

Headnote

National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* – *Securities Act*, s. 88 – Cease to be a reporting issuer in BC - The issuer's securities are traded only on a market or exchange outside of Canada - The issuer is a foreign reporting issuer; the issuer has a de minimus number of Canadian security holders; the issuer has no present intention of conducting a public offering of its securities to Canadian residents; the issuer is subject to the reporting requirements of the securities laws of an acceptable foreign jurisdiction and has undertaken to provide its Canadian shareholders the same disclosure it is required to provide its shareholders in its home jurisdiction.

Applicable Legislative Provisions

Securities Act, R.S.B.C. 1996, c. 418, s. 88

March 22, 2022

In the Matter of
the Securities Legislation
of British Columbia
(the Jurisdiction)

and

In the Matter of
the Process for Cease to be a Reporting Issuer Applications

and

In the Matter of
BT Group plc
(the Filer)

Order

Background

- ¶ 1 The principal regulator in the Jurisdiction has received an application dated April 7, 2021 from the Filer for an order under the securities legislation of the Jurisdiction (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the Order Sought).

Under the Process for Cease to be a Reporting Issuer Applications (for a passport application):

- (a) the British Columbia Securities Commission is the principal regulator for this application, and
- (b) the Filer has provided notice that section 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in each of Québec and Nova Scotia.

Interpretation

- ¶ 2 Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this order, unless otherwise defined.

Representations

- ¶ 3 This order is based on the following facts represented by the Filer:

1. the Filer is a company incorporated under the laws of England and Wales, with its head office in London, England; the Filer's ordinary shares (BT Group Shares) are listed on the London Stock Exchange (LSE);
2. the Filer is a reporting issuer in each of British Columbia, Québec and Nova Scotia (collectively, the Reporting Jurisdictions);
3. while two indirect subsidiaries of the Filer have operations and customers in the Reporting Jurisdictions, the Filer does not directly have a head office, management, assets or operations located in any jurisdiction of Canada;
4. the Filer chose the British Columbia Securities Commission as the principal regulator for the application because British Columbia is the jurisdiction of Canada to which the Filer has the most significant connection; based on information obtained by the Filer as of January 31, 2021, more registered shareholders of the Filer are listed as having an address in British Columbia than in any other jurisdiction of Canada where the Filer is a reporting issuer;
5. British Telecommunications plc (BT plc) is a company incorporated under the laws of England and Wales, with its head office in London, England;
6. BT plc completed a demerger transaction in 2001 (the Demerger); as part of the Demerger, the BT Group Shares were listed on the LSE, and BT plc became an indirect wholly-owned subsidiary of the Filer and its shares ceased to be publicly listed;
7. as a result of the Demerger, the Filer became a reporting issuer in the Reporting Jurisdictions;
8. the Filer is subject to securities laws in the United Kingdom, the rules and policies of the Financial Conduct Authority, including its Listing Rules, the Companies Act 2006, the EU Market Abuse Regulation and the Disclosure Guidance and Transparency Rules (collectively, UK Securities Laws); the Filer is not in default of UK Securities Laws;
9. the Filer previously had American Depositary Shares (ADSs) listed on the New York Stock Exchange (NYSE) and was a "SEC foreign issuer" under National Instrument 71-102 *Continuous Disclosure and Other Exemptions Related to Foreign Issuers* (NI 71-102); the ADSs were delisted from the NYSE on September 13, 2019 and the Filer deregistered its equity securities from the SEC and as a result terminated its SEC reporting obligations on September 24, 2020;
10. following the delisting of the ADSs and deregistration of the Filer's equity securities with the SEC, the Filer became a "designated foreign issuer" under NI 71-102;

