

## **REQUEST FOR COMMENTS**

**Notice and Request for Comment** – Publishing for comment Local Rule 55-501 – *Exemption from Liability for Trading where Undisclosed Change* (LR 55-501).

### **Introduction**

On 25 September 2006, the New Brunswick Securities Commission (the Commission) approved publication for comment of LR 55-501.

The text of LR 55-102 can be from the following links:

English: [LR 55-501](#)

French: [RL 55-501](#)

### **Substance and Purpose**

LR 55-501 will provide exemptions from ss. 147(2) and 157 of the *Securities Act*, s. 5-5, S.N.B. 2004 (*Act*). Section 2.1 of proposed LR 55-501 stipulates that the principal exemption protects a person or company who proves:

- a) that no director, officer, partner, employee or agent of the person or company who made or participated in making the decision to purchase or sell had actual knowledge of the material fact or material change in question; and
- b) that no advice was given with respect to the purchase or sale to the director, officer, partner, employee or agent who made or participated in making the decision by a director, partner, officer, employee or agent of the person or company who had actual knowledge of the material fact or material change in question.

All other jurisdictions already have such exemptions from liability in place in their Regulations. This local rule merely adopts similar provisions already in place elsewhere.

### **Request for Comment**

On 25 September 2006, the Commission made LR 55-501 as an Emergency Rule. The Rule was posted on the Commission's website on 2 October 2006. The Commission is now publishing the local rule for comment for a period of 60 days as mandated by the *Securities Act*.

After the comment period has expired, comments will be reviewed. If comments result in significant amendments, the amendments will be published for further comment. If no significant amendments are made, the rule will be brought into force.

## **How to Provide your Comments**

Comments are to be provided, in writing, by no later than 1 December 2006 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)