



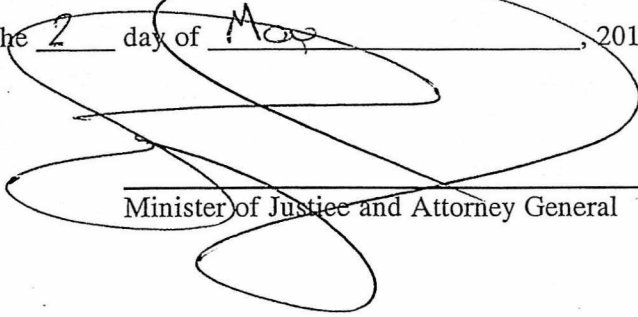
Province of Saskatchewan

Registrar of Regulations	
Filed	MAY 09 2013
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Minister's Order

The Minister of Justice and Attorney General, pursuant to section 7 of *The Securities Commission (Regulation Procedures) Regulations*, approves *The Securities Commission (Adoption of National Instruments) Amendment Regulations, 2013 (No. 4)* in accordance with the attached Schedule.

Dated at the City of Regina, the 2 day of May, 2013.



Minister of Justice and Attorney General

(For administrative purposes only)

Authority:

The Securities Commission (Regulation Procedures) Regulations - section 7



Province of Saskatchewan

Commission Order

The Financial and Consumer Affairs Authority of Saskatchewan, pursuant to section 154 of *The Securities Act, 1988*, makes *The Securities Commission (Adoption of National Instruments) Amendment Regulations, 2013 (No. 4)* in accordance with the attached Schedule.

Dated at the City of Regina, the 24 day of April, 2013.

Chairperson
Financial and Consumer Affairs Authority of Saskatchewan

(For administrative purposes only)

Authority: *The Securities Act, 1988* - section 154

SCHEDULE

Title

1 These regulations may be cited as *The Securities Commission (Adoption of National Instruments) Amendment Regulations, 2013 (No. 4)*.

R.R.S. c.S-42.2 Reg 3 amended

2 *The Securities Commission (Adoption of National Instruments) Regulations* are amended in the manner set forth in these regulations.

Section 2 amended

3 Clause 2(ww) is amended by striking out “and Exemptions” and substituting “, Exemptions and Ongoing Registrant Obligations”.

Part V of Appendix amended

4 Part V of the Appendix is amended in subsection 2.6(4) by striking out “an approved rating organization” and substituting “a designated rating organization or its DRO affiliate”.

Part VI of Appendix amended

5(1) Part VI of the Appendix is amended in the manner set forth in this section.

(2) Section 1.1 is amended:

(a) by repealing the definition of “approved credit rating”;

(b) by repealing the definition of “approved credit rating organization”;

(c) in the definition of “cash cover” in clause (f) by striking out “an approved credit rating” and substituting “a designated rating”;

(d) in the definition of “cash equivalent”:

(i) in clause (b) by striking out “an approved credit rating” and substituting “a designated rating”;

(ii) in clause (c):

(A) by striking out “an approved credit rating organization” and substituting “a designated rating organization or its DRO affiliate”; and

(B) by striking out “an approved credit rating” and substituting “a designated rating”;

APPROVED
LEGISLATIVE DRAFTING SECTION

April 11, 2013 - 3:05 pm

(e) by adding the following definitions in alphabetical order:

“designated rating” means, for a security or instrument, a rating issued by a designated rating organization, or its DRO affiliate, that is at or above one of the following rating categories, or that is at or above a category that replaces one of the following rating categories, if:

(a) there has been no announcement by the designated rating organization or its DRO affiliate of which the mutual fund or its manager is or reasonably should be aware that the rating of the security or instrument to which the designated rating was given may be down-graded to a rating category that would not be a designated rating; and

(b) no designated rating organization or any of its DRO affiliates has rated the security or instrument in a rating category that is not a designated rating:

Designated Rating Organization	Commercial Paper/ Short Term Debt	Long Term Debt
DBRS Limited	R-1 (low)	A
Fitch, Inc.	F1	A
Moody's Canada Inc.	P-1	A2
Standard & Poor's Ratings Services (Canada)	A-1 (Low)	A

“designated rating organization” means:

