i) adjustments attributable to each significant acquisition for which there are firm commitments and for which the complete financial effects are objectively determinable,

- (ii) adjustments to conform amounts for the business or related businesses to the issuer’s accounting policies, and
 - (iii) a description of the underlying assumptions on which the pro forma financial statements are prepared, cross-referenced to each related pro forma adjustment; , **and**
- (ii) **in paragraph (e) by striking out “, gross profit and income” and substituting “and profit or loss”.**

26. Section 8.6 is amended

(a) **by striking out subparagraph (b) (i) and substituting the following:**

- (i) summarizes financial information of the equity investee, including the aggregated amounts of assets, liabilities, revenue and profit or loss; and ,

(b) **in subparagraph (b) (ii) by striking out “earnings” and substituting “profit or loss”,**

(c) **in subparagraph (d) (iii)**

- (i) **by striking out “audit opinion” and substituting “auditor expressed an unmodified opinion”, and**

- (ii) **by striking out “, or the financial information referred to in subparagraph (ii), was issued without a reservation” and substituting “or the financial information referred to in subparagraph (ii)”.**

27. Section 8.9 is amended

(a) **in the preamble, by striking out “interim financial statements” and substituting “an interim financial report”, and**

(b) **in paragraph (c) by striking out “interim financial statements” and substituting “interim financial report”.**

28. Section 8.10 is amended

(a) **in subsection (2)**

- (i) *in the head note by striking out “Income” and substituting “Profit or Loss”,*
 - (ii) *by striking out “consolidated income from continuing operations” and substituting “specified profit or loss”, and*
 - (iii) *by striking out “income test” and substituting “profit or loss test”,*
 - (b) *by repealing paragraph (3) (d) and*
 - (c) *by repealing subparagraph (3) (e) (i) and substituting the following:*
 - (i) an operating statement for the business or related businesses prepared in accordance with subsection 3.11 (5) of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*; .
29. *Section 8.11 is amended*
- (a) *in the head note by striking out “Step-By-Step Acquisitions” and substituting “Multiple Investments in the Same Business”, and*
 - (b) *by striking out “a “step-by-step” purchase as described in the Handbook” and substituting “multiple investments in the same business”.*
30. *Paragraph 9.4 (9) (a) is amended by adding “or, in the case of a solicitation under subsection 9.2 (4), the document required under paragraph 9.2 (6) (a)” after “circular”.*
31. *Subsection 10.1 (3) is amended by striking out “interim financial statements” and substituting “an interim financial report”.*
32. *Section 11.4 is amended by striking out “results of operations” and substituting “financial performance”.*
33. *Paragraph 11.5 (b) is amended by striking out “retroactive” and substituting “retrospective”.*
34. *Section 13.4 is amended*
- (a) *in subsection (1)*
 - (i) *in the definition of “designated credit support securities” by striking out “non-convertible debt or convertible debt that is convertible” and substituting “non-convertible debt securities or convertible debt securities that are convertible”,*

- (ii) **by adding “and” after the definition of “subsidiary credit supporter”, and**
- (iii) **by repealing the definition of “summary financial information” and substituting the following:**

“summary financial information” includes the following line items:

- (a) revenue;
 - (b) profit or loss from continuing operations attributable to owners of the parent;
 - (c) profit or loss attributable to owners of the parent; and
 - (d) unless the accounting principles used to prepare the financial statements of the person or company permits the preparation of the person or company’s statement of financial position without classifying assets and liabilities between current and non-current and the person or company provides alternative meaningful financial information which is more appropriate to the industry,
 - (i) current assets;
 - (ii) non-current assets;
 - (iii) current liabilities; and
 - (iv) non-current liabilities. ,
- (b) **by adding the following after subsection (1):**

[**Note:** See section 1.1 of the Instrument for the definitions of “profit or loss attributable to owners of the parent” and “profit or loss from continuing operations attributable to owners of the parent”.]

- (c) **in paragraph (2) (g)**

- (i) *in the preamble by striking out* “the interim and annual financial statements” *and substituting* “each consolidated interim financial report and consolidated annual financial statements”,
 - (ii) *in clause (i) (A) by striking out* “revenues” *and substituting* “revenue”, *and*
 - (iii) *in subparagraph (ii) by striking out* “interim or annual consolidated” *and substituting* “consolidated interim financial report or consolidated annual”,
- (d) *in paragraph (2.1) (c)*
- (i) *by striking out* “the interim and annual consolidated” *and substituting* “each consolidated interim financial report and the consolidated annual”, *and*
 - (ii) *by striking out* “any interim or annual consolidated” *and substituting* “any consolidated interim financial report or consolidated annual”, *and*
- (e) *in paragraph (2.2) (b) by striking out* “revenues” *and substituting* “revenue”.

35. *Part 14 is amended by adding the following after section 14.2:*

14.3 Transition – Interim Financial Report

- (1) Despite section 4.4 and paragraph 4.10 (2) (c), the first interim financial report required to be filed in the year of adopting IFRS in respect of an interim period beginning on or after January 1, 2011 may be filed
- (a) in the case of a reporting issuer other than a venture issuer, on or before the earlier of
 - (i) the 75th day after the end of the interim period; and
 - (ii) the date of filing, in a foreign jurisdiction, an interim financial report for a period ending on the last day of the interim period; or
 - (b) in the case of a venture issuer, on or before the earlier of
 - (i) the 90th day after the end of the interim period; and

- (ii) the date of filing, in a foreign jurisdiction, an interim financial report for a period ending on the last day of the interim period.
- (2) Despite subsection 5.1 (2), the MD&A required to be filed under subsection 5.1 (1) relating to the first interim financial report required to be filed in the year of adopting IFRS in respect of an interim period beginning on or after January 1, 2011 may be filed on or before the earlier of
 - (a) the filing deadline for the interim financial report set out in subsection (1); and
 - (b) the date the reporting issuer files the interim financial report under subsections (1) or 4.3 (1), as applicable.
- (3) Despite subsection 4.6 (3), if a registered holder or beneficial owner of securities, other than debt instruments, of a reporting issuer requests the issuer's first interim financial report required to be filed in the year of adopting IFRS in respect of an interim period beginning on or after January 1, 2011, the reporting issuer may send a copy of the required interim financial report and the interim MD&A relating to the interim financial report to the person or company that made the request, without charge, by the later of
 - (a) in the case of a reporting issuer relying on subsection (1), 10 calendar days after the filing deadline set out in subsection (1), for the financial statements requested;
 - (b) in the case of a reporting issuer not relying on subsection (1), 10 calendar days after the filing deadline in subparagraph 4.4 (a) (i) or 4.4 (b) (i), subsection 4.10 (2) or subsection 14.3 (1), as applicable, for the financial statements requested; and
 - (c) 10 calendar days after the issuer receives the request.
- (4) Subsections (1), (2) and (3) do not apply unless the reporting issuer
 - (a) is disclosing, for the first time, a statement of compliance with International Accounting Standard 34 *Interim Financial Reporting*; and
 - (b) did not previously file financial statements that disclosed compliance with IFRS.

- (5) Subsections (1), (2) and (3) do not apply if the first interim financial report is in respect of an interim period ending after March 30, 2012.

36. Part 1 of Form 51-102F1 is amended

- (a) *by striking out* “results of operations” *wherever it occurs and substituting* “financial performance”,
- (b) *by striking out* “earnings” *and substituting* “profit or loss”,
- (c) *in paragraph (f) by striking out* “This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.”,
- (d) *by repealing paragraph (g) and substituting the following:*

(g) Venture Issuers Without Significant Revenue

If your company is a venture issuer without significant revenue from operations, focus your discussion and analysis of financial performance on expenditures and progress towards achieving your business objectives and milestones. ,

- (e) *in paragraph (h) by*
- (i) *striking out* “When” *and substituting* “If”, *and*
- (ii) *striking out* “accounted for as”,
- (f) *by repealing paragraph (i),*
- (g) *in paragraph (m) by adding* “for further guidance” *after* “Companion Policy 51-102CP”,
- (h) *in paragraph (m) by adding the following after the first paragraph:*
- “This Form also uses accounting terms that are defined or used in Canadian GAAP applicable to publicly accountable enterprises. For further guidance, see subsections 1.4(7) and (8) of Companion Policy 51 - 102CP.”,
- (i) *in paragraph (n) by adding* “for further guidance” *after* “Companion Policy 51-102CP”, *and*
- (j) *by adding the following after paragraph (o):*

(p) Use of “Financial Condition”

This Form uses the term “financial condition”. Financial condition reflects the overall health of the company and includes your company’s financial position (as shown on the statement of financial position) and other factors that may affect your company’s liquidity, capital resources and solvency.

37. *Form 51-102F1 is amended in section 1.1 of Part 2 by adding “annual” before “financial statements”.*
38. *Form 51-102F1 is amended in section 1.2 of Part 2*
- (a) by striking out “results of operations” wherever it occurs and substituting “financial performance”,*
 - (b) in paragraph (a) by striking out “as those terms are used in the Handbook” and substituting “ as those terms are described in the issuer’s GAAP”,*
 - (c) in subparagraph (b) (i) by striking out “revenues, income” and substituting “revenue, profit or loss”, and*
 - (d) by striking out the first sentence of instruction (ii).*
39. *Form 51-102F1 is amended in section 1.3 of Part 2*
- (a) in the preamble of subsection (1) by adding “annual” before “financial statements”,*
 - (b) in paragraph (1) (a) by striking out “net sales or total revenues” and substituting “total revenue”,*
 - (c) in paragraph (1) (b) by striking out “income or loss before discontinued operations and extraordinary items, in total” and substituting “profit or loss from continuing operations attributable to owners of the parent, in total”,*
 - (d) in paragraph (1) (c) by striking out “net income or loss, in total” and substituting “profit or loss attributable to owners of the parent, in total”,*
 - (e) in paragraph (1) (e) by striking out “long term” and substituting “non-current”,*
 - (f) in paragraph (1) (f) by adding “distributions or” before “cash dividends”,*

- (g) *in subsection (2) by striking out “condition and results of operations” and substituting “position and financial performance”, and*
- (h) *by repealing the Instruction and substituting the following:*

INSTRUCTIONS

- (i) *For each of the three most recently completed financial years, indicate the accounting principles that the financial data has been prepared in accordance with, the presentation currency and the functional currency if different from the presentation currency.*
- (ii) *If the financial data provided was not prepared in accordance with the same accounting principles for all three years, focus the discussion on the important trends and risks that have affected the business.*

40. Form 51-102F1 is amended in section 1.4 of Part 2

- (a) *in the head note by striking out “Results of Operations” and substituting “Discussion of Operations”,*
- (b) *in paragraph (a) by striking out “net sales or total revenues by operating business” and substituting “total revenue by reportable”,*
- (c) *in paragraph (b) by striking out “net sales or total revenues” and substituting “total revenue”,*
- (d) *in paragraph (d) by striking out “operating”,*
- (e) *in paragraph (f) by striking out “revenues” and substituting “revenue”,*
- (f) *in paragraph (g) by striking out “net sales, total revenue and income or loss before discontinued operations and extraordinary items” and substituting “total revenue and profit or loss from continuing operations attributable to owners of the parent”, and*
- (g) *by repealing paragraph (h) and substituting the following:*
 - (h) *effect of inflation and specific price changes on your company’s total revenue and on profit or loss from continuing operations attributable to owners of the parent; .*

