

2005 BCSECCOM 680

November 9, 2005

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - National Instrument 58-101 *Disclosure of Corporate Governance Practices*, s. 3.1 - A credit support issuer wants an exemption from NI 58-101 - The issuer is a credit support issuer that cannot rely on the exemption in s. 1.3(c) because it does not comply with all of the conditions for continuous disclosure relief in s. 13.4 of National Instrument 51-102 *Continuous Disclosure Obligations*; the issuer has been granted discretionary relief from NI 51-102 requirements

Applicable British Columbia Provisions

National Instrument 58-101, s. 3.1

In the Matter of
the Securities Legislation
of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New
Brunswick, Nova Scotia, Newfoundland and Labrador, Yukon Territory and
Nunavut (the “Jurisdictions”)

and

In the Matter of
the Mutual Reliance Review System for Exemptive Relief Applications

and

In the Matter of
DaimlerChrysler Canada Finance Inc. (the “Filer”)

MRRS Decision Document

Background

The local securities regulatory authority or regulator (the “Decision Maker”) in each of Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the “Legislation”) exempting DCCFI from the application of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”), pursuant to section 3.1 of NI 58-101.

Under the Mutual Reliance Review System for Exemptive Relief Applications:

- (a) the Autorité des marchés financiers is the principal regulator for this application; and

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- (b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101- *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a corporation incorporated under the laws of Québec by articles of incorporation dated November 8, 1994.
2. The Filer was formed to access Canadian and foreign capital markets to raise funds, which it lends to the subsidiaries of DaimlerChrysler AG (“DCAG”) in Canada through a consolidated funding and cash management system. The Filer obtains financing through the issuance in Canada and elsewhere of term debt, including medium term notes, and commercial paper.
3. All of the shares of the Filer are indirectly wholly-owned by DCAG .
4. The Filer has medium term notes (“Notes”), all of which are unconditionally and irrevocably guaranteed as to payment of principal and interest by DCAG, and negotiable promissory notes or commercial paper issued and outstanding.
5. The Filer is a reporting issuer or its equivalent in each Jurisdiction where such status exists and is not included in a list of defaulting reporting issuers maintained by any of the Decision Markers.
6. DCAG is a credit supporter of the Filer within the meaning of National Instrument 51-102 *Continuous Disclosure Obligations* (“NI 51-102”) NI 51-102 by virtue of DCAG providing a guarantee for the payments to be made by the Filer under the Notes as stipulated in the terms of the Notes.
7. The Filer is a credit support issuer within the meaning of NI 51-102 by virtue of being an issuer of Notes for which a credit supporter has provided a guarantee.
8. The Filer is unable to rely upon the exemption for credit support issuers from the application of NI 51-102 contained in section 13.4 of NI 51-102 for technical reasons.

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9. The Decision Makers have exempted the Filer from the application of NI 51-102 and the application of any comparable continuous disclosure requirements under the Legislation of the Jurisdictions that have not yet been repealed or otherwise rendered ineffective as a consequence of the adoption of NI 51-102, pursuant to the MRRS decision *In the Matter of DaimlerChrysler Canada Finance Inc. and DaimlerChrysler AG* dated June 30, 2005 (the “Initial Decision”).
10. NI 58-101 applies to the Filer since it is not a credit support issuer that is exempt under 13.4 of NI 51-102 from the application of NI 51-102.

Decision

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 Filer be exempted from the application of NI 58-101, provided that the Filer and DCAG are in compliance with the conditions set forth in the Initial Decision.

Jean St-Gelais
Chair