(a) each of DBRS Limited, Fitch, Inc., Moody's Canada Inc., Standard & Poor's Ratings Services (Canada), including their DRO affiliates; or

(b) any other credit rating organization that has been designated under securities legislation;

“DRO affiliate” has the same meaning as in section 1 of National Instrument 25-101 *Designated Rating Organizations*;

(f) in the definition of **“floating rate evidence of indebtedness”** by striking out **“an approved credit rating”** wherever it appears and in each case substituting **“a designated rating”**; and

(g) in the definition of **“qualified security”**:

(i) by striking out **“an approved credit rating”** wherever it appears and in each case substituting **“a designated rating”**; and

(ii) in subclause (a)(iii) by striking out **“an approved credit rating organization”** and substituting **“a designated rating organization or its DRO affiliate”**.

(3) Section 2.7 is amended:

(a) in subsection (1) by striking out “an approved credit rating” wherever it appears and in each case substituting “a designated rating”; and

(b) in subsection (2) by striking out “approved credit rating” and substituting “designated rating”.

(4) Clause 2.12(1)6.(d) is amended:

(a) by striking out “an approved credit rating organization” and substituting “a designated rating organization or its DRO affiliate”; and

(b) by striking out “an approved credit rating” and substituting “a designated rating”.

(5) Subclause 2.18(1)(a)(iii) is amended by striking out “an approved credit rating” and substituting “a designated rating”.

(6) Section 4.1 is amended:

(a) in clause (4)(b) by striking out “an approved rating by an approved credit rating organization” and substituting “a designated rating by a designated rating organization or its DRO affiliate”; and

(b) in subsection (4.1) by striking out “approved rating” and substituting “designated rating”.

(7) Subsection 15.3(5) is amended:

(a) in clause (a) by striking out “an approved credit rating organization” and substituting “a designated rating organization or its DRO affiliate”;

(b) in clause (b) by striking out “approved credit rating organization” and substituting “designated rating organization or any of its DRO affiliates”; and

(c) in clause (c) by striking out “approved credit rating organization” and substituting “designated rating organization or any of its DRO affiliates”.

Part XII of Appendix amended

6(1) Part XII of the Appendix is amended in the manner set forth in this section.

(2) Section 1.1 is amended:

(a) by repealing the definition of “approved rating organization”; and

(b) by adding the following definitions in alphabetical order:

“designated rating organization” has the same meaning as in section 1.1 of NI 51-102;

“DRO affiliate” has the same meaning as in section 1 of NI 25-101;

“NI 25-101” means National Instrument 25-101 *Designated Rating Organizations*.

(3) Subsection 7.2(2) is amended in the portion preceding clause (a) by striking out “approved rating organization” and substituting “designated rating organization or its DRO affiliate”.

(4) Subsection 10.1(4) is amended by striking out “an approved rating organization” and substituting “a designated rating organization or its DRO affiliate”.

Part XIII of Appendix amended

7(1) Part XIII of the Appendix is amended in the manner set forth in this section.

(2) Section 1.1 is amended:

(a) by repealing the definition of “approved rating”;

(b) in the definition of “cash equivalent”:

(i) by striking out “an approved rating” wherever it appears and in each case substituting “a designated rating”; and

(ii) in clause (c) by striking out “approved rating organization” and substituting “designated rating organization or its DRO affiliate”; and

(c) by adding the following definitions in alphabetical order:

“designated rating” means, for a security, a rating issued by a designated rating organization, or its DRO affiliate, that is at or above one of the following rating categories or that is at or above a category that replaces one of the following rating categories:

Designated Rating Organization	Long Term Debt	Short Term Debt	Preferred Shares
DBRS Limited	BBB	R-2	Pfd-3
Fitch, Inc.	BBB	F3	BBB
Moody's Canada Inc.	Baa	Prime-3	“baaa”
Standard & Poor's Ratings Services (Canada)	BBB	A-3	P-3

‘designated rating organization’ means:

(a) each of DBRS Limited, Fitch, Inc., Moody's Canada Inc., Standard & Poor's Ratings Services (Canada), including their DRO affiliates; or

(b) any other credit rating organization that has been designated under securities legislation;

'DRO affiliate' has the same meaning as in section 1 of National Instrument 25-101 *Designated Rating Organizations*".