41. Form 51-102F1 is amended in section 1.5 of Part 2 is amended

- (a) *by repealing paragraphs (a) (b) and (c) and substituting the following:*

- (a) total revenue;
 - (b) profit or loss from continuing operations attributable to owners of the parent, in total and on a per-share and diluted per-share basis; and
 - (c) profit or loss attributable to owners of the parent, in total and on a per-share and diluted per-share basis. ,
- (b) *in subparagraph (iii) of the instructions,*
- (A) *in clause (G) by striking out “revenues” and substituting “revenue”, and*
 - (B) *in clause (J) by striking out “cash flow” and substituting “cash flows”, and*
- (c) *by repealing subparagraph (iv) of the Instructions and substituting the following:*
- (iv) *For each of the eight most recently completed quarters, indicate the accounting principles that the financial data has been prepared in accordance with, the presentation currency and the functional currency if different from the presentation currency.*
 - (v) *If the financial data provided was not prepared in accordance with the same accounting principles for all eight quarters, focus the discussion on the important trends and risks that have affected the business.*

42. Form 51-102F1 is amended in section 1.6 of Part 2,

- (a) *in paragraph (f), by striking out “balance sheet conditions or income” and substituting “statement of financial position conditions or profit or loss attributable to owners of the parent”,*
- (b) *in subparagraph (h) (i), by adding “distributions or” before “dividend”,*
- (c) *in the Instructions,*
 - (i) *by striking out “income” and substituting “profit or loss”,*
 - (ii) *in clause (ii) (A) by striking out “earnings” and substituting “profit or loss”,*

- (iii) *in subparagraph (iv) by striking out “balance sheet” and substituting “statement of financial position”,*
- (iv) *in the table in subparagraph (iv) by*
 - (A) *striking out “Long Term” wherever it occurs, and*
 - (B) *striking out “Capital” and substituting “Finance”, and*
- (v) *in footnote 2 of the table in subparagraph (iv) by*
 - (A) *striking out “Other Long Term Obligations” and substituting “Other Obligations”,*
 - (B) *striking out “long term liabilities” and substituting “financial liabilities”, and*
 - (C) *striking out “balance sheet” and substituting “statement of financial position”.*

43. Form 51-102F1 is amended in section 1.8 of Part 2

- (a) *by striking out “results of operations” and substituting “financial performance”,*
- (b) *in paragraph (c) by striking out “revenues” and substituting “revenue”, and*
- (c) *in the Instructions by*
 - (i) *striking out “under a material variable interest”, and*
 - (ii) *adding “activities” after “hedging”.*

44. Form 51-102F1 is amended in section 1.9 of Part 2,

- (a) *in the head note, by striking out “with” and substituting “Between”,*
- (b) *by striking out “transactions involving related” and substituting “transactions between related”,*
- (c) *by striking out “Handbook” and substituting “issuer’s GAAP”, and*
- (d) *in the Instruction,*

- (i) *by striking out “transactions with related” and substituting “transactions between related”, and*
 - (ii) *in clause (C) by adding “describe” before “the measurement”.*
- 45. *Form 51-102F1 is amended in section 1.10 of Part 2 by striking out “cash flows or results of operations, including extraordinary items” and substituting “financial performance or cash flows”.*
- 46. *Form 51-102F1 is amended in section 1.11 of Part 2 by striking out “results of operations” and substituting “financial performance”.*
- 47. *Form 51-102F1 is amended in section 1.12 of Part 2*
 - (a) *in paragraph (b) by striking out “financial condition, changes in financial condition and results of operations” and substituting “financial position, changes in financial position and financial performance”,*
 - (b) *in paragraph (e) by*
 - (i) *adding “reportable” before “segments”, and*
 - (ii) *adding “reportable” before “segment” wherever it occurs, and*
 - (c) *in clause (i) (B) of the instructions by striking out “results of operations” and substituting “financial performance”.*
- 48. *Form 51-102F1 is amended in section 1.13 of Part 2*
 - (a) *by striking out “financial condition, changes in financial condition and results of operations” wherever it occurs and substituting “financial position, changes in financial position and financial performance”,*
 - (b) *in subparagraphs (b) (ii) and (v) by striking out “principle” wherever it occurs and substituting “policy”, and*
 - (c) *in subparagraph (b) (iv) by striking out “principles” and substituting “policies”.*
- 49. *Form 51-102F1 is amended in section 1.14 of Part 2*
 - (a) *in paragraph (e) by striking out “income” and substituting “profit or loss”,*
 - (b) *in subparagraph (ii) of the instructions, by striking out “results of operations” and substituting “financial performance”,*

- (c) *in subparagraph (iii) of the instructions, by striking out “earnings” and substituting “profit or loss”, and*
 - (d) *in subparagraph (iv) of the instructions, by striking out “income” and substituting “revenue”.*
50. *Form 51-102F1 is amended in section 2.2 of Part 2*
- (a) *in subparagraph (a) (i) by striking out “results of operations and cash flows” and substituting “financial performance”,*
 - (b) *in paragraph (a) by adding the following subparagraph:*
 - (i.i) a comparison of cash flows to the corresponding period in the previous year; ,
 - (c) *in subparagraph (a) (ii) by*
 - (i) *striking out “results of operations” and substituting “financial performance”, and*
 - (ii) *striking out “income or loss” and substituting “profit or loss attributable to owners of the parent”,*
 - (d) *in subparagraph (a) (iii) by striking out “financial condition, results of operations” and substituting “financial position, financial performance”,*
 - (e) *in the Instruction*
 - (i) *by striking out “interim financial statements” wherever it occurs and substituting “interim financial report”, and*
 - (ii) *in subparagraph (iv) by*
 - (A) *striking out “balance sheet” and substituting “statement of financial position”,*
 - (B) *striking out “income” and substituting “profit or loss”, and*
 - (C) *striking out “that are outside the ordinary course of your company’s business”.*
51. *Part 1 of Form 51-102F2 Annual Information Form is amended*

- (a) *in paragraph (e) by striking out* “This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.”,
- (b) *in paragraph (g) by adding* “for further guidance” *after* “Companion Policy 51-102CP”,
- (c) *by adding the following at the end of paragraph (g):*

This Form also uses accounting terms that are defined or used in Canadian GAAP applicable to publicly accountable enterprises. For further guidance, see subsections 1.4 (7) and (8) of Companion Policy 51-102CP. ,

- (d) *in paragraph (h) by adding* “for further guidance” *after* “Companion Policy 51-102CP”, *and*
- (e) *in paragraph (i) by*
 - (i) *striking out* “Special Purpose Vehicles” *and substituting* “Special Purpose Entities”, *and*
 - (ii) *striking out* “special purpose vehicle” *and substituting* “special purpose entity”.

52. Form 51-102F2 is amended in section 3.2 of Part 2 in subparagraph (ii) of the Instruction, by

- (a) *striking out* “sales and operating revenues” *wherever it occurs and substituting* “revenue”, *and*
- (b) *striking out* “do” *and substituting* “does”.

53. Form 51-102F2 is amended in section 5.1 (1) of Part 2

- (a) *in the preamble by striking out* “as those terms are used in the Handbook” *and substituting* “as those terms are described in the issuer’s GAAP”,
- (b) *in subparagraph (a) (iii) by striking out* “revenues” *wherever it occurs and substituting* “revenue”,
- (c) *in paragraph (h) by adding* “reportable” *before* “segment”,
- (d) *in paragraph (k) by striking out* “earnings” *and substituting* “profit or loss”, *and*

- (e) *in paragraph (m) by adding “reportable” before “segment”.*
54. *Form 51-102F2 is amended in paragraph 5.3 (2) (a) of Part 2 by striking out “income” and substituting “profit”.*
55. *Form 51-102F2 is amended in subsection 5.3 (6) of Part 2 by striking out “, Form 10-KSB”.*
56. *The head note of Item 6 of Part 2 of Form 51-102F2 is revised by striking out “and” and adding “or”.*
57. *The head note of section 6.1 of Part 2 of Form 51-102F2 is revised by striking out “or” and adding “and”.*
58. *Form 51-102F2 is amended in section 7.3 of Part 2, in the instructions, by striking out “derivatives” and substituting “derivative instruments”.*
59. *Form 51-102F2 is amended in section 16.2 (2.1) of Part 2 by striking out “US GAAS” and substituting “U.S. PCAOB GAAS or U.S. AICPA GAAS”.*
60. *Part 1 of Form 51-102F4 Business Acquisition Report is amended*
- (a) *in paragraph (e) by adding “for further guidance” after “Companion Policy 51-102CP”,*
- (b) *by adding the following at the end of paragraph (e):*
- This Form also uses accounting terms that are defined or used in Canadian GAAP applicable to publicly accountable enterprises. For further guidance, see subsections 1.4 (7) and (8) of Companion Policy 51-102CP. , *and*
- (c) *in paragraph (f) by adding “for further guidance” after “Companion Policy 51-102CP”.*
61. *Form 51-102F4 is amended in item 2 of Part 2,*
- (a) *in section 2.2,*
- (i) *in the head note by striking out “date of acquisition” and substituting “acquisition date”, and*
- (ii) *by striking out “date of acquisition” and substituting “acquisition date”,*

- (b) *by repealing the Instruction, and*
 - (c) *in section 2.4, by striking out “results of operations” and substituting “financial performance”.*
- 62. *Form 51-102F4 is amended in item 3 of Part 2, in the head note, by adding “and Other Information” after “Financial Statements”.*
- 63. *Part 1 of Form 51-102F5 Information Circular is amended*
 - (a) *in paragraph (d) by adding “for further guidance” after “Companion Policy 51-102CP”,*
 - (b) *by adding the following at the end of paragraph (d):*

This Form also uses accounting terms that are defined or used in Canadian GAAP applicable to publicly accountable enterprises. For further guidance, see subsections 1.4 (7) and (8) of Companion Policy 51-102CP. , *and*
 - (c) *in paragraph (e) by adding “for further guidance” after “Companion Policy 51-102CP”.*
- 64. *Form 51-102F5 is amended in section 9.3 of Part 2, in paragraph (ii) of the Instructions, by striking out “as described in section 3870 “Stock-based Compensation and Other Stock-based Payments” of the Handbook”.*
- 65. *Form 51-102F5 is amended in section 14.1 of Part 2 by adding “annual” before “financial statements”.*
- 66. *Form 51-102F5 is amended in section 14.2 of Part 2 by*
 - (a) *adding “for the company, business or entity” after “The disclosure”, and*
 - (b) *striking out “the entity” and substituting “the company, business or entity, respectively,”.*
- 67. *Form 51-102F5 is amended in section 16.2 of Part 2 by adding “annual” before “financial statements”.*
- 68. *Form 51-102F6 is amended by striking out “Section 3870 of the Handbook” wherever it occurs and substituting “IFRS 2 Share-based Payment”.*
- 69. *Form 51-102F6 is amended in Item 1.2 by repealing the definition of “NI 52-107”.*

70. *Form 51-102F6 is amended in the commentary under subsection 1.3 (4) by striking out “Multilateral” and substituting “National”.*
71. *Form 51-102F6 is amended in the commentary under subsection 1.3 (8)*
- (a) *by striking out “NI 52-107” and substituting “National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards”, and*
 - (b) *by striking out “, or the Handbook”.*
72. *Section 3.1 of Form 51-102F6 is amended*
- (a) *in subsection (3) by*
 - (i) *striking out “grant date”, and*
 - (ii) *adding “on the grant date” after “the award”,*
 - (b) *in subsection (4) by*
 - (i) *striking out “grant date”, and*
 - (ii) *adding “on the grant date” after “the award”,*
 - (c) *in subsection (5) by striking out “grant date fair value” wherever it occurs and substituting “fair value of the award on the grant date”,*
 - (d) *by repealing Commentary 2 and substituting the following:*
 - 2. *The value disclosed in columns (d) and (e) of the summary compensation table should reflect what the board of directors intended to pay, make payable, award, grant, give or otherwise provide as compensation on the grant date (fair value of the award) as set out in comment 3, below. This value might differ from the value reported in the issuer’s financial statements. ,*
 - (e) *in Commentary 4 by striking out “may” and substituting “might”,*
 - (f) *in Commentary 4 and 6 by striking out “grant date fair value” wherever it occurs and substituting “fair value of the award”, and*
 - (g) *in paragraph (10) (f) by striking out “grant date fair value” and substituting “fair value of the award on the grant date”.*
73. *Form 51-102F6 is amended in section 3.3 by striking out “reporting currency” wherever it occurs and substituting “presentation currency”.*

