



## FINANCIAL AND CONSUMER SERVICES COMMISSION

### LOCAL RULE 45-501

#### *PROSPECTUS AND REGISTRATION EXEMPTIONS*

## PART 1: DEFINITIONS AND INTERPRETATION

### Definitions

#### 1.1 In this rule

“investment share of a cooperative” means a share in the capital of a cooperative that is not a membership share;

“membership share of a cooperative” means a share described in section 32 of the *Cooperatives Act*.

### Interpretation

1.2 Terms defined in National Instrument 14-101 *Definitions* and used in this Rule have the respective meanings ascribed to those terms in that Instrument.

## PART 2: EXEMPTIONS

### Cooperatives

2.1 (1) The dealer registration requirement does not apply to a trade in a security of a cooperative if the security is one or more of the following:

(a) a membership share of a cooperative;

(b) an investment share of a cooperative where the acquisition cost of a share is \$1,000 or less and the total cumulative investment of the individual relying on the exemption does not exceed \$10,000.

(2) The prospectus requirement does not apply to a distribution in a security of a cooperative in the circumstances referred to in subsection (1).

## **Credit Unions**

**2.2 (1)** The dealer registration requirement does not apply to a trade in a membership share of a credit union within the meaning of the *Credit Unions Act*.

**(2)** The prospectus requirement does not apply to a distribution in a security in the circumstances referred to in subsection (1).

## **PART 3: EFFECTIVE DATE**

**3.1** This rule comes into force on 1 January 2020.