

**Ontario Securities Commission**

**Policy 12-602**

**Unofficial consolidation current to 2007-03-16.**

**This document is not an official statement of law or policy and should be used for reference purposes only.**

**Any forms referenced in this document are available separately on the Ontario Securities Commission website.**

**ONTARIO SECURITIES COMMISSION POLICY 12-602  
*DESIGNATING AN ISSUER IN CERTAIN OTHER CANADIAN JURISDICTIONS  
AS A REPORTING ISSUER IN ONTARIO***

**Contents**

**Part 1 Application**

**Part 2 Issuers Listed on the TSX Venture Exchange**

**Part 3 Issuers Not Listed on the TSX Venture Exchange**

**Part 4 Application Procedure**

**Part 5 SEDAR**

**Appendix A Authorization of Indirect Collection of Personal Information**

## **PART 1 APPLICATION**

**1.1** The procedures set forth in this Policy Statement apply to applications made to the Ontario Securities Commission (the "Commission") under clause 1(11)(b) of the *Securities Act* (Ontario) (the "Act") for a designation order that an issuer is a reporting issuer for purposes of Ontario securities law (a "Designation Order") where the applicant issuer is a reporting issuer in certain other Canadian jurisdictions.

**1.2** Notwithstanding section 1.1 of this Policy Statement, sections 1.3 and 1.4 of Part 1 and Parts 4 and 5 of this Policy Statement apply to all applications made under clause 1(11)(b) of the Act.

**1.3** The procedures set forth in OSC Policy 2.1 *Applications to the Ontario Securities Commission*, or any successor instrument, apply to all applications made under clause 1(11)(b) 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 clause 1(11)(b) of the Act.

## **PART 2 ISSUERS LISTED ON THE TSX VENTURE EXCHANGE**

**2.1** Unless it is otherwise prejudicial to the public interest to do so, upon application under clause 1(11)(b) of the Act, a Designation Order will generally be granted by the Commission to an issuer whose securities are listed and posted for trading on the TSX Venture Exchange ("TSX-V") if:

- (1) the issuer is in good standing in all jurisdictions in which it is a reporting issuer or a reporting issuer equivalent; and
- (2) the issuer is in good standing under the rules, regulations and policies of the TSX-V.

**2.2** In order to independently assess the "good standing" referred to in subsection 2.1(1), 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 clause 1(11)(b) of the Act being made.

## **PART 3 ISSUERS NOT LISTED ON THE TSX VENTURE EXCHANGE**

**3.1** Unless it is otherwise prejudicial to the public interest to do so, upon application under clause 1(11)(b) 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, Quebec or Nova Scotia or is a reporting issuer equivalent in Manitoba (the "Relevant Jurisdictions") and whose securities are not listed on the TSX-V if:

- (1) 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
- (2) the issuer is in good standing in all jurisdictions in which it is a reporting issuer or a reporting issuer equivalent.

**3.2** In order to independently assess the "good standing" referred to in subsection 3.1(2), 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 clause 1(11)(b) of the Act being made.

## **PART 4 APPLICATION PROCEDURE**

**4.1** An application made under clause 1(11)(b) of the Act should include:

- (1) 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;
- (2) if applicable, particulars of the stock exchanges or trading or quotation systems on which the issuer's securities are traded or quoted;
- (3) 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;
- (4) 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;
- (5) 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 10 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;
- (6) particulars of:
  - (i) any cease trade or similar orders, or orders that denied access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, within the 10 years before the date of the application; and
  - (i) 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;

- (7) confirmation that the issuer is not on the default list of the securities regulatory authority in each jurisdiction in which the issuer is a reporting issuer or a reporting issuer equivalent;
- (8) for security check purposes, a completed *Authorization of Indirect Collection of Personal Information* in the form attached hereto as Appendix 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
- (9) the filing fee prescribed under Rule 13-502 *Fees*.

## **PART 5 SEDAR**

**5.1** 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 Ontario.

**APPENDIX A**  
**AUTHORIZATION OF INDIRECT COLLECTION OF PERSONAL INFORMATION**

The attached Schedule 1 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

- (a) has been notified by the Issuer
  - (i) of the Issuer's delivery to the Commission of the information pertaining to the person or company as set out in Schedule 1,
  - (ii) that such information is being collected indirectly by the Commission under the authority granted to it under the *Securities Act* (Ontario),
  - (iii) that such information is being collected for the purpose of enabling the Commission to discharge its obligations under the provisions of the *Securities Act* (Ontario) that permits the Commission to refuse to grant an order that an issuer be a reporting issuer for the purposes of Ontario securities law where it would be prejudicial to the public interest, and
  - (iv) 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:

Administrative Assistant to the Director of Corporate Finance  
Ontario Securities Commission  
20 Queen Street West  
19<sup>th</sup> Floor, Box 55  
Toronto, Ontario M5H 3S8  
(416) 593-8086

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

Date: \_\_\_\_\_

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

Per: \_\_\_\_\_

\_\_\_\_\_  
Name

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

(Please print the name of the individual whose signature appears in the official capacity)

Schedule 1 Personal Information to Appendix A

Authorization of Indirect Collection of Personal Information

**[Name of Issuer]**

| <b>Name and Position with or Relationship to Issuer</b> | <b>Name and Address of Employer, if other than Issuer</b> | <b>Residential Address [If Residential Address is outside North America provide Passport No. Date of Issuance]</b> | <b>Date and Place of Birth</b> | <b>Citizenship</b> |
|---------------------------------------------------------|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------|
|                                                         |                                                           |                                                                                                                    |                                |                    |