74. Section 5.1 of Form 51-102F6 is amended

- (a) in subsection (1) by striking out “NI 52-107” and substituting “National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards”,**
- (b) in the table in subsection (1) by**

 - (i) striking out “Accrued obligation at start of year” and substituting “Opening present value of defined benefit obligation”, and**
 - (ii) striking out “Accrued obligation at year end” and substituting “Closing present value of defined benefit obligation”,**
- (c) in subsection (2) by**

 - (i) striking out “plan measurement” and substituting “reporting”, and**
 - (ii) adding “annual” before “financial statements”,**
- (d) in subsection (5) by striking out “accrued obligation” and substituting “present value of the defined benefit obligation”,**
- (e) in subsection (6) by**

 - (i) striking out “accrued obligation” wherever it occurs and substituting “present value of the defined benefit obligation”,**
 - (ii) adding “closing” after “quantifying the”, and**
 - (iii) striking out “at the end of the most recently completed financial year”,**
- (f) in subsection (7) by**

 - (i) striking out “accrued obligation” wherever it occurs and substituting “present value of the defined benefit obligation”, and**
 - (ii) adding “most recently completed financial” after “start of the”, and**
- (g) in subsection (8) by striking out “accrued obligation” and substituting “present value of the defined benefit obligation”.**

75. *Form 51-102F6 is amended in section 5.2 by striking out “NI 52-107” and substituting “National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards”.*
76. *The effect of this Schedule applies only to documents required to be prepared, filed, delivered or sent under National Instrument 51-102 Continuous Disclosure Obligations for periods relating to financial years beginning on or after January 1, 2011; for periods relating to financial years beginning before January 1, 2011 the provisions of National Instrument 51-102 Continuous Disclosure Obligations in force on December 31, 2010 apply.*
77. *Despite section 76, an issuer may apply the amendments set out in this Schedule to all documents required to be prepared, filed, delivered or sent under National Instrument 51-102 Continuous Disclosure Obligations for periods relating to a financial year that begins before January 1, 2011 if the immediately preceding financial year ends no earlier than December 21, 2010 and if the issuer is relying on the exemption in section 5.3 of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards.*
78. *A head note that is revised by this Schedule*
- (a) does not form part of National Instrument 51-102 Continuous Disclosure Obligations, and*
- (b) has been included for convenience of reference only.*

SCHEDULE H

National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards

TABLE OF CONTENTS

PART	TITLE
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PART 1:	DEFINITIONS AND INTERPRETATION
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- | | |
|-----|--|
| 1.1 | Definitions |
| 1.2 | Determination of Canadian Shareholders for Calculation of Designated Foreign Issuer and Foreign Issuer |
| 1.3 | Timing for Calculation of Designated Foreign Issuer, Foreign Issuer and Foreign Registrant |
| 1.4 | Interpretation |

PART 2: APPLICATION

2.1 Application

PART 3: RULES APPLYING TO FINANCIAL YEARS BEGINNING ON OR AFTER JANUARY 1, 2011

- 3.1 Definitions and Application
- 3.2 Acceptable Accounting Principles – General Requirements
- 3.3 Acceptable Auditing Standards – General Requirements
- 3.4 Acceptable Auditors
- 3.5 Presentation and Functional Currencies
- 3.6 Credit Supporters
- 3.7 Acceptable Accounting Principles for SEC Issuers
- 3.8 Acceptable Auditing Standards for SEC Issuers
- 3.9 Acceptable Accounting Principles for Foreign Issuers
- 3.10 Acceptable Auditing Standards for Foreign Issuers
- 3.11 Acceptable Accounting Principles for Acquisition Statements
- 3.12 Acceptable Auditing Standards for Acquisition Statements
- 3.13 Financial Information for Acquisitions Accounted for by the Issuer Using the Equity Method
- 3.14 Acceptable Accounting Policies for *Pro Forma* Financial Statements
- 3.15 Acceptable Accounting Principles for Foreign Registrants
- 3.16 Acceptable Auditing Standards for Foreign Registrants

PART 4: RULES APPLYING TO FINANCIAL YEARS BEGINNING BEFORE JANUARY 1, 2011

- 4.1 Definitions and Application
- 4.2 Acceptable Accounting Principles – General Requirements
- 4.3 Acceptable Auditing Standards – General Requirements
- 4.4 Acceptable Auditors
- 4.5 Measurement and Reporting Currencies
- 4.6 Credit Supporters
- 4.7 Acceptable Accounting Principles for SEC Issuers
- 4.8 Acceptable Auditing Standards for SEC Issuers
- 4.9 Acceptable Accounting Principles for Foreign Issuers
- 4.10 Acceptable Auditing Standards for Foreign Issuers
- 4.11 Acceptable Accounting Principles for Acquisition Statements
- 4.12 Acceptable Auditing Standards for Acquisition Statements
- 4.13 Financial Information for Acquisitions Accounted for by Issuer Using the Equity Method
- 4.14 Acceptable Accounting Principles for *Pro Forma* Financial Statements
- 4.15 Acceptable Accounting Principles for Foreign Registrants
- 4.16 Acceptable Auditing Standards for Foreign Registrants

PART 5: EXEMPTIONS

5.1 Exemptions

- 5.2 Certain Exemptions Evidenced by Receipt
- 5.3 Financial Years ending between December 21 and 31, 2010
- 5.4 Rate-Regulated Activities

PART 6: REPEAL, TRANSITION AND EFFECTIVE DATE

- 6.1 Repeal
- 6.2 Effective Date
- 6.3 Existing Exemptions

PART 1: DEFINITIONS AND INTERPRETATION

1.1 Definitions — In this Instrument:

“accounting principles” means a body of principles relating to accounting that are generally accepted in a jurisdiction of Canada or a foreign jurisdiction and includes, without limitation, IFRS, Canadian GAAP and U.S. GAAP;

“acquisition statements” means financial statements of an acquired business or a business to be acquired, or an operating statement for an oil and gas property that is an acquired business or a business to be acquired, that are

- (a) required to be filed under National Instrument 51-102 *Continuous Disclosure Obligations*,
- (b) included in a prospectus pursuant to Item 35 of Form 41-101F1 *Information Required in a Prospectus*,
- (c) required to be included in a prospectus under National Instrument 44-101 *Short Form Prospectus Distributions*, or
- (d) except in Ontario, included in an offering memorandum required under National Instrument 45-106 *Prospectus and Registration Exemptions*;

“auditing standards” means a body of standards relating to auditing that are generally accepted in a jurisdiction of Canada or a foreign jurisdiction and includes, without limitation, Canadian GAAS, International Standards on Auditing, U.S. AICPA GAAS and U.S. PCAOB GAAS;

“business acquisition report” means a completed Form 51-102F4 *Business Acquisition Report*;

“convertible security” means a security of an issuer that is convertible into, or carries the right of the holder to acquire, or of the issuer to cause the acquisition of, a security of the same issuer;

“credit support issuer” means an issuer of securities for which a credit supporter has provided a guarantee or alternative credit support;

“credit supporter” means a person or company that provides a guarantee or alternative credit support for any of the payments to be made by an issuer of securities as stipulated in the terms of the securities or in an agreement governing rights of, or granting rights to, holders of the securities;

“designated foreign issuer” means a foreign issuer

- (a) that does not have a class of securities registered under section 12 of the 1934 Act and is not required to file reports under section 15 (d) of the 1934 Act,
- (b) that is subject to foreign disclosure requirements in a designated foreign jurisdiction, and
- (c) for which the total number of equity securities beneficially owned by residents of Canada does not exceed 10%, on a fully-diluted basis, of the total number of equity securities of the issuer, calculated in accordance with sections 1.2 and 1.3;

“designated foreign jurisdiction” means Australia, France, Germany, Hong Kong, Italy, Japan, Mexico, the Netherlands, New Zealand, Singapore, South Africa, Spain, Sweden, Switzerland or the United Kingdom of Great Britain and Northern Ireland;

“exchangeable security” means a security of an issuer that is exchangeable for, or carries the right of the holder to acquire, or of the issuer to cause the acquisition of, a security of another issuer;

“exchange-traded security” means a security that is listed on a recognized exchange or is quoted on a recognized quotation and trade reporting system or is listed on an exchange or quoted on a quotation and trade reporting system that is recognized for the purposes of National Instrument 21-101 *Marketplace Operation* and National Instrument 23-101 *Trading Rules*;

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

- (a) a chair, vice-chair or president,
- (b) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or
- (c) performing a policy-making function in respect of the issuer;

“financial statements” includes interim financial reports;

“foreign disclosure requirements” means the requirements to which a foreign issuer is subject concerning disclosure made to the public, to securityholders of the issuer or to a foreign regulatory authority

- (a) relating to the foreign issuer and the trading in its securities, and

- (b) that is made publicly available in the foreign jurisdiction under
 - (i) the securities laws of the foreign jurisdiction in which the principal trading market of the foreign issuer is located, or
 - (ii) the rules of the marketplace that is the principal trading market of the foreign issuer;

“foreign issuer” means an issuer that is incorporated or organized under the laws of a foreign jurisdiction, unless

- (a) outstanding voting securities of the issuer carrying more than 50% of the votes for the election of directors are beneficially owned by residents of Canada, and
- (b) any of the following apply:
 - (i) the majority of the executive officers or directors of the issuer are residents of Canada,
 - (ii) more than 50% of the consolidated assets of the issuer are located in Canada, or
 - (iii) the business of the issuer is administered principally in Canada;

“foreign registrant” means a registrant that is incorporated or organized under the laws of a foreign jurisdiction, unless

- (a) outstanding voting securities of the registrant carrying more than 50% of the votes for the election of directors are beneficially owned by residents of Canada, and
- (b) any of the following apply:
 - (i) the majority of the executive officers or directors of the registrant are residents of Canada,
 - (ii) more than 50% of the consolidated assets of the registrant are located in Canada, or
 - (iii) the business of the registrant is administered principally in Canada;

“foreign regulatory authority” means a securities commission, exchange or other securities market regulatory authority in a designated foreign jurisdiction;

“IAS 27” means International Accounting Standard 27 *Consolidated and*

Separate Financial Statements, as amended from time to time;

“**IAS 34**” means International Accounting Standard 34 *Interim Financial Reporting*, as amended from time to time;

“**inter-dealer bond broker**” means a person or company that is approved by the Investment Industry Regulatory Organization of Canada under its Rule No. 36 *Inter-Dealer Bond Brokerage Systems*, as amended, and is subject to its Rule No. 36 and its Rule 2100 *Inter-Dealer Bond Brokerage Systems*, as amended from time to time;

“**TPO venture issuer**” has the same meaning as in section 1.1 of National Instrument 41-101 *General Prospectus Requirements*;

“**issuer’s GAAP**” means the accounting principles used to prepare an issuer’s financial statements, as permitted by this Instrument;

“**marketplace**” means

- (a) an exchange,
- (b) a quotation and trade reporting system,
- (c) a person or company not included in paragraph (a) or (b) that
 - (i) constitutes, maintains or provides a market or facility for bringing together buyers and sellers of securities,
 - (ii) brings together the orders for securities of multiple buyers and sellers, and
 - (iii) uses established, non-discretionary methods under which the orders interact with each other, and the buyers and sellers entering the orders agree to the terms of a trade, or
- (d) a dealer that executes a trade of an exchange-traded security outside a marketplace,

but does not include an inter-dealer bond broker;

