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Headnote

Mutual Reliance Review System for Exemptive Relief Application – Canadian issuer previously provided with an exemption that permitted it to use the POP system to issue notes that are guaranteed by American parent company subject to certain conditions - conditions of previous order varied to provide issuer with option of including either its annual comparative audited financial statements or selected annual comparative financial information in its short form offering documents

Applicable British Columbia Provisions

Securities Act, R.S.B.C.1996, c. 418, s. 171

**IN THE MATTER OF THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA,
ONTARIO, QUÉBEC, NEW BRUNSWICK, NEWFOUNDLAND AND
LABRADOR, NOVA SCOTIA, PRINCE EDWARD ISLAND, YUKON,
NORTHWEST TERRITORIES AND NUNAVUT**

AND

**IN THE MATTER OF THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF FORD MOTOR CREDIT COMPANY AND
FORD CREDIT CANADA LIMITED**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island, Yukon, Northwest Territories and Nunavut (the “Jurisdictions”) has received an application from Ford Motor Credit Company (“Ford Credit”) and its subsidiary Ford Credit Canada Limited (the “Issuer”, and together with Ford Credit, the “Filer”) for a decision by each Decision Maker under the securities legislation of the Jurisdictions (the “Legislation”) varying the MRRS Decision Document dated September 30, 2003 entitled *In the Matter of Ford Motor Credit Company and Ford Credit Canada Limited* (the “Original MRRS Decision”) which provided the Filer with relief from, among other things, certain of the requirements of National Instrument 44-101 (“NI 44-101”) and National Instrument 44-102;

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AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the “System”), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions or in Québec Commission Notice 14-101;

AND WHEREAS the Filer has represented to the Decision Makers that:

1. Ford Credit was incorporated under the laws of the State of Delaware in 1959 and is not a reporting issuer or the equivalent in any of the Jurisdictions.
2. Ford Credit has been a reporting company under the United States Securities Exchange Act of 1934, as amended (the “1934 Act”), for more than 20 years with respect to its debt securities. Ford Credit has filed with the United States Securities and Exchange Commission (the “SEC”) all filings required to be made with the SEC under sections 13 and 15(d) of the 1934 Act since it first became a reporting company under the 1934 Act.
3. As at March 31, 2004, Ford Credit had in excess of US\$115.5 billion in long-term debt outstanding. Ford Credit’s outstanding long-term debt has an Approved Rating (as defined in NI 44-101).
4. Ford Credit has, for a period of more than 12 months, filed its annual reports on Form 10K, quarterly reports on Form 10Q, and current reports on Form 8K in Canada under the System for Electronic Document Analysis and Retrieval (“SEDAR”) established by National Instrument 13-101, under the SEDAR profile of the Issuer.
5. The common stock in the capital of Ford Credit is indirectly owned by Ford Motor Company, a publicly traded Delaware corporation.
6. Ford Credit offers a wide variety of automotive financial services to and through automotive dealers throughout the world under the Ford Credit brand name and through dealers of Ford vehicles and non-Ford dealers.
7. Ford Credit satisfies the criteria set forth in paragraph 3.1(a) of National Instrument 71-101 (“NI 71-101”) and is eligible to use the multi-jurisdictional disclosure system (as set out in NI 71-101) for the purpose of distributing approved rating non-convertible debt in Canada based on compliance with

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United States prospectus requirements with certain additional Canadian disclosure.

8. The Issuer was incorporated under the federal laws of Canada on July 23, 1962 and was continued under the *Canada Business Corporations Act* on December 5, 1980. The Issuer is an indirect wholly-owned subsidiary of Ford Credit.
9. The Issuer provides wholesale financing and capital loans to authorized Ford Motor Company of Canada, Limited vehicle dealers and purchases retail installment sale contracts and retail leases from such dealers. The Issuer also makes loans to vehicle leasing companies, the majority of which are affiliated with such dealers.
10. The Issuer is, and has been for more than 12 months, a reporting issuer or the equivalent thereof in those Jurisdictions where such status exists. The Issuer is not in default of any of its obligations under the Legislation or applicable exemptive relief orders.
11. The Issuer has established a program to raise up to Cdn.\$6 billion (or the equivalent in other currencies) in Canada through the issuance of Notes from time to time during the currency of its currently effective short form base shelf prospectus, prospectus supplement and applicable pricing supplements (collectively, the "Prospectus"). The Notes are fully and unconditionally guaranteed by Ford Credit as to payment of principal, premium, if any, and interest, if any, such that the holders thereof will be entitled to receive payment from Ford Credit upon the failure by the Issuer to make any such payment.
12. As of May 14, 2004, the Issuer had approximately Cdn.\$4.74 billion of Notes outstanding, either pursuant to the Prospectus or previously filed prospectuses.
13. The Notes currently have an Approved Rating (as defined in NI 44-101) and it is expected by the Issuer that its long-term debt will continue to receive an Approved Rating.
14. By MRRS Decision Document dated May 21, 2004, the Decision Makers (except the Northwest Territories) exempted the Issuer from complying with National Instrument 51-102 Continuous Disclosure Obligations ("NI 51-102") subject to the Issuer satisfying certain conditions, including filing Annual Selected Financial Information and Interim Selected Financial Information (as defined below);

