



**Document Type:** Local Policy

**Document N°:** 12-602

**Subject:** Designating a Reporting Issuer in Certain Other Canadian Jurisdictions to be a Reporting Issuer in New Brunswick

**Notes:** Consolidated up to 24 September 2007  
*This consolidation is provided for your convenience and should not be relied on as authoritative.*

**Published Date:** 11 January 2008

**Effective Date:** July 21, 2004

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**LOCAL POLICY 12-602**  
**Designating a Reporting Issuer in Certain other Canadian Jurisdictions to be a Reporting Issuer in New Brunswick**

**Substance and Purpose of the Policy**

The main purpose of the Policy is to provide information about the procedure for making an application under subsection 1.1(2) of the Act and to inform all interested parties of the circumstances in which the Commission would generally grant an order under subsection 1.1(2) of the *New Brunswick Securities Act (Act)* to certain issuers. The Policy deals primarily with issuers who have been reporting issuers or reporting issuer equivalents in one or more of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, or Newfoundland for at least 12 months prior to the application being made.

**1. Application**

1(1) The procedures set forth in this Policy Statement apply to applications made to the New Brunswick Securities Commission (the "Commission") under subsection 1.1(2) of the *Act* for an order designating an issuer to be a reporting issuer for purposes of New Brunswick securities law (a "Designation Order") where the applicant issuer is a reporting issuer in certain other Canadian jurisdictions.

- 1(2) Notwithstanding subsection 1(1) of the Policy Statement, subsections 1(3) and 1(4) of this Policy Statement apply to all applications made under subsection 1.1(2) of the Act.
- 1(3) The procedures set forth in Local Policy 12-601 – Application to the New Brunswick Securities Commission, or any successor instrument, apply to all applications made under subsection 1.1(2) of the Act except to the extent modified by this Policy Statement.
- 1(4) Notwithstanding anything contained in this Policy Statement, the Commission retains its discretion to act in the public interest with respect to its consideration of all applications made under subsection 1.1(2) of the Act.

## **2. Issuers Not Listed on a Recognized Exchange**

- 2(1) Unless it is otherwise prejudicial to the public interest to do so, upon application under subsection 1.1(2) of the Act, a Designation Order will generally be granted by the Commission to an issuer who is a reporting issuer in British Columbia, Alberta, Saskatchewan, Ontario, Quebec, Nova Scotia or Newfoundland or is a reporting issuer equivalent in Manitoba (the “relevant jurisdictions”) and whose securities are not listed on an exchange if
  - (a) the issuer has been a reporting issuer or a reporting issuer equivalent, as applicable, in one or more relevant jurisdictions for at least 12 months prior to the date of the application; and
  - (b) the issuer is in good standing in all jurisdictions in which it is a reporting issuer or a reporting issuer equivalent.
- 2(2) In order to independently assess the “good standing” referred to in paragraph 2(1)(b), staff may review the applicant issuer’s continuous disclosure record and request that any deficiencies in that record be addressed prior to any recommendation under subsection 1.1(2) of the Act being made.

## **3. Application Procedure**

- 3(1) An application made under subsection 1.1(2) should include
  - (a) if applicable, particulars of the jurisdictions in which the issuer is a reporting issuer or a reporting issuer equivalent and the date the issuer became a reporting issuer in each such jurisdiction;
  - (b) if applicable, particulars of the stock exchanges or trading or quotation systems on which the issuer’s securities are traded or quoted;

(c) particulars of any penalties or sanctions imposed against the issuer by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority and the grounds on which they were imposed or the terms of the settlement agreement and the circumstances that gave rise to the settlement agreement;

(d) particulars of any penalties or sanctions imposed and the grounds on which they were imposed or the terms of the settlement agreement and the circumstances that gave rise to the settlement agreement, if a director or officer of the issuer, or a shareholder holding sufficient securities of the issuer to affect materially the control of the issuer has (i) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority, or (ii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision;