“**multiple convertible security**” means a security of an issuer that is convertible into, or exchangeable for, or carries the right of the holder to acquire, or of the issuer to cause the acquisition of, a convertible security, an exchangeable security or another multiple convertible security;

“**principal trading market**” means the published market on which the largest

trading volume in the equity securities of the issuer occurred during the issuer's most recently completed financial year that ended before the date the determination is being made;

“published market” means, for a class of securities, a marketplace on which the securities have traded that discloses, regularly in a publication of general and regular paid circulation or in a form that is broadly distributed by electronic means, the prices at which those securities have traded;

“recognized exchange” means

- (a) in Ontario, an exchange recognized by the securities regulatory authority to carry on business as a stock exchange,
- (b) in Québec, a person or company authorized by the securities regulatory authority to carry on business as an exchange, and
- (c) in every other jurisdiction of Canada, an exchange recognized by the securities regulatory authority as an exchange, self-regulatory organization or self-regulatory body;

“recognized quotation and trade reporting system” means

- (a) in every jurisdiction of Canada other than British Columbia, a quotation and trade reporting system recognized by the securities regulatory authority under securities legislation to carry on business as a quotation and trade reporting system, and
- (b) in British Columbia, a quotation and trade reporting system recognized by the securities regulatory authority under securities legislation as a quotation and trade reporting system or as an exchange;

“SEC issuer” means an issuer that

- (a) has a class of securities registered under section 12 of the 1934 Act or is required to file reports under section 15 (d) of the 1934 Act, and
- (b) is not registered or required to be registered as an investment company under the *Investment Company Act of 1940* of the United States of America, as amended from time to time;

“SEC foreign issuer” means a foreign issuer that is also an SEC issuer;

“underlying security” means a security issued or transferred, or to be issued or transferred, in accordance with the terms of a convertible security, an exchangeable security or a multiple convertible security;

“U.S. GAAP” means generally accepted accounting principles in the United States of America that the SEC has identified as having substantial authoritative support, as supplemented by Regulation S-X under the 1934 Act, as amended from time to time;

“U.S. AICPA GAAS” means auditing standards of the American Institute of Certified Public Accountants, as amended from time to time;

“U.S. PCAOB GAAS” means auditing standards of the Public Company Accounting Oversight Board (United States of America), as amended from time to time;

“venture issuer”,

- (a) in the case of acquisition statements required by National Instrument 51-102 *Continuous Disclosure Obligations*, has the same meaning as in subsection 1.1 (1) of that Instrument, and
- (b) in the case of acquisition statements referred to in paragraph (b), (c) or (d) of the definition of “acquisition statements”, has the same meaning as in section 1.1 of National Instrument 41-101 *General Prospectus Requirements*.

1.2 Determination of Canadian Shareholders for Calculation of Designated Foreign Issuer and Foreign Issuer

- (1) For the purposes of paragraph (c) of the definition of “designated foreign issuer” in section 1.1 and for the purposes of paragraphs 3.9 (1) (c) and 4.9 (c), a reference to equity securities beneficially owned by residents of Canada includes
 - (a) any underlying securities that are equity securities of the foreign issuer, and
 - (b) the equity securities of the foreign issuer represented by an American depositary receipt or an American depositary share issued by a depositary holding equity securities of the foreign issuer.
- (2) For the purposes of paragraph (a) of the definition of “foreign issuer” in section 1.1, securities represented by American depositary receipts or American depositary shares issued by a depositary holding voting securities of the foreign issuer must be included as outstanding in determining both the number of votes attached to securities beneficially owned by residents of Canada and the number of votes attached to all of

the issuer's outstanding voting securities.

1.3 Timing for Calculation of Designated Foreign Issuer, Foreign Issuer and Foreign Registrant — For the purposes of paragraph (c) of the definition of “designated foreign issuer” in section 1.1, paragraph (a) of the definition of “foreign issuer” in section 1.1, and paragraph (a) of the definition of “foreign registrant” in section 1.1, the calculation is made

- (a) if the issuer has not completed one financial year, on the earlier of
 - (i) the date that is 90 days before the date of its prospectus, and
 - (ii) the date that it became a reporting issuer; and
- (b) for all other issuers and for registrants, on the first day of the most recent financial year or interim period for which financial performance is presented in the financial statements or interim financial information filed or delivered or included in a prospectus.

1.4 Interpretation

- (1) For the purposes of this Instrument, a reference to “prospectus” includes a preliminary prospectus, a prospectus, an amendment to a preliminary prospectus and an amendment to a prospectus.
- (2) For the purposes of this Instrument, a reference to information being “included in” another document means information reproduced in the document or incorporated into the document by reference.

PART 2: APPLICATION

2.1 Application

- (1) This Instrument does not apply to investment funds.
- (2) This Instrument applies to
 - (a) all financial statements and interim financial information delivered by registrants to the securities regulatory authority or regulator under National Instrument 31-103 *Registration Requirements and Exemptions*,
 - (b) all financial statements filed, or included in a document that is filed, by an issuer under National Instrument 51-102 *Continuous Disclosure Obligations* or National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*,

- (c) all financial statements included in
 - (i) a prospectus, a take-over bid circular or any other document that is filed by or in connection with an issuer, or
 - (ii) except in Ontario, an offering memorandum required to be delivered by an issuer under National Instrument 45-106 *Prospectus and Registration Exemptions*,
- (d) any operating statement for an oil and gas property that is an acquired business or a business to be acquired, that is
 - (i) filed by an issuer under National Instrument 51-102 *Continuous Disclosure Obligations*,
 - (ii) included in a prospectus, take-over bid circular or any other document that is filed by or in connection with an issuer, or
 - (iii) except in Ontario, included in an offering memorandum required to be delivered by an issuer under National Instrument 45-106 *Prospectus and Registration Exemptions*,
- (e) any other financial statements filed, or included in a document that is filed, by a reporting issuer,
- (f) summary financial information for a credit supporter or credit support issuer that is
 - (i) filed under National Instrument 51-102 *Continuous Disclosure Obligations*,
 - (ii) included in a prospectus, take-over bid circular or any other document that is filed by or in connection with an issuer, or
 - (iii) except in Ontario, included in an offering memorandum required to be delivered by an issuer under National Instrument 45-106 *Prospectus and Registration Exemptions*,
- (g) summarized financial information of an acquired business or business to be acquired that is, or will be, an investment accounted for by the issuer using the equity method, that is
 - (i) filed by an issuer under National Instrument 51-102

Continuous Disclosure Obligations,

- (ii) included in a prospectus, take-over bid circular or any other document that is filed by or in connection with an issuer, or
 - (iii) except in Ontario, included in an offering memorandum required to be delivered by an issuer under National Instrument 45-106 *Prospectus and Registration Exemptions*, and
- (h) *pro forma* financial statements
- (i) filed, or included in a document that is filed, by an issuer under National Instrument 51-102 *Continuous Disclosure Obligations* or National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*,
 - (ii) included in a prospectus, take-over bid circular or any other document that is filed by or in connection with an issuer, or
 - (iii) otherwise filed, or included in a document that is filed, by a reporting issuer.

PART 3:

**RULES APPLYING TO FINANCIAL YEARS BEGINNING ON OR AFTER
JANUARY 1, 2011**

3.1 Definitions and Application

- (1) In this Part:

“publicly accountable enterprise” means a publicly accountable enterprise as defined in the Handbook;

“private enterprise” means a private enterprise as defined in the Handbook.

- (2) This Part applies to financial statements, financial information, operating statements and *pro forma* financial statements for periods relating to financial years beginning on or after January 1, 2011.

3.2 Acceptable Accounting Principles – General Requirements

- (1) Financial statements referred to in paragraphs 2.1 (2) (b), (c) and (e), other than acquisition statements, must
 - (a) be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises, and
 - (b) disclose
 - (i) in the case of annual financial statements, an unreserved statement of compliance with IFRS, and
 - (ii) in the case of an interim financial report, an unreserved statement of compliance with IAS 34.
- (2) Despite subsection (1), in the case of an interim financial report that is not required under securities legislation to provide comparative interim financial information,
 - (a) the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and explanatory notes must be prepared in accordance with IAS 34 other than the requirement in IAS 34 to include comparative financial information; and
 - (b) the interim financial report must disclose that
 - (i) it does not comply with IAS 34 because it does not include comparative interim financial information, and
 - (ii) the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and explanatory notes have been prepared in accordance with IAS 34 other than the requirement in IAS 34 to include comparative financial information.
- (3) Financial statements and interim financial information referred to in paragraph 2.1 (2) (a) must
 - (a) be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises, except that any investments in subsidiaries, jointly controlled entities and associates must be accounted for as specified for separate financial statements in IAS 27, and
 - (b) in the case of annual financial statements,

- (i) include the following statement:

These financial statements are prepared in accordance with the financial reporting framework specified in [*insert “paragraph 3.2 (3) (a)”, “subsection 3.2 (4)” or “section 3.15” as applicable*] of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* for financial statements delivered by registrants. ,

and

- (ii) describe the financial reporting framework used to prepare the financial statements.
- (4) Despite paragraph (3) (a), financial statements and interim financial information referred to in paragraph 2.1 (2) (a) for periods relating to a financial year beginning in 2011 may be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises, except that
 - (a) any investments in subsidiaries, jointly controlled entities and associates must be accounted for as specified for separate financial statements in IAS 27,
 - (b) comparative information relating to the preceding financial year must be excluded, and
 - (c) the first day of the financial year to which the financial statements or interim financial information relates must be used as the date of transition to the financial reporting framework.
 - (5) Financial statements must be prepared in accordance with the same accounting principles for all periods presented in the financial statements.
 - (6) Financial information referred to in paragraphs 2.1 (2) (f) and (g) must
 - (a) present the line items for summary financial information or summarized financial information required by National Instrument 45-106 *Prospectus and Registration Exemptions* or National Instrument 51-102 *Continuous Disclosure Obligations*, as the case may be, and
 - (b) in the case of summarized financial information of an acquired business or business to be acquired that is, or will be, an investment accounted for by the issuer using the equity method,

- (i) be prepared using accounting policies that
 - (A) are permitted by one of Canadian GAAP applicable to publicly accountable enterprises, IFRS, U.S. GAAP or Canadian GAAP applicable to private enterprises, and
 - (B) would apply to the information if the information were presented as part of a complete set of financial statements,
- (ii) include the following statement:

This information is prepared in accordance with the financial reporting framework specified in subsection 3.2 (6) of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* for summarized financial information of a business accounted for using the equity method. ,
- and
- (iii) describe the accounting policies used to prepare the information.

3.3 Acceptable Auditing Standards – General Requirements

- (1) Financial statements, other than acquisition statements, that are required by securities legislation to be audited must
 - (a) be audited in accordance with Canadian GAAS and be accompanied by an auditor’s report that
 - (i) expresses an unmodified opinion,
 - (ii) identifies all financial periods presented for which the auditor has issued an auditor’s report,
 - (iii) is in the form specified by Canadian GAAS for an audit of financial statements prepared in accordance with a fair presentation framework, and
 - (iv) refers to IFRS as the applicable fair presentation framework if the financial statements are prepared in accordance with

Canadian GAAP applicable to publicly accountable enterprises, and

- (b) if the issuer or registrant has changed its auditor and one or more of the comparative periods presented in the financial statements were audited by a predecessor auditor, be accompanied by the predecessor auditor's reports on the comparative periods.
- (2) Paragraph (1) (b) does not apply to financial statements referred to in paragraphs 2.1 (2) (a) and (b) if the auditor's report described in paragraph (1) (a) refers to the predecessor auditor's reports on the comparative periods.

