



Amendments to Companion Policy 31-103CP *Registration Requirements and Exemptions*

1. *Companion Policy 31-103CP Registration Requirements and Exemptions is amended by this Instrument.*
2. *The following is added after section 12.6:*

12.10 Annual financial statements and interim financial information

Accounting Principles

Registrants are required to deliver annual financial statements and interim financial information that comply with National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* (NI 52-107). Depending on the financial year, a registrant will look to different parts of NI 52-107 to determine which accounting principles and auditing standards apply:

- Part 3 of NI 52-107 applies for financial years beginning on or after January 1, 2011
- Part 4 of NI 52-107 applies to financial years beginning before January 1, 2011.

Part 3 of NI 52-107 refers to Canadian GAAP applicable to publicly accountable enterprises, which is IFRS as incorporated into the Handbook. Under Part 3 of NI 52-107, annual financial statements and interim financial information delivered by a registrant must be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises except that any investments in subsidiaries, jointly controlled entities and associates must be accounted for as specified for separate financial statements in International Accounting Standard 27 *Consolidated and Separate Financial Statements*. Separate financial statements are sometimes referred to as non-consolidated financial statements. Section 3.2(3) of NI 52-107 requires annual financial statements to include a statement and description about this required financial reporting framework. Section 2.7 of Companion Policy 52-107CP *Acceptable Accounting Principles and Auditing Standards* (CP 52-107) provides guidance on section 3.2(3). We remind registrants to refer to these provisions in NI 52-107 and CP 52-107 in preparing their annual financial statements and interim financial information.

Part 4 of NI 52-107 refers to Canadian GAAP for public enterprises, which is Canadian GAAP as it existed before the mandatory effective date for the adoption of IFRS, included in the Handbook as Part V. Under Part 4 of NI 52-107,

annual financial statements and interim financial information delivered by a registrant must be prepared in accordance with Canadian GAAP for public enterprises except that the financial statements and interim financial information must be prepared on a non-consolidated basis.

Changeover to International Financial Reporting Standards

When preparing annual financial statements, interim financial information or Form 31-103F1 for a financial year beginning in 2011 or for interim periods relating to a financial year beginning in 2011, registrants may rely on the exemption in subsection 12.15(1) and exclude comparative information for the preceding financial year. Section 3.2(4) of NI 52-107 provides a corresponding exemption for the accounting principles used by registrants. If a registrant relies on these exemptions, its date of transition to IFRS will be the first day of its financial year beginning in 2011. Section 2.7 of CP 52-107 provides further guidance on this topic. We remind registrants to refer to the provisions in NI 52-107 and CP 52-107 in preparing their financial statements and interim financial information for a financial period beginning in 2011..

3. ***Section 13.4 is amended by replacing "special purpose vehicle" with "special purpose entity".***
4. ***These amendments only apply to annual financial statements and interim financial information in respect of periods relating to financial years beginning on or after January 1, 2011.***
5. ***These amendments become effective on January 1, 2011.***