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Headnote

Relief from filing interim financial statements for three month period during which the issuer completed initial public offering under a prospectus but did not carry on any business

Exemption Order

Skylon Global Capital Yield Trust

Section 91(1)(b) of the *Securities Act*, R.S.B.C. 1996, c. 418

Background

- ¶ 1 Skylon applied for an exemption from the requirement to file interim financial statements for the three month period ended June 30, 2002 and from the requirement to file comparative interim financial statements for the three month period ending June 30, 2003 in section 144(1) of the *Securities Rules*, B.C. Reg. 194/97 (the Financial Requirements).

Representations

- ¶ 2 Skylon represents that:
1. it is an investment trust established under the laws of Ontario pursuant to a trust agreement made June 26, 2002;
 2. it is a reporting issuer under the Act and is not in default of any requirement of the Act or the Rules;
 3. its fiscal year end is December 31;
 4. it carried out its initial public offering under a prospectus dated June 26, 2002 (the Prospectus);
 5. the Prospectus included an audited statement of financial position of Skylon as at June 26, 2002 as well as an unaudited *pro forma* statement of financial position (the Pro Forma Statements) that gave effect to the completion of Skylon's initial public offering;
 6. it did not carry on any business during the three month period ended June 30, 2002, and the benefit to Skylon's security holders and the market in general from receiving interim financial statements as at June 30, 2002 would be minimal;

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7. the expense of complying with the Financial Requirements would not be justified in view of the minimal benefit to be derived by Skylon's security holders from receiving such statements; and
8. there are no material differences between Skylon's financial position as at June 30, 2002 and its financial position described in the Pro Forma Statements.

Order

¶ 3 Because it is not prejudicial to the public interest, the Executive Director orders under section 91(1)(b) of the Act that Skylon is exempt from the Financial Requirements, provided that:

1. Skylon's financial information for the three month period ended June 30, 2002 will be included in Skylon's (a) interim financial statements prepared after June 30, 2002, and (b) annual financial statements for the year ending December 31, 2002; and
2. Skylon issues a press release disclosing the details of this order.

July 23, 2002

Noreen Bent
Manager