3.4 Acceptable Auditors — An auditor's report filed by an issuer or delivered by a registrant must be prepared and signed by a person or company that is authorized to sign an auditor's report under the laws of a jurisdiction of Canada or a foreign jurisdiction and that meets the professional standards of that jurisdiction.

3.5 Presentation and Functional Currencies

- (1) The presentation currency must be prominently displayed in financial statements.
- (2) Financial statements must disclose the functional currency if it is different than the presentation currency.

3.6 Credit Supporters

- (1) Unless subsection 3.2 (1) applies, if a credit support issuer files, or includes in a prospectus, financial statements of a credit supporter, the credit supporter's financial statements must
 - (a) be prepared in accordance with the accounting principles and audited in accordance with the auditing standards that would apply under this Instrument if the credit supporter were to file financial statements referred to in paragraph 2.1 (2) (b), and
 - (b) identify the accounting principles used to prepare the financial statements.
- (2) If a credit support issuer files, or includes in a prospectus, summary financial information for the credit supporter or credit support issuer,
 - (a) the summary financial information must, in addition to satisfying other requirements in this Instrument

- (i) prominently display the presentation currency, and
 - (ii) disclose the functional currency if it is different from the presentation currency, and
- (b) the amounts presented in the summary financial information must be derived from financial statements of the credit supporter or credit support issuer that, if required by securities legislation to be audited, are audited in accordance with the auditing standards that would apply under this Instrument if the credit supporter or credit support issuer, as the case may be, were to file financial statements referred to in paragraph 2.1 (2) (b).

3.7 Acceptable Accounting Principles for SEC Issuers

- (1) Despite subsection 3.2 (1), an SEC issuer's financial statements referred to in paragraphs 2.1 (2) (b), (c) and (e) and financial information referred to in paragraphs 2.1 (2) (f) and (g) that are filed with or delivered to a securities regulatory authority or regulator, other than acquisition statements, may be prepared in accordance with U.S. GAAP.
- (2) The notes to the financial statements referred to in subsection (1) must identify the accounting principles used to prepare the financial statements.

3.8 Acceptable Auditing Standards for SEC Issuers

- (1) Despite subsection 3.3 (1), an SEC issuer's financial statements referred to in paragraphs 2.1 (2) (b), (c) and (e) and financial information referred to in paragraphs 2.1 (2) (f) and (g) that are filed with or delivered to a securities regulatory authority or regulator, other than acquisition statements, and that are required by securities legislation to be audited, may be audited in accordance with U.S. PCAOB GAAS if the financial statements are accompanied by
 - (a) an auditor's report prepared in accordance with U.S. PCAOB GAAS that
 - (i) expresses an unqualified opinion,
 - (ii) identifies all financial periods presented for which the auditor has issued an auditor's report, and
 - (iii) identifies the auditing standards used to conduct the audit and the accounting principles used to prepare the financial statements, and

- (b) the predecessor auditor's reports on the comparative periods, if the issuer has changed its auditor and one or more of the comparative periods presented in the financial statements were audited by the predecessor auditor.
- (2) Paragraph (1) (b) does not apply to financial statements referred to in paragraph 2.1 (2) (b) if the auditor's report described in paragraph (1) (a) refers to the predecessor auditor's reports on the comparative periods.

3.9 Acceptable Accounting Principles for Foreign Issuers

- (1) Despite subsection 3.2 (1), a foreign issuer's financial statements referred to in paragraphs 2.1 (2) (b), (c) and (e) that are filed with or delivered to a securities regulatory authority or regulator, other than acquisition statements, may be prepared in accordance with
 - (a) IFRS,
 - (b) U.S. GAAP, if the issuer is an SEC foreign issuer,
 - (c) accounting principles that meet the disclosure requirements for foreign private issuers, as that term is defined for the purposes of the 1934 Act, if
 - (i) the issuer is an SEC foreign issuer,
 - (ii) on the last day of the most recently completed financial year the total number of equity securities of the issuer beneficially owned by residents of Canada does not exceed 10%, on a fully-diluted basis, of the total number of equity securities of the issuer, and
 - (iii) the financial statements include any reconciliation to U.S. GAAP required by the SEC, or
 - (d) accounting principles that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the issuer is subject, if the issuer is a designated foreign issuer.
- (2) The notes to the financial statements must identify the accounting principles used to prepare the financial statements.

3.10 Acceptable Auditing Standards for Foreign Issuers

- (1) Despite subsection 3.3 (1), a foreign issuer's financial statements referred to in paragraphs 2.1 (2) (b), (c) and (e) that are filed with or delivered to a

securities regulatory authority or regulator, other than acquisition statements, that are required by securities legislation to be audited may be audited in accordance with

- (a) International Standards on Auditing if the financial statements are accompanied by
 - (i) an auditor's report that
 - (A) expresses an unmodified opinion,
 - (B) identifies all financial periods presented for which the auditor has issued the auditor's report,
 - (C) identifies the auditing standards used to conduct the audit and the accounting principles used to prepare the financial statements, and
 - (D) is prepared in accordance with the same auditing standards used to conduct the audit, and
 - (ii) the predecessor auditor's reports on the comparative periods, if the issuer has changed its auditor and one or more of the comparative periods presented in the financial statements were audited by the predecessor auditor,
- (b) U.S. PCAOB GAAS if the financial statements are accompanied by
 - (i) an auditor's report that
 - (A) expresses an unqualified opinion,
 - (B) identifies all financial periods presented for which the auditor has issued the auditor's report,
 - (C) identifies the auditing standards used to conduct the audit and the accounting principles used to prepare the financial statements, and
 - (D) is prepared in accordance with the same auditing standards used to conduct the audit, and
 - (ii) the predecessor auditor's reports on the comparative periods, if the issuer has changed its auditor and one or more of the comparative periods presented in the financial

statements was audited by the predecessor auditor, or

- (c) auditing standards that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the issuer is subject if
 - (i) the issuer is a designated foreign issuer,
 - (ii) the financial statements are accompanied by an auditor's report prepared in accordance with the same auditing standards used to conduct the audit, and
 - (iii) the auditor's report identifies the auditing standards used to conduct the audit and the accounting principles used to prepare the financial statements.
- (2) Subparagraph (1) (a) (ii) or (b) (ii) does not apply to financial statements referred to in paragraph 2.1 (2) (b) if the auditor's report described in subparagraph (1) (a) (i) or (b) (i), as the case may be, refers to the predecessor auditor's reports on the comparative periods.

3.11 Acceptable Accounting Principles for Acquisition Statements

- (1) Acquisition statements must be prepared in accordance with one of the following accounting principles:
 - (a) Canadian GAAP applicable to publicly accountable enterprises;
 - (b) IFRS;
 - (c) U.S. GAAP;
 - (d) accounting principles that meet the disclosure requirements for foreign private issuers, as that term is defined for the purposes of the 1934 Act, if
 - (i) the issuer or the acquired business or business to be acquired is an SEC foreign issuer,
 - (ii) on the last day of the most recently completed financial year the total number of equity securities of the SEC foreign issuer beneficially owned by residents of Canada does not exceed 10%, on a fully-diluted basis, of the total number of equity securities of the SEC foreign issuer, and
 - (iii) the financial statements include any reconciliation to U.S. GAAP required by the SEC;

- (e) accounting principles that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the issuer or the acquired business or business to be acquired is subject, if
 - (i) the issuer or business is a designated foreign issuer, and
 - (ii) in the case where the issuer's GAAP differs from the accounting principles used to prepare the acquisition statements, for the most recently completed financial year and interim period presented, the notes to the acquisition statements:
 - (A) describe the material differences between the issuer's GAAP and the accounting principles used to prepare the acquisition statements that relate to recognition, measurement and presentation, and
 - (B) quantify the effect of each difference referred to in clause (A) and include a tabular reconciliation between profit or loss reported in the acquisition statements and profit or loss computed in accordance with the issuer's GAAP;
- (f) Canadian GAAP applicable to private enterprises if
 - (i) the acquisition statements consolidate any subsidiaries and account for significantly influenced investees and joint ventures using the equity method,
 - (ii) financial statements for the acquired business or business to be acquired were not previously prepared in accordance with one of the accounting principles specified in paragraphs (a) to (e) for the periods presented in the acquisition statements,
 - (iii) the acquisition statements are accompanied by a notice stating:

These financial statements are prepared in accordance with Canadian GAAP applicable to private enterprises, which are Canadian accounting standards for private enterprises in Part II of the Handbook.

The recognition, measurement and disclosure

requirements of Canadian GAAP applicable to private enterprises differ from those of Canadian GAAP applicable to publicly accountable enterprises, which are International Financial Reporting Standards incorporated into the Handbook.

The *pro forma* financial statements included in the document include adjustments relating to the [*insert* “acquired business” *or* “business to be acquired” *as applicable*] and present *pro forma* information prepared using principles that are consistent with the accounting principles used by the issuer. ,

and

- (iv) in the case of acquisition statements included in a document filed by an issuer that is not a venture issuer, and is not an IPO venture issuer, for all financial years and the most recently completed interim period presented, the notes to the acquisition statements
 - (A) describe the material differences between the issuer’s GAAP and the accounting principles used to prepare the acquisition statements that relate to recognition, measurement and presentation,
 - (B) quantify the effect of each difference referred to in clause (A), and include a tabular reconciliation between profit or loss reported in the acquisition statements and profit or loss computed in accordance with the issuer’s GAAP, and
 - (C) for each difference referred to in clause (A) that relates to measurement, disclose and discuss the material inputs or assumptions underlying the measurement of the relevant amount computed in accordance with the issuer’s GAAP, consistent with the disclosure requirements of the issuer’s GAAP.
- (2) Acquisition statements must be prepared in accordance with the same accounting principles for all periods presented.
- (3) Acquisition statements to which paragraph (1) (a) applies must disclose
 - (a) in the case of annual financial statements, an unreserved statement

of compliance with IFRS, and

- (b) in the case of interim financial reports, an unreserved statement of compliance with IAS 34.
- (4) Unless paragraph (1) (a) applies, the notes to the acquisition statements must identify the accounting principles used to prepare the acquisition statements.
- (5) Despite subsections (1), (2) and (4), if acquisition statements are an operating statement for an oil and gas property that is an acquired business or business to be acquired,
 - (a) the operating statement must include at least the following line items:
 - (i) gross revenue;
 - (ii) royalty expenses;
 - (iii) production costs;
 - (iv) operating income;
 - (b) the line items in the operating statement must be prepared using accounting policies that
 - (i) are permitted by one of Canadian GAAP applicable to publicly accountable enterprises, IFRS, U.S. GAAP or Canadian GAAP applicable to private enterprises, and
 - (ii) would apply to those line items if those line items were presented as part of a complete set of financial statements, and
 - (c) the operating statement must
 - (i) include the following statement:

This operating statement is prepared in accordance with the financial reporting framework specified in subsection 3.11 (5) of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* for an operating statement. ,

and

- (ii) describe the accounting policies used to prepare the operating statement.
- (6) Despite subsections (1), (2) and (4), if the acquisition statements are based on information from the financial records of another entity whose operations included the acquired business or the business to be acquired and there are no separate financial records for the acquired business or the business to be acquired,
 - (a) the acquisition statements must be prepared in accordance with one of Canadian GAAP applicable to publicly accountable enterprises, IFRS, U.S. GAAP or Canadian GAAP applicable to private enterprises and, in addition, must include
 - (i) all assets and liabilities directly attributable to the acquired business or business to be acquired,
 - (ii) all revenue and expenses directly attributable to the acquired business or business to be acquired,
 - (iii) if there are expenses for the acquired business or business to be acquired that are common expenses shared with the other entity, a portion of those expenses allocated on a reasonable basis to the acquired business or business to be acquired, and
 - (iv) income and capital taxes calculated as if the entity had been a separate legal entity and had filed a separate tax return for the period presented,
 - (b) the acquisition statements must include the following statement:

The financial statements are prepared in accordance with a financial reporting framework specified in subsection 3.11 (6) of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* for carve-out financial statements. ,
 - (c) the acquisition statements must describe the financial reporting framework used to prepare the acquisition statements, including the method of allocation for each significant line item, and
 - (d) in the case of acquisition statements prepared in accordance with Canadian GAAP applicable to private enterprises,

- (i) the acquisition statements must consolidate any subsidiaries and account for significantly influenced investees and joint ventures using the equity method,
- (ii) the acquisition statements must be accompanied by a notice stating:

These financial statements are prepared in accordance with Canadian GAAP applicable to private enterprises, which are Canadian accounting standards for private enterprises in Part II of the Handbook.