(e) particulars of

(i) any known ongoing or concluded investigations by:

(A) a Canadian securities regulatory authority; or

(B) a court or regulatory body, other than a Canadian securities regulatory authority, that would be likely to be considered important to a reasonable investor making an investment decision; and

(ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver manager or trustee, within the ten years before the date of the application;

relating to the issuer, a director or officer of the issuer, or a shareholder holding sufficient securities of the issuer to affect materially the control of the issuer;

(f) particulars of

(i) any cease trade or similar orders, or orders that denied access to any exemptions under New Brunswick securities law, for a period of more than 30 consecutive days, within the ten years before the date of the application; and

- (ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver manager or trustee, within the 10 years before the date of the application;

relating to any other issuer which a director or officer of the issuer making the application, or a shareholder holding sufficient securities of such issuer to affect materially the control of such issuer, was a director or officer of at the time of such event;

- (g) a certificate of no default, dated within ten days of the date of the application, from the securities regulatory authority in each jurisdiction in which the issuer is a reporting issuer or a reporting issuer equivalent;
- (h) for security check purposes, a completed *Authorization of Indirect Collection of Personal Information* in the form attached hereto as Schedule A for each director, executive officer and promoter, if any, and each director and executive officer of the promoter, if any, of the issuer; and
- (i) the filing fee of \$350, prescribed under paragraph 22 a) of Fee Rule 11-501.

#### **4. SEDAR**

Immediately upon receipt of a Designation Order, the issuer will be expected to amend its SEDAR Profile to indicate that it is a reporting issuer in New Brunswick.

#### **5. Effective Date**

This local policy comes into effect July 21, 2004.

**SCHEDULE "A" to LOCAL POLICY 12-602**  
**Authorization of Indirect Collection of Personal Information**

The attached Schedule 1 of Schedule "A" contains information concerning the name, position with or relationship to the applicant, name and address of employer, if other than the applicant, residential address, passport number and date of issuance, date and place of birth and citizenship of each director, executive officer, promoter, if any, and each director and executive officer of the promoter, if any, of the applicant named below (the "Issuer"). The Issuer hereby confirms that each person or company listed on Schedule 1,

- 1) has been notified by the Issuer
  - a) of the Issuer's delivery to the Commission of the information pertaining to the person or company as set out in Schedule 1,
  - b) that such information is being collected indirectly by the Commission under the authority granted to it under the Securities Act (New Brunswick),
  - c) that such information is being collected for the purpose of enabling the Commission to discharge its obligations under the provisions of the Securities Act (New Brunswick) that permits the Commission to refuse to grant an order designating an Issuer to be a reporting issuer for the purposes of New Brunswick securities law where it would be prejudicial to the public interest, and
  - d) that the title, business address and business telephone number of the public official who can answer questions about the Commission's indirect collection of the information is:

Executive Director  
New Brunswick Securities Commission  
85 Charlotte Street, Suite 300  
Saint John, New Brunswick E2L 2J2

Tel: (506) 658-3060  
Fax: (506) 658-3059  
Toll Free: (866) 933-2222 (NB only)

- 2) has authorized the indirect collection of the information by the Commission.

\_\_\_\_\_  
Name of Issuer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Per [Signature]

\_\_\_\_\_  
Official Capacity

\_\_\_\_\_  
[Name]\*

\* Please print the name of the individual whose signature appears above  
**Schedule 1 to Schedule "A" of Local Policy 12-602**  
**Authorization of Indirect Collection of Personal Information**

\_\_\_\_\_  
 Name of Issuer

<b>Name &amp; Position</b> [with or Relationship to Issuer]	<b>Name &amp; Address            of Employer</b> [if other than issuer]	<b>Residential Address</b> [if said address is outside North America, provide passport # and date of issuance]	<b>Date &amp;            Place of            Birth</b>	<b>Citizensh            ip</b>