

## **REQUEST FOR COMMENTS**

**Notice and Request for Comment** – Publishing for comment Local Rule 12-501 – *Definition of Reporting Issuer* (LR 12-501).

### **Introduction**

On 30 October 2006, the New Brunswick Securities Commission (the Commission) approved publication for comment of LR 12-501.

The text of LR 12-501 can be viewed from the following links:

English: [LR 12-501](#)

French: [RL 12-501](#)

### **Substance and Purpose**

The definition of reporting issuer is fundamental to the application of important continuous disclosure requirements such as the filing of material change reports, financial statements, forms of proxy, information circulars, annual reports, insider reporting and others.

Fundamental to the CSA Mutual Reliance Review System (MRRS) is the concept of the principal regulator. For the most part, an issuer's principal regulator is the jurisdiction where the issuer's head office is located. The head office location is the primary criteria for determining a principal regulator because the CSA recognizes that it is the jurisdiction where the issuer's head office is located that is best situated physically to regulate that issuer.

For the most part, issuers become "reporting issuers" through filing a prospectus. Usually a prospectus filed in multiple jurisdictions will also be filed in the home jurisdiction, but there is no requirement that the issuer do so. In those cases, the reporting issuer's principal regulator will be, by necessity, that jurisdiction where the issuer has another significant connection, for example, number of shareholders, exchange listing, etc.

A reporting issuer may also "transfer" its head office to New Brunswick by either simply moving, or amalgamating or merging with an issuer that already has a head office in New Brunswick.

LR 12-501 recognizes the CSA's philosophy of mutual reliance principles with primary regulation being conducted by the jurisdiction in which the head office or where the issuer's mind and management is located. The Commission has also supported this principle with the repeal of the TSX and TSX-V recognition order, permitting only those issuers that did not have a head office in New Brunswick to cease to be a reporting issuer.

No other jurisdiction has such a rule in place, principally because in the larger jurisdictions, such issuers would automatically become a reporting issuer with listing on an exchange in the jurisdiction.

### **Request for Comment**

The Commission seeks comments on the proposed LR 12-501.

### **How to Provide your Comments**

Comments are to be provided, in writing, by no later than 2 February 2007 to:

Secretary  
New Brunswick Securities Commission  
85 Charlotte Street, Suite 300  
Saint John, N.B. E2L 2J2  
Telephone: (506) 658-3060  
Toll Free: (866) 933-2222 (within NB only)  
Fax: (506) 658-3059  
E-mail: [information@nbsc-cvmnb.ca](mailto:information@nbsc-cvmnb.ca)

If you are not sending your comments by e-mail, please send a diskette containing your comments (in PDF or Word).

We cannot keep submissions confidential because securities legislation in certain provinces requires that a summary of the written comments received during the comment period be published.

### **Questions**

If you have any questions, please refer them to:

Kevin Hoyt  
Director and Chief Financial Officer  
New Brunswick Securities Commission  
Telephone: (506)643-7691  
E-mail: [kevin.hoyt@nbsc-cvmnb.ca](mailto:kevin.hoyt@nbsc-cvmnb.ca)