The recognition, measurement and disclosure requirements of Canadian GAAP applicable to private enterprises differ from those of Canadian GAAP applicable to publicly accountable enterprises, which are International Financial Reporting Standards incorporated into the Handbook.

The *pro forma* financial statements included in the document include adjustments relating to the [*insert “acquired business” or “business to be acquired” as applicable*] and present *pro forma* information prepared using principles that are consistent with the accounting principles used by the issuer. ,

and

- (iii) in the case of acquisition statements included in a document filed by an issuer that is not a venture issuer, and is not an IPO venture issuer, for all financial years and the most recently completed interim period presented, the notes to the acquisition statements must
 - (A) describe the material differences between the issuer’s GAAP and the accounting principles used to prepare the acquisition statements that relate to recognition, measurement and presentation,
 - (B) quantify the effect of each difference referred to in clause (A), and include a tabular reconciliation between profit or loss reported in the acquisition statements and profit or loss computed in accordance with the issuer’s GAAP, and

- (C) for each difference referred to in clause (A) that relates to measurement, disclose and discuss the material inputs or assumptions underlying the measurement of the relevant amount computed in accordance with the issuer's GAAP, consistent with the disclosure requirements of the issuer's GAAP.

3.12 Acceptable Auditing Standards for Acquisition Statements

- (1) Acquisition statements that are required by securities legislation to be audited must be accompanied by an auditor's report and audited in accordance with one of the following auditing standards:
 - (a) Canadian GAAS;
 - (b) International Standards on Auditing;
 - (c) U.S. PCAOB GAAS;
 - (d) U.S. AICPA GAAS, if the acquired business or business to be acquired is not an SEC issuer;
 - (e) auditing standards that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the issuer is subject, if the issuer is a designated foreign issuer.
- (2) The auditor's report must,
 - (a) if paragraph (1) (a) or (b) applies, express an unmodified opinion,
 - (b) if paragraph (1) (c) or (d) applies, express an unqualified opinion,
 - (c) unless paragraph (1) (e) applies, identify all financial periods presented for which the auditor's report applies,
 - (d) identify the auditing standards used to conduct the audit,
 - (e) identify the accounting principles used or, if subsection 3.11 (5) or (6) applies, the financial reporting framework used, to prepare the acquisition statements, unless the auditor's report accompanies acquisition statements prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises and audited in accordance with Canadian GAAS, and
 - (f) if paragraph (1) (a) or (b) applies and subsection 3.11 (5) does not,

- (i) be in the form specified by the standards referred to in paragraph (1) (a) or (b), as applicable, for an audit of financial statements prepared in accordance with a fair presentation framework, and
 - (ii) refer to IFRS as the applicable fair presentation framework if the financial statements are prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises.
- (3) Despite paragraphs (2) (a) and (b), an auditor's report that accompanies acquisition statements may express a qualification of opinion relating to inventory if
 - (a) the issuer includes in the business acquisition report, prospectus or other document containing the acquisition statements a statement of financial position for the acquired business or business to be acquired that is for a date that is subsequent to the date to which the qualification relates, and
 - (b) the statement of financial position referred to in paragraph (a) is accompanied by an auditor's report that does not express a qualification of opinion relating to closing inventory.

3.13 Financial Information for Acquisitions Accounted for by the Issuer Using the Equity Method

- (1) If an issuer files, or includes in a prospectus, summarized financial information of an acquired business or business to be acquired that is, or will be, an investment accounted for by the issuer using the equity method, the financial information must
 - (a) meet the requirements in subsections 3.11 (1), (2) and (4) if the term "acquisition statements" in those subsections is read as "summarized financial information", and
 - (b) disclose the presentation currency for the financial information, and disclose the functional currency if it is different than the presentation currency.
- (2) If the financial information referred to in subsection (1) is required by securities legislation to be audited or derived from audited financial statements, the financial information must
 - (a) either

- (i) meet the requirements in section 3.12 if the term “acquisition statements” in that section is read as “summarized financial information”, or
 - (ii) be derived from financial statements that meet the requirements in section 3.12 if the term “acquisition statements” in that section is read as “financial statements from which is derived summarized financial information”, and
- (b) be audited, or derived from financial statements that are audited, by a person or company that is authorized to sign an auditor’s report under the laws of a jurisdiction of Canada or a foreign jurisdiction, and that meets the professional standards of that jurisdiction.

3.14 Acceptable Accounting Policies for *Pro Forma* Financial Statements

- (1) An issuer’s *pro forma* financial statements must be prepared using accounting policies that
 - (a) are permitted by the issuer’s GAAP, and
 - (b) would apply to the information presented in the *pro forma* financial statements if that information were included in the issuer’s financial statements for the same period as that of the *pro forma* financial statements.
- (2) Despite subsection (1), if an issuer’s financial statements include, or are accompanied by, a reconciliation to U.S. GAAP, the issuer’s *pro forma* financial statements for the same period as the issuer’s financial statements may be prepared using accounting policies that
 - (a) are permitted by U.S. GAAP, and
 - (b) would apply to the information presented in the *pro forma* financial statements if that information were included in the reconciliation.
- (3) Despite subsection (1), if the accounting principles used to prepare an issuer’s most recent annual financial statements differ from the accounting principles used to prepare the issuer’s interim financial report for a subsequent period, the issuer may prepare a *pro forma* income statement for the same period as that of its most recent annual financial statements using accounting policies that

- (a) are permitted by the accounting principles that were used to prepare the issuer's interim financial report, and
- (b) would apply to the information presented in the *pro forma* income statement if that information were included in the issuer's interim financial report.

3.15 Acceptable Accounting Principles for Foreign Registrants — Despite paragraph 3.2 (3) (a), financial statements and interim financial information delivered by a foreign registrant may be prepared in accordance with

- (a) IFRS, except that any investments in subsidiaries, jointly controlled entities and associates must be accounted for as specified for separate financial statements in IAS 27,
- (b) U.S. GAAP, except that any investments in subsidiaries, jointly controlled entities and associates must be accounted for as specified for separate financial statements in IAS 27, or
- (c) accounting principles that meet the disclosure requirements of a foreign regulatory authority to which the registrant is subject, if it is a foreign registrant incorporated or organized under the laws of that designated foreign jurisdiction.

3.16 Acceptable Auditing Standards for Foreign Registrants

- (1) Despite subsection 3.3 (1), financial statements referred to in paragraph 2.1 (2) (a) that are delivered by a foreign registrant and required by securities legislation to be audited may be audited in accordance with
 - (a) International Standards on Auditing if the financial statements are accompanied by
 - (i) an auditor's report that
 - (A) expresses an unmodified opinion,
 - (B) identifies all financial periods presented for which the auditor has issued the auditor's report,
 - (C) identifies the auditing standards used to conduct the audit and the accounting principles used to prepare the financial statements, and
 - (D) is prepared in accordance with the same auditing

standards used to conduct the audit, and

- (ii) the predecessor auditor's reports on the comparative periods, if the foreign registrant has changed its auditor and one or more of the comparative periods presented in the financial statements was audited by the predecessor auditor,
 - (b) U.S. PCAOB GAAS or U.S. AICPA GAAS if the financial statements are accompanied by
 - (i) an auditor's report that
 - (A) expresses an unqualified opinion,
 - (B) identifies all financial periods presented for which the auditor has issued the auditor's report,
 - (C) identifies the auditing standards used to conduct the audit and the accounting principles used to prepare the financial statements, and
 - (D) is prepared in accordance with the same auditing standards used to conduct the audit, and
 - (ii) the predecessor auditor's reports on the comparative periods, if the foreign registrant has changed its auditor and one or more of the comparative periods presented in the financial statements were audited by the predecessor auditor, or
 - (c) auditing standards that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the registrant is subject if
 - (i) it is a foreign registrant incorporated or organized under the laws of that designated foreign jurisdiction,
 - (ii) the financial statements are accompanied by an auditor's report prepared in accordance with the same auditing standards used to conduct the audit, and
 - (iii) the auditor's report identifies the accounting principles used to prepare the financial statements.
- (2) Subparagraph (1) (a) (ii) or (b) (ii) does not apply if the auditor's report described in subparagraph (1) (a) (i) or (b) (i), as the case may be, refers to

the predecessor auditor's reports on the comparative periods.

PART 4:

RULES APPLYING TO FINANCIAL YEARS BEGINNING BEFORE JANUARY 1, 2011

4.1 Definitions and Application

(1) In this Part:

“Canadian GAAP – Part V” means generally accepted accounting principles determined with reference to Part V of the Handbook applicable to public enterprises;

“public enterprise” means a public enterprise as defined in Part V of the Handbook.

(2) This Part applies to financial statements, financial information, operating statements and *pro forma* financial statements for periods relating to financial years beginning before January 1, 2011.

4.2 Acceptable Accounting Principles – General Requirements

- (1) Financial statements, other than financial statements delivered by registrants and acquisition statements, must be prepared in accordance with Canadian GAAP – Part V.
- (2) Financial statements and interim financial information delivered by a registrant to the securities regulatory authority must be prepared in accordance with Canadian GAAP – Part V except that the financial statements and interim financial information must be prepared on a non-consolidated basis.
- (3) Financial statements must be prepared in accordance with the same accounting principles for all periods presented in the financial statements.
- (4) The notes to the financial statements must identify the accounting principles used to prepare the financial statements.

4.3 Acceptable Auditing Standards – General Requirements — Financial statements, other than acquisition statements, that are required by securities legislation to be audited must be audited in accordance with Canadian GAAS and be accompanied by an auditor's report that

- (a) expresses an unmodified opinion,
- (b) identifies all financial periods presented for which the auditor has issued an auditor's report,
- (c) refers to the predecessor auditor's reports on the comparative periods, if the issuer or registrant has changed its auditor and one or more of the comparative periods presented in the financial statements was audited by the predecessor auditor, and
- (d) identifies the accounting principles used to prepare the financial statements.

4.4 Acceptable Auditors — An auditor's report filed by an issuer or delivered by a registrant must be prepared and signed by a person or company that is authorized to sign an auditor's report under the laws of a jurisdiction of Canada or a foreign jurisdiction, and that meets the professional standards of that jurisdiction.

4.5 Measurement and Reporting Currencies

- (1) The reporting currency must be disclosed on the face page of the financial statements or in the notes to the financial statements unless the financial statements are prepared in accordance with Canadian GAAP – Part V and the reporting currency is the Canadian dollar.
- (2) The notes to the financial statements must disclose the measurement currency if it is different than the reporting currency.

4.6 Credit Supporters

- (1) Unless subsection 4.2 (1) applies, if a credit support issuer files, or includes in a prospectus, financial statements of a credit supporter, the credit supporter's financial statements must
 - (a) be prepared in accordance with the accounting principles and audited in accordance with the auditing standards that apply under this Instrument if the credit supporter were to file financial statements referred to in paragraph 2.1 (2) (b),
 - (b) identify the accounting principles used to prepare the financial statements, and
 - (c) disclose the reporting currency for the financial statements, and disclose the measurement currency if it is different than the reporting currency.