11. since January 1, 2000, which is the earliest date for which the National Storage Mechanism for the storage of regulated information in the United Kingdom has records, the Filer has not made a direct distribution of equity securities in Canada;
12. neither the number of securities of the Filer held by securityholders listed as having an address in Canada, nor the number of securityholders of the Filer with an address in Canada are believed to be significant;
13. Equiniti, the Filer's registrar, has confirmed that as of January 31, 2021, there were 9,917,065,971 BT Group Shares outstanding (excluding treasury shares), of which: (i) 771,220 shares were registered in the name of persons with addresses in Canada and (ii) 39,976 shares were registered in the name of Equiniti Corporate Nominees Limited (the Filer's corporate sponsored nominee) on behalf of holders with an address listed in Canada, which together represent approximately 0.008% of the outstanding BT Group Shares;
14. Equiniti has confirmed that, as of January 31, 2021, there were 698,536 registered holders of BT Group Shares, of which 1,237 were listed as having addresses in Canada, representing approximately 0.18% of the number of registered holders of the BT Group Shares; Equiniti Corporate Nominees Limited held BT Group Shares on behalf of 44 holders listed as having addresses in Canada as of January 31, 2021; the Filer understands that some of the 698,536 registered holders may appear more than once on the Filer's register, for instance, because a holder has been entered on the register multiple times in respect of different accounts held with that holder; one of the registered holders is the Filer as holder of ordinary shares in itself (i.e. treasury shares);
15. the Filer requested Richard Davies Investor Relations (RDIR), an investor relations firm, to provide additional information regarding the beneficial holding of BT Group Shares in Canada;
16. based on the information provided by RDIR, beneficial holders of BT Group Shares with an address in Canada held approximately 1.17% of the outstanding BT Group Shares (excluding treasury shares) based on information available to RDIR as at January 31, 2021; these beneficial holders, together with the registered holders of BT Group Shares having an address in Canada and those persons with an address in Canada whose BT Group Shares are held on their behalf by Equiniti Corporate Nominees Limited held approximately 1.18% of the outstanding BT Group Shares as at January 31, 2021;
17. based on information available to RDIR as at January 31, 2022, beneficial holders of BT Group Shares with an address in Canada held approximately 0.81% of the outstanding BT Group Shares (excluding treasury shares);
18. the Filer is applying for a decision that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer;
19. in the last twelve months, the Filer has not conducted a prospectus offering in Canada and has not taken steps to create a market for its securities in Canada; the Filer has no current intention to conduct any offerings of its securities in Canada; no securities of the Filer, including debt securities, are traded on a marketplace as defined in National Instrument 21-

101 *Marketplace Operation*; the Filer does not intend to have its securities listed, traded or quoted on such a marketplace in Canada;

20. the Filer is not in default of securities legislation in any jurisdiction other than the filing of the annual report and annual financial statements of the Filer for the fiscal year ended March 31, 2021, which were not filed because they were due after the Filer filed the application to cease to be a reporting issuer;
21. the Filer issued a news release on January 17, 2022 announcing it had submitted an application to the Decision Maker for a decision that it is not a reporting issuer in the Reporting Jurisdictions and, if that decision is granted, the Filer will no longer be a reporting issuer in any jurisdiction of Canada;
22. the Filer has provided an undertaking to the Decision Maker to concurrently deliver to any Canadian resident securityholder all disclosure materials the Filer is required to deliver to securityholders in the United Kingdom under the applicable laws and regulations in the United Kingdom, including under UK Securities Laws;
23. the Filer is not eligible to use the simplified procedure under National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* (NP 11-206) as its outstanding securities are beneficially owned by more than 15 securityholders in Canada and more than 51 securityholders worldwide;
24. the Filer is not eligible to use the modified procedure under NP 11-206 because it does not file continuous disclosure reports under U.S. securities laws and its securities are not listed on a U.S. exchange; and
25. upon granting of the Order Sought, the Filer will no longer be a reporting issuer in any jurisdiction in Canada.

Order

- ¶ 4 The principal regulator is satisfied that the order meets the test set out in the Legislation for the principal regulator to make the order.

The decision of the principal regulator under the Legislation is that the Order Sought is granted.

Noreen Bent
Chief, Corporate Finance Legal Services
British Columbia Securities Commission