(3) Section 2.3 is amended:

(a) in the title by striking out "Approved Rating" and substituting "Designated Rating"; and

(b) by repealing clause (e) and substituting the following:

"(e) the securities to be distributed:

(i) have received a designated rating on a provisional basis;

(ii) are not the subject of an announcement by a designated rating organization or its DRO affiliate, of which the issuer is or ought reasonably to be aware, that the designated rating given by the organization may be down-graded to a rating category that would not be a designated rating; and

(iii) have not received a provisional or final rating lower than a designated rating from any designated rating organization or its DRO affiliate".

(4) Clause 2.4(1)(c) is repealed and the following substituted:

"(c) unless the credit supporter satisfies the criteria in paragraph 2.2(e) if the word 'issuer' is replaced with 'credit supporter' wherever it occurs, at the time the preliminary short form prospectus is filed:

(i) the credit supporter has outstanding non-convertible securities that:

(A) have received a designated rating;

(B) have not been the subject of an announcement by a designated rating organization or its DRO affiliate, of which the issuer is or ought reasonably to be aware, that the designated rating given by the organization may be down-graded to a rating category that would not be a designated rating; and

(C) have not received a rating lower than a designated rating from any designated rating organization or its DRO affiliate; and

(ii) the securities to be issued by the issuer:

(A) have received a designated rating on a provisional basis;

(B) have not been the subject of an announcement by a designated rating organization or its DRO affiliate, of which the issuer is or ought reasonably to be aware, that the designated rating given by the organization may be down-graded to a rating category that would not be a designated rating; and

(C) have not received a provisional or final rating lower than a designated rating from any designated rating organization or its DRO affiliate”.

(5) Clause 2.6(1)(c) is repealed and the following substituted:

“(c) the asset-backed securities to be distributed:

(i) have received a designated rating on a provisional basis;

(ii) have not been the subject of an announcement by a designated rating organization or its DRO affiliate, of which the issuer is or ought reasonably to be aware, that the designated rating given by the organization may be down-graded to a rating category that would not be a designated rating; and

(iii) have not received a provisional or final rating lower than a designated rating from any designated rating organization or its DRO affiliate”.

(6) Subsection 7.9(1) of Form 44-101F1 is amended in the portion preceding clause (a) by striking out “securities of the issuer that are outstanding, or will be outstanding,” and substituting “the securities being distributed”.

Part XIV of Appendix amended

8(1) Part XIV of the Appendix is amended in the manner set forth in this section.

(2) Section 2.3 is repealed and the following substituted:

“2.3 Shelf Qualification for Distributions Qualified under section 2.3 of NI 44-101 (Designated Rating Non-Convertible Securities)

(1) An issuer is qualified to file a preliminary short form prospectus that is a preliminary base shelf prospectus for designated rating non-convertible securities if, at the time of filing, the issuer:

(a) is qualified under section 2.3 of NI 44-101 to file a prospectus in the form of a short form prospectus; and

(b) has reasonable grounds for believing that, if it were to distribute securities under the base shelf prospectus, the securities distributed would receive a designated rating and would not receive a rating lower than a designated rating from any designated rating organization or its DRO affiliate.

(2) An issuer that has filed a preliminary base shelf prospectus in reliance on the qualification criteria in subsection (1) is qualified to file a short form prospectus that is the corresponding base shelf prospectus if, at the time of the filing of the base shelf prospectus, the issuer has reasonable grounds for believing that, if it were to distribute non-convertible securities under the base shelf prospectus, the securities distributed would receive a designated rating and would not receive a rating lower than a designated rating from any designated rating organization or its DRO affiliate.

(3) A receipt issued for a base shelf prospectus of an issuer filed under subsection (2) is effective until the earliest of:

- (a) the date 25 months from the date of its issue;
- (b) the time immediately before the entering into of an agreement of purchase and sale for a security to be sold under the base shelf prospectus, if at that time:
 - (i) the issuer does not have current annual financial statements and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101;
 - (ii) the issuer does not have a current AIF and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101;
 - (iii) the issuer has withdrawn its notice declaring the issuer's intention to be qualified to file a short form prospectus under NI 44-101; or
 - (iv) the securities to which the agreement relates:
 - (A) have not received a final designated rating;
 - (B) are the subject of an announcement by a designated rating organization or its DRO affiliate, of which the issuer is or ought reasonably to be aware, that the designated rating given by the organization may be down-graded to a rating category that would not be a designated rating; or
 - (C) have received a provisional or final rating lower than a designated rating from any designated rating organization or its DRO affiliate; and
- (c) in Ontario, the lapse date prescribed by securities legislation".