- (2) If a credit support issuer files, or includes in a prospectus, summary financial information for the credit supporter or credit support issuer,
 - (a) the summary financial information must
 - (i) be prepared in accordance with the accounting principles that this Instrument requires to be used in preparing financial statements if the credit supporter or credit support issuer, as the case may be, were to file financial statements referred to in paragraph 2.1 (2) (b),
 - (ii) identify the accounting principles used to prepare the summary financial information, and
 - (iii) disclose the reporting currency for the financial information, and disclose the measurement currency if it is different than the reporting currency, and
 - (b) the amounts presented in the summary financial information must be derived from financial statements of the credit supporter or credit support issuer that, if required by securities legislation to be audited, are audited in accordance with the auditing standards that apply under this Instrument if the credit supporter or credit support issuer, as the case may be, were to file financial statements referred to in paragraph 2.1 (2) (b).

4.7 Acceptable Accounting Principles for SEC Issuers

- (1) Despite subsections 4.2 (1) and (3), financial statements of an SEC issuer that are filed with or delivered to a securities regulatory authority or regulator, other than acquisition statements, may be prepared in accordance with U.S. GAAP provided that, if the SEC issuer previously filed or included in a prospectus financial statements prepared in accordance with Canadian GAAP – Part V, the SEC issuer complies with the following:
 - (a) the notes to the first two sets of the issuer’s annual financial statements after the change from Canadian GAAP – Part V to U.S. GAAP and the notes to the issuer’s interim financial statements for interim periods during those two years
 - (i) explain the material differences between Canadian GAAP – Part V and U.S. GAAP that relate to recognition, measurement and presentation,

- (ii) quantify the effect of material differences between Canadian GAAP – Part V and U.S. GAAP that relate to recognition, measurement and presentation, including a tabular reconciliation between net income reported in the financial statements and net income computed in accordance with Canadian GAAP – Part V, and
 - (iii) provide disclosure consistent with disclosure requirements of Canadian GAAP – Part V to the extent not already reflected in the financial statements;
 - (b) financial information for any comparative periods that were previously reported in accordance with Canadian GAAP – Part V are presented
 - (i) as previously reported in accordance with Canadian GAAP – Part V,
 - (ii) as restated and presented in accordance with U.S. GAAP, and
 - (iii) supported by an accompanying note that
 - (A) explains the material differences between Canadian GAAP – Part V and U.S. GAAP that relate to recognition, measurement and presentation, and
 - (B) quantifies the effect of material differences between Canadian GAAP – Part V and U.S. GAAP that relate to recognition, measurement and presentation, including a tabular reconciliation between net income as previously reported in the financial statements in accordance with Canadian GAAP – Part V and net income as restated and presented in accordance with U.S. GAAP, and
 - (c) if the SEC issuer has filed financial statements prepared in accordance with Canadian GAAP – Part V for one or more interim periods of the current year, those interim financial statements are restated in accordance with U.S. GAAP and comply with paragraphs (a) and (b).
- (2) The comparative information specified in subparagraph (1) (b) (i) may be presented on the face of the balance sheet and statements of income and cash flow or in the note to the financial statements required by subparagraph (1) (b) (iii).

4.8 Acceptable Auditing Standards for SEC Issuers — Despite section 4.3, financial statements of an SEC issuer that are filed with or delivered to the securities regulatory authority or regulator, other than acquisition statements, and that are required by securities legislation to be audited, may be audited in accordance with U.S. PCAOB GAAS if the financial statements are accompanied by an auditor’s report prepared in accordance with U.S. PCAOB GAAS that

- (a) expresses an unqualified opinion,
- (b) identifies all financial periods presented for which the auditor has issued an auditor’s report,
- (c) refers to the predecessor auditor’s reports on the comparative periods, if the issuer has changed its auditor and one or more of the comparative periods presented in the financial statements were audited by the predecessor auditor, and
- (d) identifies the accounting principles used to prepare the financial statements.

4.9 Acceptable Accounting Principles for Foreign Issuers — Despite subsection 4.2 (1), financial statements of a foreign issuer that are filed with or delivered to a securities regulatory authority or regulator, other than acquisition statements, may be prepared in accordance with one of the following accounting principles:

- (a) U.S. GAAP, if the issuer is an SEC foreign issuer;
- (b) IFRS;
- (c) accounting principles that meet the disclosure requirements for foreign private issuers, as that term is defined for the purposes of the 1934 Act, if
 - (i) the issuer is an SEC foreign issuer,
 - (ii) on the last day of the most recently completed financial year the total number of equity securities of the issuer beneficially owned by residents of Canada does not exceed 10%, on a fully-diluted basis, of the total number of equity securities of the issuer, and
 - (iii) the financial statements include any reconciliation to U.S. GAAP required by the SEC;
- (d) accounting principles that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the issuer is subject, if the issuer

is a designated foreign issuer;

- (e) accounting principles that cover substantially the same core subject matter as Canadian GAAP – Part V, including recognition and measurement principles and disclosure requirements, if the notes to the financial statements
 - (i) explain the material differences between Canadian GAAP – Part V and the accounting principles used that relate to recognition, measurement and presentation,
 - (ii) quantify the effect of material differences between Canadian GAAP – Part V and the accounting principles used that relate to recognition, measurement and presentation, including a tabular reconciliation between net income reported in the issuer’s financial statements and net income computed in accordance with Canadian GAAP – Part V, and
 - (iii) provide disclosure consistent with Canadian GAAP – Part V requirements to the extent not already reflected in the financial statements.

4.10 Acceptable Auditing Standards for Foreign Issuers — Despite section 4.3, financial statements of a foreign issuer that are filed with or delivered to a securities regulatory authority or regulator, other than acquisition statements, that are required by securities legislation to be audited may, if the financial statements are accompanied by an auditor’s report prepared in accordance with the same auditing standards used to conduct the audit and the auditor’s report identifies the accounting principles used to prepare the financial statements, be audited in accordance with

- (a) U.S. PCAOB GAAS, if the auditor’s report
 - (i) expresses an unqualified opinion,
 - (ii) identifies all financial periods presented for which the auditor has issued an auditor’s report, and
 - (iii) refers to the predecessor auditor’s reports on the comparative periods, if the issuer has changed its auditor and one or more of the comparative periods presented in the financial statements was audited by the predecessor auditor,
- (b) International Standards on Auditing, if the auditor’s report is accompanied by a statement by the auditor that

- (i) describes any material differences in the form and content of the auditor's report as compared to an auditor's report prepared in accordance with Canadian GAAS, and
 - (ii) indicates that an auditor's report prepared in accordance with Canadian GAAS would express an unmodified opinion, or
- (c) auditing standards that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the issuer is subject, if the issuer is a designated foreign issuer.

4.11 Acceptable Accounting Principles for Acquisition Statements

- (1) Acquisition statements must be prepared in accordance with one of the following accounting principles:
- (a) Canadian GAAP – Part V;
 - (b) U.S. GAAP;
 - (c) IFRS;
 - (d) accounting principles that meet the disclosure requirements for foreign private issuers, as that term is defined for the purposes of the 1934 Act, if
 - (i) the issuer or the acquired business or business to be acquired is an SEC foreign issuer,
 - (ii) on the last day of the most recently completed financial year the total number of equity securities of the SEC foreign issuer beneficially owned by residents of Canada does not exceed 10%, on a fully-diluted basis, of the total number of equity securities of the SEC foreign issuer, and
 - (iii) the financial statements include any reconciliation to U.S. GAAP required by the SEC;
 - (e) accounting principles that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the issuer or the acquired business or business to be acquired is subject, if the issuer or business is a designated foreign issuer;
 - (f) accounting principles that cover substantially the same core subject matter as Canadian GAAP – Part V, including recognition and measurement principles and disclosure requirements.

- (2) Acquisition statements must be prepared in accordance with the same accounting principles for all periods presented.
- (3) The notes to the acquisition statements must identify the accounting principles used to prepare the acquisition statements.
- (4) If acquisition statements are prepared using accounting principles that are different from the issuer's GAAP, the acquisition statements for the most recently completed financial year and interim period that are required to be filed must be reconciled to the issuer's GAAP and the notes to the acquisition statements must
 - (a) explain the material differences between the issuer's GAAP and the accounting principles used to prepare the acquisition statements that relate to recognition, measurement and presentation,
 - (b) quantify the effect of material differences between the issuer's GAAP and the accounting principles used to prepare the acquisition statements that relate to recognition, measurement and presentation, including a tabular reconciliation between net income reported in the acquisition statements and net income computed in accordance with the issuer's GAAP, and
 - (c) provide disclosure consistent with the issuer's GAAP to the extent not already reflected in the acquisition statements.
- (5) Despite subsections (1) and (4), if the issuer is required to reconcile its financial statements to Canadian GAAP – Part V, the acquisition statements for the most recently completed financial year and interim period that are required to be filed must be
 - (a) prepared in accordance with Canadian GAAP – Part V, or
 - (b) reconciled to Canadian GAAP – Part V and the notes to the acquisition statements must
 - (i) explain the material differences between Canadian GAAP – Part V and the accounting principles used to prepare the acquisition statements that relate to recognition, measurement, and presentation,
 - (ii) quantify the effect of material differences between Canadian GAAP – Part V and the accounting principles used to prepare the acquisition statements that relate to recognition, measurement and presentation, including a

tabular reconciliation between net income reported in the acquisition statements and net income computed in accordance with Canadian GAAP – Part V, and

- (iii) provide disclosure consistent with disclosure requirements of Canadian GAAP – Part V to the extent not already reflected in the acquisition statements.

4.12 Acceptable Auditing Standards for Acquisition Statements

- (1) Acquisition statements that are required by securities legislation to be audited must be audited in accordance with one of the following auditing standards:
 - (a) Canadian GAAS;
 - (b) U.S. PCAOB GAAS;
 - (c) U.S. AICPA GAAS, if the acquired business or business to be acquired is not an SEC issuer.
- (2) Despite subsection (1), acquisition statements filed by or included in a prospectus of a foreign issuer may be audited in accordance with
 - (a) International Standards on Auditing, if the auditor’s report is accompanied by a statement by the auditor that
 - (i) describes any material differences in the form and content of the auditor’s report as compared to an auditor’s report prepared in accordance with Canadian GAAS, and
 - (ii) indicates that an auditor’s report prepared in accordance with Canadian GAAS would express an unmodified opinion, or
 - (b) auditing standards that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the issuer is subject, if the issuer is a designated foreign issuer.
- (3) Acquisition statements must be accompanied by an auditor’s report prepared in accordance with the same auditing standards used to conduct the audit and the auditor’s report must identify the accounting principles used to prepare the acquisition statements.
- (4) If acquisition statements are audited in accordance with paragraph (1) (a), the auditor’s report must express an unmodified opinion.

- (5) If acquisition statements are audited in accordance with paragraph (1) (b) or (c), the auditor’s report must express an unqualified opinion.
- (6) Despite paragraph (2) (a) and subsections (4) and (5), an auditor’s report that accompanies acquisition statements may express a qualification of opinion relating to inventory if
 - (a) the issuer includes in the business acquisition report, prospectus or other document containing the acquisition statements a balance sheet for the acquired business or business to be acquired that is for a date that is subsequent to the date to which the qualification relates, and
 - (b) the balance sheet referred to in paragraph (a) is accompanied by an auditor’s report that does not express a qualification of opinion relating to closing inventory.

