

Ontario Securities Commission

Rule 14-501

Unofficial consolidation current to 2023-09-13.

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

ONTARIO SECURITIES COMMISSION RULE 14-501

DEFINITIONS

1.1 Definitions – (1) Every term used in a rule that is

- (a) defined or interpreted in section 1 of the Act has the meaning ascribed to it in that section unless it is otherwise defined or interpreted in the rule or the context otherwise requires;
- (b) defined in subsection 1(2) of the Regulation has the meaning ascribed to it in that subsection unless it is otherwise defined or interpreted in the rule or the context otherwise requires; and
- (c) defined in subsection 1.1(3) of National Instrument 14-101 *Definitions* has the meaning ascribed to it in that subsection unless it is otherwise defined or interpreted in the rule or the context otherwise requires.

(2) In a rule, unless otherwise defined in the rule

"AIF" means an annual information form filed under Ontario securities law;

"broker" means a person or company that is registered under the Act in the category of broker;

"business day" means any day other than a Saturday, a Sunday or a statutory holiday;

"CFA" means the *Commodity Futures Act*;

"Chair" means the Chair of the Commission;

"clearing corporation" means an association or organization through which trades in options or futures contracts are cleared and settled;

"Commission member" [repealed]

"contractual right of action" means a right of action for rescission or damages, that

- (a) is against an issuer if it is selling securities,
- (b) is against a selling securityholder,
- (c) is against an issuer and selling securityholder if they are both selling securities,
- (d) is available to an investor to whom an offering memorandum containing a misrepresentation is delivered by or on behalf of the seller of securities,
- (e) is exercisable on notice against the person or company that granted the right of action not later than 180 days after payment is made for the securities or after the initial payment, if a payment subsequent to the initial payment is made under a contractual commitment assumed before, or at the same time as, the initial payment,
- (f) reasonably corresponds to the rights provided in section 130 of the Act applicable to a prospectus and may be subject to any applicable defences or limitations available under that section, and
- (g) includes a provision stating that the right is in addition to any other right or remedy available at law to the investor;

"control person distribution" means a trade described in clause (c) of the definition of "distribution" in subsection 1(1) of the Act;

"convertible security" means a security that, by its terms, is convertible into, or exercisable or exchangeable for, or that carries the right to purchase or cause the purchase of, another security;

"custodian" means a person or company that holds securities for the benefit of another under a custodial agreement or other custodial arrangement;

"executive officer" means an individual who is or at any time during the most recently completed financial year was

- (a) a chair of the issuer, if that individual performed the functions of the office on a full time basis,
- (b) a vice-chair of the issuer, if that individual performed the functions of the office on a full time basis,
- (c) the president of the issuer,
- (d) a vice-president of the issuer in charge of a principal business unit, division, or function such as sales, finance, or production,
- (e) an officer of the issuer or any of its subsidiaries who performed a policy-making function in respect of the issuer, or
- (f) any other person who performed a policy-making function in respect of the issuer;

"financial intermediary" [repealed]

"investment dealer" means a person or company that is registered under the Act in the category of investment dealer;

"LSIF" means

- (a) a labour sponsored investment fund corporation as defined in the *Labour Sponsored Venture Capital Corporations Act, 1992*, or
- (b) a registered labour sponsored venture capital corporation as defined in the ITA;

"market intermediary" means a person or company that engages or holds himself, herself or itself out as engaging in Ontario in the business of trading in securities as principal or agent, other than trading in securities purchased by the person or company for his, her or its own account for investment only and not with a view to resale or distribution, and, without limiting the generality of the foregoing, includes a person or company that engages or holds himself, herself or itself out as engaging in the business of,

- (a) entering into agreements or arrangements with underwriters or issuers, in connection with distributions of securities, to purchase or sell such securities,
- (b) participating in distributions of securities as a selling group member,

- (c) making a market in securities, or
- (d) trading in securities with accounts fully managed by the person or company as agent or trustee,

whether or not the person or company engages in trading in securities purchased for investment only.

"MD&A" means management's discussion and analysis of financial condition and results of operations prepared in accordance with Ontario securities law;

"mutual fund dealer" means a person or company that is registered under the Act in the category of mutual fund dealer;

"offering memorandum" means a document purporting to describe the business and affairs of an issuer that has been prepared primarily for delivery to and review by a prospective purchaser so as to assist the prospective purchaser to make an investment decision for a security being sold in a distribution to which section 53 of the Act would apply but for the availability of one or more of the exemptions contained in Ontario securities law but does not include a document setting out current information about an issuer for the benefit of a prospective purchaser familiar with the issuer through prior investment or business contacts;

"Ontario financial institution" [repealed]

"option" means an agreement that provides the holder with the right, but not the obligation, to do one or more of the following on terms or at a price established by or determinable by reference to the agreement at or by a time established by the agreement:

1. Receive an amount of cash determinable by reference to a specified quantity of the underlying interest of the option.
2. Purchase a specified quantity of the underlying interest of the option.
3. Sell a specified quantity of the underlying interest of the option;

"principal shareholder", if used to indicate a relationship with a person or company, means a person or company that is the direct or indirect beneficial owner of or exercises control or direction over more than 10 percent of any class or series of voting securities of the person or company;

"Regulation" means Regulation 1015 of the Revised Regulations of Ontario, 1990, as amended;

"related mutual fund securities" means, for a registrant, securities issued by a dealer managed mutual fund if the registrant is or is an affiliate of the dealer manager of the mutual fund;

"RESP" has the meaning ascribed to "registered education savings plan" in the ITA;

"RRIF" has the meaning ascribed to "registered retirement income fund" in the ITA;

"RRSP" has the meaning ascribed to "registered retirement savings plan" in the ITA;

"scholarship plan dealer" means a person or company that is registered under the Act in the category of scholarship plan dealer;

"selling group member" means, in respect of a distribution, a person or company whose interest in the distribution is limited to receiving the usual and customary distributor's or seller's commission payable by an underwriter or issuer.

"special relationship", when used in reference to a person or company in a special relationship with a reporting issuer, shall be interpreted in accordance with subsection 76(5) of the Act;

"trust indenture" means a document by which an issuer issues securities and in which a trustee is appointed for the holders of the securities issued under the document;

"trustee" means a person or company named as trustee under a trust indenture;

"underlying interest" means, for a derivative, the security, commodity, financial instrument, currency, interest rate, foreign exchanges rate, economic indicator, index, basket, agreement or benchmark or any other financial reference, interest or variable, and, if applicable, the relationship between any of the foregoing, from, to or on which the market price, value, or any payment obligation of the derivative is derived, referenced, or based; and

"Vice-Chair" [repealed]

(3) For the purposes of the Act, the regulations and the rules,

"derivative" [repealed]

"future-oriented financial information" has the meaning ascribed to the term "FOFI" in National Instrument 52-101 *Future-Oriented Financial Information*; and

"non-redeemable investment fund" [repealed]