(3) Paragraphs 2.4(3)(b)(v)(C) and (D) are repealed and the following substituted:

"(C) the credit supporter does not have issued and outstanding non-convertible securities that:

- (I) have received a designated rating;

(II) have not been the subject of an announcement by a designated rating organization or its DRO affiliate, of which the issuer is or ought reasonably to be aware, that the designated rating given by the organization may be down-graded to a rating category that would not be a designated rating; and

(III) have not received a rating lower than a designated rating from any designated rating organization or its DRO affiliate; or

“(D) the securities to which the agreement relates:

(I) have not received a final designated rating;

(II) have been the subject of an announcement by a designated rating organization or its DRO affiliate, of which the issuer is or ought reasonably to be aware, that the designated rating given by the organization may be down-graded to a rating category that would not be a designated rating; and

(III) have received a provisional or final rating lower than a designated rating from any designated rating organization or its DRO affiliate”.

(4) Section 2.6 is repealed and the following substituted:

“2.6 Shelf Qualification for Distributions under section 2.6 of NI 44-101 (Asset-Backed Securities)

(1) An issuer that is qualified under section 2.6 of NI 44-101 to file a prospectus in the form of a short form prospectus may file a preliminary base shelf prospectus for asset-backed securities if, at the time of filing, the issuer has reasonable grounds for believing that:

(a) all asset-backed securities that it may distribute under the base shelf prospectus will receive a designated rating; and

(b) no asset-backed securities that it may distribute under the base shelf prospectus will receive a rating lower than a designated rating from any designated rating organization or its DRO affiliate.

(2) An issuer that has filed a preliminary base shelf prospectus in reliance on the qualification criteria in section 2.6 of NI 44-101 may file the corresponding base shelf prospectus if, at the time of the filing of the base shelf prospectus, the issuer has reasonable grounds for believing that:

(a) all asset-backed securities that it may distribute under the base shelf prospectus will receive a designated rating; and

(b) no asset-backed securities that it may distribute under the base shelf prospectus will receive a rating lower than a designated rating from any designated rating organization or its DRO affiliate.

(3) A receipt issued for a base shelf prospectus qualified under subsection (2) is effective for a distribution of asset-backed securities until the earliest of:

(a) the date 25 months from the date of its issue;

(b) the time immediately before the entering into of an agreement of purchase and sale for an asset-backed security to be sold under the base shelf prospectus, if at that time:

(i) the issuer does not have current annual financial statements and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101;

(ii) the issuer does not have a current AIF and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101; or

(iii) the asset-backed securities to which the agreement relates:

(A) have not received a final designated rating;

(B) have been the subject of an announcement by a designated rating organization or its DRO affiliate, of which the issuer is or ought reasonably to be aware, that the designated rating given by the organization may be down-graded to a rating category that would not be a designated rating; or

(C) have received a provisional or final rating lower than a designated rating from any designated rating organization or its DRO affiliate; and

(c) in Ontario, the lapse date prescribed by securities legislation”.

Part XXVIII of Appendix amended

9 Form 33-109F6 *Firm Registration* of Part XXVIII of the Appendix is amended in Schedule 1 of Form 31-103F1 *Calculation of Excess Working Capital* (calculation line 9 [market risk]) in subclause (2)(a)(i) by striking out “Moody’s Investors Service, Inc. or Standard & Poor’s Corporation” and substituting “Moody’s Canada Inc. or its DRO affiliate or Standard & Poor’s Rating Services (Canada) or its DRO affiliate”.

Part XXXVI of Appendix amended

10 Part XXXVI of the Appendix is amended in section 1.1:

(a) by repealing the definition of “approved rating organization”; and

(b) by adding the following definitions in alphabetical order:

“designated rating organization” means:

(a) each of DBRS Limited, Fitch, Inc., Moody’s Canada Inc., Standard & Poor’s Ratings Services (Canada), including their DRO affiliates; or

(b) any other credit rating organization that has been designated under securities legislation;

“‘DRO affiliate’ has the same meaning as in section 1 of National Instrument 25-101 *Designated Rating Organizations*”.

