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Headnote

Mutual Reliance Review System for Exemptive Relief Application - relief from insider reporting requirements granted to certain vice presidents of a reporting issuer subject to conditions

Applicable British Columbia Provisions

Securities Act, R.S.B.C.1996, c. 418, s. 91

National Instrument 55-101 *Exemption from Certain Insider Reporting Requirements*

IN THE MATTER OF THE SECURITIES LEGISLATION OF ALBERTA, BRITISH COLUMBIA, MANITOBA, NEWFOUNDLAND AND LABRADOR, NOVA SCOTIA, ONTARIO, QUEBEC, AND SASKATCHEWAN

AND

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

AND

IN THE MATTER OF THE BANK OF NOVA SCOTIA

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of Alberta, British Columbia, Manitoba, Newfoundland and Labrador, Nova Scotia, Ontario, Québec and Saskatchewan (collectively, the “Jurisdictions”) has received an application from The Bank of Nova Scotia (“Scotiabank” or the “Bank”) for a decision pursuant to the securities legislation of the Jurisdictions (the “Legislation”) that the requirements contained in the Legislation to file insider reports with respect to securities of the Bank and with respect to securities of reporting issuers of which the Bank is an insider shall not apply to certain individuals who are insiders of Scotiabank by reason of having the title of Vice-President or performing functions similar to those normally performed by an individual occupying such office (“acting in a similar capacity”);

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;

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

AND WHEREAS Scotiabank has represented to the Decision Makers that:

1. Scotiabank is a Schedule I Canadian chartered bank governed by the *Bank Act* (Canada), having its head office in Halifax, Nova Scotia and executive offices in Toronto, Ontario.
2. Scotiabank is a reporting issuer (or equivalent) in each province and territory of Canada, and is not in default of any requirements under the Legislation.
3. Scotiabank common shares are listed and posted for trading on The Toronto Stock Exchange, the London Stock Exchange and the New York Stock Exchange. The preferred shares trade on The Toronto Stock Exchange.
4. (a) At April 30, 2003, it is estimated that approximately 1,000 individuals are insiders of Scotiabank by reason of being a senior officer or director of Scotiabank or a subsidiary of Scotiabank.

(b) Of these, all but approximately 609 individuals are currently exempt from the insider reporting requirements of the Legislation by reason of existing orders and/or the exemptions contained in National Instrument 55-101 *Exemption from certain Insider Reporting Requirements* ("NI 55-101").

(c) Exemptive relief from insider reporting requirements is sought under this application for present and future insiders of the Bank, which includes approximately 479 persons who are currently insiders of the Bank and meet the criteria for exemption.

(d) The Bank is and may from time to time be an insider of certain reporting issuers, as a result of which the Bank's insiders would be required to file insider reports in respect of those reporting issuers, subject to applicable exemptions. Accordingly, the Bank is seeking exemptive relief in this application from the insider reporting requirements both with respect to securities of the Bank and with respect to securities of reporting issuers of which the Bank is an insider, presently or in future. As at April 30, 2003, the Bank was an insider of eight reporting issuers, namely: Scotia Mortgage Investment Corporation, Automodular Corporation, Conor Pacific Group Inc., Datawest Solutions Inc., Sierra Wireless, Inc., Sterne Stackhouse Inc., BNS Capital Trust, Scotiabank Capital Trust.

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5. Scotiabank has made this application to seek the requested relief in respect of individuals who are, or may be in future, insiders of the Bank and who satisfy the following criteria to be designated as an “Exempt Insider” (the “Exempt Insider Criteria”):
 - (a) the individual is a Vice-President or person acting in a similar capacity;
 - (b) the individual is not in charge of a principal business unit, division or function of the Bank or a “major subsidiary” of the Bank (as such term is defined in NI 55-101);
 - (c)
 - i) in the case of relief from insider reporting requirements with respect to securities of the Bank, the individual does not in the ordinary course receive or have access to information as to material facts or material changes concerning the Bank before the material facts or material changes are generally disclosed;
 - ii) in the case of relief from insider reporting requirements with respect to securities of a reporting issuer in respect of which the Bank is an insider, the individual has satisfied the criteria in paragraph 5(c)(i) above and the individual does not in the ordinary course receive or have access to information as to material facts or material changes concerning such reporting issuer before the material facts or material changes are generally disclosed; and
 - (d) the individual is not an insider of the Bank or the reporting issuer, as the case may be, in any other capacity.
6.
 - (a) For purposes of this application and identification of Exempt Insiders, Scotiabank’s Group Compliance department, in consultation with the heads of various business units and operational groups and certain other officers, has assessed each Vice-President and person acting in a similar capacity in relation to their principal function and in relation to access in the ordinary course to non-public material information about Scotiabank.
 - (b) It is proposed that Scotiabank’s Group Compliance department will reassess Exempt Insiders as individual roles change (such as advancement/promotion or departmental change) and a similar assessment will be made in respect of all new appointments, to determine in each event whether the individual, respectively, will continue to be or will be an Exempt Insider.

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- (c) It is proposed that an assessment will be made in respect of each reporting issuer of which the Bank is an insider, to determine Exempt Insiders with respect to filing reports of securities of that reporting issuer.
 - (d) Appropriate notification of the requirement to file insider reports will be provided to insiders who do not meet the criteria for exemption.
7. Scotiabank has well-established internal policies and procedures relating to monitoring and restricting the trading activities of its insiders and other persons. These include “windows” and “blackout” period policies, monitoring of personal trading accounts and requirements for pre-clearance of certain trades. The policies and procedures also relate to identification and handling of non-public material information and prohibit improper communication and use of such information.
8. In connection with this application, Scotiabank has filed with the Decision Makers a summary of its internal policies and procedures relating to monitoring and restricting the trading activities of its insiders and other persons whose trading activities are restricted by Scotiabank.

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 the requirements contained in the Legislation to file insider reports

- i) with respect to securities of the Bank; and
- ii) with respect to securities of reporting issuers of which the Bank is an insider, presently or in future,

shall not apply to insiders of Scotiabank, existing and future, who satisfy the Exempt Insider Criteria, for so long as such insiders satisfy the Exempt Insider Criteria, provided that:

- (a) Scotiabank agrees to make available to the Decision Makers, upon request, to the extent permitted by law, a list of all individuals who are relying on the exemption granted by this Decision as at the time of the request; and

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(b) the relief granted will cease to be effective on the date when NI 55-101 is amended.

Dated June 4, 2003

Paul M. Moore

Harold P. Hands