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AND WHEREAS under the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the “Decision”);

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that:

- (a) Paragraph (c) of the second Decision under the Original MRRS Decision is deleted in its entirety and replaced with the following:

“(c) each Renewal Prospectus is prepared pursuant to the procedures contained in NI 44-101 and NI 44-102 and complies with the requirements set out in Form 44-101F3, with the disclosure required by Item 12 of Form 44-101F3 being addressed by incorporating by reference Ford Credit’s public disclosure documents as well as Ford Credit’s AIF, and instead of the financial information disclosure required by Item 13.1(1)2 of Form 44-101F3, the Issuer will incorporate by reference in each Renewal Prospectus the following documents (as applicable):

- (i) for the Issuer’s most recently completed financial year either (i) its annual comparative financial statements prepared in accordance with Canadian generally accepted accounting principles, together with a report of the Issuer’s auditors thereon, or (ii) the following annual comparative selected financial information for such completed financial year (provided that such year begins on or after January 1, 2004) and the financial year preceding such financial year (collectively, the “Annual Selected Financial Information”), derived from the Issuer’s financial statements prepared in accordance with Canadian generally accepted accounting principles, together with a specified procedures report of the Issuer’s auditors:

- (A) total financing revenues;
- (B) net income/loss and, if applicable, income/loss from continuing operations and income/loss from discontinued operations;
- (C) finance receivables, net;

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- (D) allowance for credit losses (included in (C) above and (E) below);
 - (E) net investment in operating leases;
 - (F) all other assets;
 - (G) total assets;
 - (H) short-term debt;
 - (I) long-term term debt;
 - (J) all other liabilities; and
 - (K) total shareholders' equity;
- (ii) for the Issuer's most recently completed interim period either (i) its interim comparative financial statements prepared in accordance with Canadian generally accepted accounting principles, or (ii) the following interim comparative selected financial information, derived from the Issuer's financial statements prepared in accordance with Canadian generally accepted accounting principles, for its most recently completed interim period (for financial years beginning on or after January 1, 2004) and for items (A) and (B) below, the corresponding interim period in the previous financial year and for items (C) through to and including (K) below, as at the end of the previous financial year (collectively, the "Interim Selected Financial Information"):
- (A) total financing revenues;
 - (B) net income/loss and, if applicable, income/loss from continuing operations and income/loss from discontinued operations;
 - (C) finance receivables, net;
 - (D) allowance for credit losses (included in (C) above and (E) below);
 - (E) net investment in operating leases;

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- (F) all other assets;
- (G) total assets;
- (H) short-term debt;
- (I) long-term term debt;
- (J) all other liabilities; and
- (K) total shareholders' equity;

provided that the Issuer shall only be entitled to incorporate by reference any Annual Selected Financial Information or Interim Selected Financial Information under this Decision if such information was filed in accordance with the MRRS Decision Document dated May 21, 2004 entitled *In the Matter of Ford Motor Credit Company and Ford Credit Canada Limited* (the "May 2004 Decision") and was filed at a time when the Issuer's presentation of a Non-Classified Balance Sheet (as defined in the May 2004 Decision) was permitted under Canadian generally accepted accounting principles;"; and

- (b) The following language is added after paragraph (l) of the second Decision under the Original MRRS Decision:

"Provided that this relief will terminate one year after the effective date of any amendments to NI 44-101 that change the required financial statement disclosure of a credit support issuer (as defined in NI 51-102) in a manner inconsistent with this Decision."

DATED August 9th, 2004.

John Hughes