Part XL of Appendix amended

11 Clause 3.5(6)(d) of Part XL of the Appendix is amended by striking out “approved credit rating” and substituting “designated rating”.

Part XLIII of Appendix amended

12(1) Part XLIII of the Appendix is amended in the manner set forth in this section.

(2) Section 1.1 is amended:

- (a) by repealing the definition of “approved credit rating”;
- (b) by repealing the definition of “approved credit rating organization”; and
- (c) by adding the following definitions in alphabetical order:

“‘designated rating’ has the same meaning as in National Instrument 81-102 *Mutual Funds*;

“‘designated rating organization’ has the same meaning as in National Instrument 81-102 *Mutual Funds*;

“‘DRO affiliate’ has the same meaning as in section 1 of National Instrument 25-101 *Designated Rating Organizations*”.

(3) Clause 2.34(2)(b) is repealed and the following substituted:

“(b) a debt security issued by or guaranteed by a government of a foreign jurisdiction if the debt security has a designated rating from a designated rating organization or its DRO affiliate”.

(4) Clause 2.35(b) is repealed and the following substituted:

“(b) has a designated rating from a designated rating organization or its DRO affiliate”.

(5) Clause 3.34(2)(b) is repealed and the following substituted:

“(b) a debt security issued by or guaranteed by a government of a foreign jurisdiction if the debt security has a designated rating from a designated rating organization or its DRO affiliate”.

(6) Clause 3.35(b) is repealed and the following substituted:

“(b) has a designated rating from a designated rating organization or its DRO affiliate”.

Part XLIX of Appendix amended

13(1) Part XLIX of the Appendix is amended in the manner set forth in this section.

(2) Subsection 8.21(1) is repealed and the following substituted:

“(1) In this section:

‘**designated rating**’ has the same meaning as in National Instrument 81-102 *Mutual Funds*;

‘**designated rating organization**’ has the same meaning as in National Instrument 81-102 *Mutual Funds*;

‘**DRO affiliate**’ has the same meaning as in section 1 of National Instrument 25-101 *Designated Rating Organizations*;

‘**permitted supranational agency**’ means any of the following:

(a) the African Development Bank, established by the Agreement Establishing the African Development Bank which came into force on September 10, 1964, that Canada became a member of on December 30, 1982;

(b) the Asian Development Bank, established under a resolution adopted by the United Nations Economic and Social Commission for Asia and the Pacific in 1965;

(c) the Caribbean Development Bank, established by the Agreement Establishing the Caribbean Development Bank which came into force on January 26, 1970, as amended, that Canada is a founding member of;

(d) the European Bank for Reconstruction and Development, established by the Agreement Establishing the European Bank for Reconstruction and Development and approved by the *European Bank for Reconstruction and Development Agreement Act* (Canada), that Canada is a founding member of;

(e) the Inter-American Development Bank, established by the Agreement establishing the Inter-American Development Bank which became effective December 30, 1959, as amended from time to time, that Canada is a member of;

(f) the International Bank for Reconstruction and Development, established by the Agreement for an International Bank for Reconstruction and Development approved by the *Bretton Woods and Related Agreements Act* (Canada);

(g) the International Finance Corporation, established by Articles of Agreement approved by the *Bretton Woods and Related Agreements Act* (Canada)”.

(3) Clause 8.21(2)(b) is repealed and the following substituted:

“(b) a debt security issued by or guaranteed by a government of a foreign jurisdiction if the debt security has a designated rating from a designated rating organization or its DRO affiliate”.

(4) Schedule 1 of Form 31-103F1 Calculation of Excess Working Capital (calculating line 9 [market risk]) is amended in subclause (2)(a)(i) by striking out “Moody’s Investors Service, Inc. or Standard & Poor’s Corporation” and substituting “Moody’s Canada Inc. or its DRO affiliate or Standard & Poor’s Rating Services (Canada) or its DRO affiliate”.

Coming into force

14(1) Subject to subsection (2), these regulations come into force on May 31, 2013.

(2) If these regulations are filed with the Registrar of Regulations after May 31, 2013, these regulations come into force on the day on which they are filed with the Registrar of Regulations.