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Headnote

Mutual Reliance Review System for Exemptive Relief Application – relief from the requirements of NI 51-102 - issuer not eligible for exemption under section 13.4 of NI 51-102 because it prepares a non-classified balance sheet

Applicable British Columbia Provisions

National Instrument 51-102 *Continuous Disclosure Obligations*, ss. 13.1 and 13.4

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

AND

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

AND

**IN THE MATTER OF CITIGROUP FINANCE CANADA INC.
AND CITICORP**

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, Nova Scotia, Newfoundland and Labrador, the Northwest Territories, and Nunavut (the “Jurisdictions”) has received an application (the “Application”) from Citicorp and its subsidiary Citigroup Finance Canada Inc. (the “Issuer”, and together with Citicorp, the “Filer”) for a decision under securities legislation of each Jurisdiction (the “Legislation”) that the Issuer (i) except in the Northwest Territories, be exempted from the application of National Instrument 51-102 *Continuous Disclosure Obligations* (“NI 51-102”) pursuant to section 13.1 of NI 51-102 and in Québec by a revision of the general order that will provide the same result as an exemption order, and (ii) except in British Columbia and Québec, be exempted from the application of Multilateral Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (“MI 52-109”) pursuant to section 4.5 of MI 52-109;

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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*;

AND WHEREAS, the Filer has represented to the Decision Makers as follows:

1. The predecessor in interest of Citicorp was incorporated under the laws of the State of Delaware in 1967 and is a wholly-owned indirect subsidiary of Citigroup.
2. Citicorp is a reporting issuer or the equivalent in Alberta, British Columbia, Nova Scotia, Ontario, Québec, and Saskatchewan.
3. Citicorp is a reporting company under the *Securities Exchange Act of 1934* (the “1934 Act”). Citicorp files with the United States Securities and Exchange Commission (the “SEC”) the filings required to be made with the SEC under the 1934 Act.
4. As at December 31, 2003, Citicorp had approximately US\$102 billion in consolidated third party long term debt outstanding.
5. Citicorp is a diversified global financial services holding company whose businesses provide a broad range of financial services to consumer and corporate customers in over 100 countries and territories.
6. Citicorp’s total assets at December 31, 2003 were US\$820 billion.
7. The Issuer was incorporated under the *Canada Business Corporations Act* on October 19, 1982, and is a wholly-owned indirect subsidiary of Citicorp and Citigroup. The Issuer was formerly known as Associates Capital Corporation of Canada.
8. The registered and principal office of the Issuer is in Ontario.
9. The Issuer is a reporting issuer or equivalent in each of the Jurisdictions where such status exists. The Issuer is not in default of any of its obligations under the Legislation.
10. The Issuer is engaged in commercial and consumer financing activities. The Issuer’s commercial finance operations provide a variety of retail financing,

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leasing and wholesale financing for heavy-duty, medium-duty trucks and truck trailers; heavy-duty construction and material handling equipment, forestry, mining and machine tool equipment; and other industrial, communications and telecommunications equipment. Consumer finance operations consist of a variety of products and services, including home equity lending, personal spending and retail sales financing.

11. As of December 31, 2003, the Issuer had approximately Cdn. \$4.6 billion of medium term notes outstanding.
12. Because the Issuer prepares its balance sheet without segregating its assets and liabilities between current and non-current (a "Non-Classified Balance Sheet"), it cannot provide the information required by subsection 13.4(2)(g) of NI 51-102. Consequently, the Issuer cannot rely upon the exemption from NI 51-102 contained in section 13.4 of that instrument.
13. Because the Issuer cannot rely upon the exemption in section 13.4 of NI 51-102, the Issuer cannot rely upon the exemption from MI 52-109 contained in section 4.4 of that instrument.

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 (other than the Decision Maker in the Northwest Territories) under the Legislation is that the requirements of NI 51-102 shall not apply to the Issuer provided that:

- (a) the Issuer is in compliance with the requirements and conditions of section 13.4 of NI 51-102, other than the requirements in subsection 13.4(2)(g);
- (b) the Issuer files, in electronic format, within 120 days of the Issuer's then most recently completed financial year beginning on or after January 1, 2004, annual comparative selected financial information for such financial year and the financial year immediately preceding such financial year derived from its financial statements, prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and accompanied by a specified procedures report of the auditors to the Issuer;

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- (c) the Issuer's annual comparative selected financial information referred to in paragraph (b) above shall include the following line items:
 - i) total revenues;
 - ii) income/loss from continuing operations (if applicable), income/loss from discontinued operations (if applicable) and net income/loss;
 - iii) finance receivables, together with a descriptive note on the dollar amount of the allowance for credit losses;
 - iv) operating agreements and customer lists, net of accumulated amortization;
 - v) goodwill, net of accumulated amortization;
 - vi) total assets;
 - vii) commercial paper;
 - viii) term debt;
 - ix) all other liabilities; and
 - x) total shareholders' equity;
- (d) the Issuer files, in electronic format, within 60 days of its then most recently completed interim period for financial years beginning on or after January 1, 2004, interim comparative selected financial information for such interim period and for items (i) and (ii) of paragraph (e) below the corresponding interim period in the previous financial year and for items (iii) through to and including (x) of paragraph (e) below, as at the end of the previous financial year, with all such information derived from its financial statements, prepared in accordance with GAAP;
- (e) the Issuer's interim comparative selected financial information referred to in paragraph (d) above shall include the following line items:
 - i) total revenues;

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- ii) income/loss from continuing operations (if applicable), income/loss from discontinued operations (if applicable) and net income/loss;
 - iii) finance receivables, together with a descriptive note on the dollar amount of the allowance for credit losses;
 - iv) operating agreements and customer lists, net of accumulated amortization;
 - v) goodwill, net of accumulated amortization;
 - vi) total assets;
 - vii) commercial paper;
 - viii) term debt;
 - ix) all other liabilities; and
 - x) total shareholders' equity;
- (f) the Issuer remains a "venture issuer" within the meaning of NI 51-102; and
- (g) this relief will remain in effect for so long as the Issuer's presentation of a Non-Classified Balance Sheet remains permissible under GAAP;

AND THE FURTHER DECISION of the Decision Makers (other than the Decision Maker in British Columbia and Québec) is that MI 52-109 shall not apply to the Issuer provided that:

- (a) the Issuer is compliance with the conditions set out in paragraph (a) through (f) of the Decision above; and
- (b) this relief will remain in effect for so long as the Issuer's presentation of a Non-Classified Balance Sheet remains permissible under GAAP.

DATED this 31st day of May 2004.

Charlie MacCready
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