4.13 Financial Information for Acquisitions Accounted for by the Issuer Using the Equity Method

- (1) If an issuer files, or includes in a prospectus, summarized financial information as to the assets, liabilities and results of operations of an acquired business or business to be acquired that is, or will be, an investment accounted for by the issuer using the equity method, the financial information must
 - (a) meet the requirements in section 4.11 if the term “acquisition statements” in that section is read as “summarized financial information”, and
 - (b) disclose the reporting currency for the financial information, and disclose the measurement currency if it is different than the reporting currency.
- (2) If the financial information referred to in subsection (1) is for any completed financial year, the financial information must
 - (a) either
 - (i) meet the requirements in section 4.12 if the term “acquisition statements” in that section is read as “summarized financial information”, or
 - (ii) be derived from financial statements that meet the requirements in section 4.12 if the term “acquisition

statements” in that section is read as “financial statements from which is derived summarized financial information”, and

- (b) be audited, or derived from financial statements that are audited, by a person or company that is authorized to sign an auditor’s report under the laws of a jurisdiction of Canada or a foreign jurisdiction, and that meets the professional standards of that jurisdiction.

4.14 Acceptable Accounting Principles for *Pro Forma* Financial Statements

- (1) *Pro forma* financial statements must be prepared in accordance with the issuer’s GAAP.
- (2) Despite subsection (1), if an issuer’s financial statements have been reconciled to Canadian GAAP – Part V under subsection 4.7 (1) or paragraph 4.9 (e), the issuer’s *pro forma* financial statements must be prepared in accordance with, or reconciled to, Canadian GAAP – Part V.
- (3) Despite subsection (1), if an issuer’s financial statements have been prepared in accordance with the accounting principles referred to in paragraph 4.9 (c) and those financial statements are reconciled to U.S. GAAP, the *pro forma* financial statements may be prepared in accordance with, or reconciled to, U.S. GAAP.

4.15 Acceptable Accounting Principles for Foreign Registrants

- (1) Despite subsection 4.2 (2), and subject to subsection (2) of this section, financial statements delivered by a foreign registrant may be prepared in accordance with one of the following accounting principles:
 - (a) U.S. GAAP;
 - (b) IFRS;
 - (c) accounting principles that meet the disclosure requirements of a foreign regulatory authority to which the registrant is subject, if it is a foreign registrant incorporated or organized under the laws of that designated foreign jurisdiction;
 - (d) accounting principles that cover substantially the same core subject matter as Canadian GAAP – Part V, including recognition and measurement principles and disclosure requirements, if the notes to the financial statements, interim balance sheets or interim income

statements

- (i) explain the material differences between Canadian GAAP – Part V and the accounting principles used that relate to recognition, measurement and presentation,
 - (ii) quantify the effect of material differences between Canadian GAAP – Part V and the accounting principles used that relate to recognition, measurement and presentation, and
 - (iii) provide disclosure consistent with disclosure requirements of Canadian GAAP – Part V to the extent not already reflected in the financial statements, interim balance sheets or interim income statements.
- (2) Financial statements, interim balance sheets, and interim income statements delivered by a foreign registrant prepared in accordance with accounting principles specified in paragraph (1) (a), (b) or (d) must be prepared on a non-consolidated basis.

4.16 Acceptable Auditing Standards for Foreign Registrants — Despite section 4.3, financial statements delivered by a foreign registrant that are required by securities legislation to be audited may, if the financial statements are accompanied by an auditor’s report prepared in accordance with the same auditing standards used to conduct the audit and the auditor’s report identifies the accounting principles used to prepare the financial statements, be audited in accordance with

- (a) U.S. PCAOB GAAS or U.S. AICPA GAAS if the auditor’s report expresses an unqualified opinion,
- (b) International Standards on Auditing, if the auditor’s report is accompanied by a statement by the auditor that
 - (i) describes any material differences in the form and content of the auditor’s report as compared to an auditor’s report prepared in accordance with Canadian GAAS, and
 - (ii) indicates that an auditor’s report prepared in accordance with Canadian GAAS would express an unmodified opinion, or
- (c) auditing standards that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the registrant is subject, if it is a foreign registrant incorporated or organized under the laws of that designated foreign jurisdiction.

PART 5: EXEMPTION

5.1 Exemptions

- (1) The regulator or securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (2) Despite subsection (1), in Ontario, only the regulator may grant an exemption.
- (3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 *Definitions* opposite the name of the local jurisdiction.

5.2 Certain Exemptions Evidenced by Receipt

- (1) Subject to subsections (2) and (3), without limiting the manner in which an exemption may be evidenced, an exemption from this Instrument as it pertains to financial statements or auditor's reports included in a prospectus may be evidenced by the issuance of a receipt for the prospectus or an amendment to the prospectus.
- (2) A person or company must not rely on a receipt as evidence of an exemption unless the person or company
 - (a) sent to the regulator or securities regulatory authority, on or before the date the preliminary prospectus or the amendment to the preliminary prospectus or prospectus was filed, a letter or memorandum describing the matters relating to the exemption application, and indicating why consideration should be given to the granting of the exemption, or
 - (b) sent to the regulator or securities regulatory authority the letter or memorandum referred to in paragraph (a) after the date of the preliminary prospectus or the amendment to the preliminary prospectus or prospectus has been filed and receives a written acknowledgement from the securities regulatory authority or regulator that issuance of the receipt is evidence that the exemption is granted.
- (3) A person or company must not rely on a receipt as evidence of an exemption if the regulator or securities regulatory authority has before, or concurrently with, the issuance of the receipt for the prospectus, sent notice to the person or company that the issuance of a receipt does not evidence the granting of the exemption.

- (4) For the purpose of this section, a reference to a prospectus does not include a preliminary prospectus.

5.3 Financial Years ending between December 21 and 31, 2010 — Despite subsections 3.1 (2) and 4.1 (2), Part 3 may be applied by an issuer or registrant to all financial statements, financial information, operating statements and *pro forma* financial statements for periods relating to a financial year that begins before January 1, 2011 if the immediately preceding financial year ends no earlier than December 21, 2010.

5.4 Rate-Regulated Activities

- (1) Despite subsections 3.1 (2) and 4.1 (2),
- (a) Part 3 may be applied by a qualifying entity to all financial statements, financial information, operating statements and *pro forma* financial statements as if the expression “January 1, 2011” in subsection 3.1 (2) were read as “January 1, 2012”, and
 - (b) if the qualifying entity relies on paragraph (a) in respect of a period, Part 4 must be applied as if the expression “January 1, 2011” in subsection 4.1 (2) were read as “January 1, 2012”.
- (2) For the purposes of subsection (1), a “**qualifying entity**” means a person or company that
- (a) has activities subject to rate regulation, as defined in Part V of the Handbook, and
 - (b) is permitted under Canadian GAAP to apply Part V of the Handbook.

PART 6: REPEAL, TRANSITION AND EFFECTIVE DATE

6.1 Repeal — National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*, which came into force on March 30, 2004, is repealed.

6.2 Effective Date — This Instrument comes into force on January 1, 2011.

6.3 Existing Exemptions – A person or company that has obtained an exemption from National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*, in whole or in part, is exempt from any substantially similar provision of this Instrument to the same extent and on the

same conditions, if any, as contained in the exemption, unless the regulator or securities regulatory authority has revoked that exemption.

SCHEDULE I

1. ***National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, B.C. Reg. 327/2008, is amended by this Schedule.***

2. ***Section 1.1 is amended***

(a) ***by adding the following definition:***

“financial statements” has the meaning ascribed to it in section 1.1 of NI 51-102; ,

(b) ***in paragraph (c) of the definition of “internal control over financial reporting” by striking out “interim financial statements” and substituting “interim financial reports”,***

(c) ***in the definition of “interim filings” by striking out “interim financial statements” and substituting “interim financial report”,***

(d) ***by repealing the definition of “interim financial statements” and substituting the following:***

“interim financial report” means the interim financial report required to be filed under NI 51-102; ,

(e) ***in the definition of “material weakness” by striking out “annual or interim financial statements” and substituting “annual financial statements or interim financial report”,***

(f) ***in the definition of “NI 52-107” by striking out “Acceptable Accounting Principles, Auditing Standards and Reporting Currency” and substituting “Acceptable Accounting Principles and Auditing Standards”,***

(g) ***in the definition of “proportionately consolidated entity” by striking out “revenues” and substituting “revenue”,***

(h) ***by adding the following definition:***

“special purpose entity” has, in respect of an issuer, the meaning ascribed to that term in the issuer's GAAP; ,

(i) ***in the definition of “U.S. marketplace” by adding “and” after “NI 51-102;”, and***

- (j) *by repealing the definition of “variable interest entity”.*
- 3. *Section 3.3 is amended by striking out “variable interest entity” wherever it occurs and substituting “special purpose entity”.*
- 4. *Section 5.6 is amended by striking out “interim financial statements” wherever it occurs and substituting “interim financial reports”.*
- 5. *Section 6.2 is amended*
 - (a) *in the head note by striking out “interim financial statements” and substituting “interim financial report”, and*
 - (b) *by striking out “interim financial statements” wherever it occurs and substituting “interim financial report”.*
- 6. *Subsection 8.2 (3) is amended by striking out “interim financial statements” wherever it occurs and substituting “interim financial report”.*
- 7. *Section 3 of Form 52-109F1 is amended by striking out “results of operations” and substituting “financial performance”.*
- 8. *Section 5.3 of Form 52-109F1 is amended by striking out “variable interest entity” wherever it occurs and substituting “special purpose entity”.*
- 9. *Section 3 of Form 52-109FV1 is amended by striking out “results of operations” and substituting “financial performance”.*
- 10. *Section 3 of Form 52-109F1 – IPO/RTO is amended by striking out “results of operations” and substituting “financial performance”.*
- 11. *Section 1 of Form 52-109F2 is amended by striking out “interim financial statements” and substituting “interim financial report”.*
- 12. *Section 3 of Form 52-109F2 is amended*
 - (a) *by striking out “interim financial statements” and substituting “interim financial report”, and*
 - (b) *by striking out “results of operations” and substituting “financial performance”.*
- 13. *Section 5.3 of Form 52-109F2 is amended by striking out “variable interest entity” wherever it occurs and substituting “special purpose entity”.*

14. *Section 1 of Form 52-109FV2 is amended by striking out “interim financial statements” and substituting “interim financial report”.*
15. *Section 3 of Form 52-109FV2 is amended*
 - (a) *by striking out “interim financial statements” and substituting “interim financial report”, and*
 - (b) *by striking out “results of operations” and substituting “financial performance”.*
16. *Section 1 of Form 52-109F2 – IPO/RTO is amended by striking out “interim financial statements” and substituting “interim financial report”.*
17. *Section 3 Form 52-109F2 – IPO/RTO is amended*
 - (a) *by striking out “interim financial statements” and substituting “interim financial report”, and*
 - (b) *by striking out “results of operations” and substituting “financial performance”.*
18. *Section 1 of Form 52-109F2R is amended by striking out “interim financial statements” and substituting “interim financial report”.*
19. *The effect of this Schedule applies only to annual filings and interim filings for periods relating to financial years beginning on or after January 1, 2011; for annual filings and interim filings for periods relating to financial years beginning before January 1, 2011, the provisions of National Instrument 52-109 Certification of Disclosure in Issuers’ Annual and Interim Filings in force on December 31, 2010 apply.*
20. *Despite section 19, an issuer may apply the amendments set out in this Schedule to annual filings and interim filings for periods relating to a financial year that begins before January 1, 2011 if the immediately preceding financial year ends no earlier than December 21, 2010 and if the issuer is relying on the exemption in section 5.3 of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards.*
21. *A head note revised or added by this Schedule*
 - (a) *does not form part of National Instrument 52-109 Certification of Disclosure in Issuers’ Annual and Interim Filings, and*
 - (b) *has been included for convenience of reference only.*