

1.1.3 CSA Staff Notice 55-309 Launch of the System for Electronic Disclosure by Insiders (SEDI) and Other Insider Reporting Matters

CANADIAN SECURITIES ADMINISTRATORS STAFF NOTICE 55-309

**LAUNCH OF THE SYSTEM FOR ELECTRONIC DISCLOSURE BY INSIDERS (SEDI)
AND OTHER INSIDER REPORTING MATTERS**

The System for Electronic Disclosure by Insiders (SEDI) will be launched beginning May 5, 2003. SEDI is the insider trade reporting system to be available over the Internet at www.sedi.ca. It replaces paper-based reporting of insider trading data for insiders of SEDI issuers. SEDI requires insiders to file electronically their insider reports, and issuers to file electronically certain information, over the Internet, using the SEDI web site. The public will also be able to search for and look at public information filed on SEDI over the same web site.

SEDI was operational from October 29, 2001 to January 31, 2002, but SEDI then had to be suspended due to technical difficulties. The Canadian Securities Administrators (CSA) in conjunction with CDS INC., the SEDI system developer and operator, will now launch SEDI again beginning May 5, 2003 using a staged process, as set out in this notice.

A. Purposes

1. SEDI Launch - The chief purpose of this notice is to:

- inform market participants about the SEDI launch
- notify insiders and issuers as to the steps they will need to take to resume filing on SEDI.

2. Other Matters – The other purpose of this notice is to:

- notify market participants about the unavailability of insider reports filed on SEDI between January 21 and January 31, 2002
- withdraw CSA Staff Notices 55-303 *SEDI Extension of Electronic Filing and Reporting Deadlines*, 55-304 *System for Electronic Disclosure by Insiders (SEDI) National Instrument 55-102*, 55-305 *Interim Requirements for Insiders and Issuers Affected By Suspension of SEDI Operation*, and 55-307 *Reminder to File Paper Insider Reports Using the Correct Codes*
- consolidate the information in CSA Notices 55-305 and 55-307 into a single notice.

B. SEDI Launch: Starting May 5, 2003

Having resolved the technical difficulties, the CSA will begin launching SEDI on May 5, 2003. SEDI will be launched in the following stages so that the CSA and the SEDI operator, CDS INC., can facilitate an orderly implementation of the system and provide market participants and the public with better support as they begin to use SEDI.

**1. Stages for SEDI Launch
Launch Begins May 5, 2003**

The following chart outlines what steps SEDI issuers and insiders need to take with the System for Electronic Document Analysis and Retrieval (SEDAR) and the SEDI web site, www.sedi.ca, to start using SEDI and when they need to take these steps.

WHO	WHAT STEPS**	WHEN
<p>SEDI Issuers*</p> <ul style="list-style-type: none"> - that filed an issuer profile supplement on SEDI before February 1, 2002; or otherwise are SEDI issuers existing before May 30, 2003 - that become SEDI issuers on or after May 30, 2003 	<ol style="list-style-type: none"> 1. Create or update your SEDAR profile. 2. Register on SEDI and file your issuer profile supplement, including all your publicly traded securities. 3. File your issuer event report(s) (if an issuer event such as a stock dividend, split, consolidation or other event that affects all holdings of a securities class in the same manner has occurred). 	<p>Before May 5, 2003. (For issuers that become SEDI issuers between May 5, 2003 and May 30, 2003, you should create or update your SEDAR profile before May 30, 2003)</p> <p>May 5, 2003 to May 30, 2003.</p> <p>Starting June 9, 2003 and thereafter within one business day after the event.</p>
<p>Insiders</p>	<ol style="list-style-type: none"> 1. Create or update your SEDAR profile. 2. Register on SEDI and file your issuer profile supplement including all your publicly traded securities. 3. File your issuer event report(s) (if an issuer event such as a stock dividend, split, consolidation or other event that affects all holdings of a securities class in the same manner has occurred). <p>File your insider reports on SEDI. Before you can do this, you must have registered on SEDI and filed your insider profile.***</p>	<p>As soon as possible after becoming a SEDI issuer.</p> <p>Within three business days of becoming a SEDI issuer.</p> <p>Starting June 9, 2003 and thereafter within one business day after the event.</p> <p>Starting June 9, 2003 and thereafter within 10 calendar days of any change.</p>

* a reporting issuer, other than a mutual fund, that must comply with National Instrument 13-101 SEDAR

** an issuer uses either an issuer representative or agent to register and file

*** You can take these steps yourself or use an agent to register and file your insider profile and insider reports for you. Insiders who are not likely to need to file insider trade reports in the immediate future are encouraged to register only a few days in advance of their first anticipated insider report filing. NOTE – For those insiders who are required to file an insider report on June 9, 2003, we recommend that you file that report in paper format early, before June 9, 2003, in order to avoid any possibility that you may not get your filing done on time.

2. Requirement for Filing Issuer Profile Supplement

During the period from October 29, 2001 to January 31, 2002, SEDI was operational. However, data filed and collected on SEDI during this period is not available because of the technical difficulties SEDI experienced. Therefore, even if you registered as a SEDI user and filed issuer and/or insider profile information on SEDI during this period, you will have to register and file an insider profile or issuer profile supplement once SEDI is again operational, using the procedures outlined above in the section B.1 'Stages for SEDI Launch'.

We sincerely regret this inconvenience for those SEDI issuers and insiders (or their agents) who registered and filed data on SEDI during the period from October 29, 2001 to January 31, 2002. However, starting May 5, 2003 it is very important that you, if you represent a SEDI issuer, register and file your issuer profile supplement by May 30, 2003 (or have an agent do so on behalf of the issuer) so that your insiders can file accurate and timely insider trade reports on SEDI. If you are an insider who registered and filed an insider profile on SEDI during this period, (or had a registered agent file for you), it is also very important

that you (or your agent) register and file again your insider profile information on SEDI so that you can file your insider reports on SEDI.

In order to launch SEDI using these new deadlines, the jurisdictions within the CSA will take the approach to the relevant provisions of National Instrument 55-102 (NI 55-102) and related instruments that is appropriate to their jurisdiction. Jurisdictions may: refrain from implementing them, vary the time periods within them, or issue blanket exemptive relief from them. Subject to regulatory approval, the CSA will amend NI 55-102 to require SEDI issuers who filed during the operation of SEDI between October 29, 2001 to January 31, 2002 to file a new and current issuer profile supplement.

C. Unavailability of insider reports filed on SEDI between January 21 and January 31, 2002

Because of the technical difficulties SEDI experienced during its operation, the CSA has determined that it would not be appropriate to publish summaries of insider reports filed on SEDI between January 21 and 31, 2002, nor to make these reports available for public inspection.

Insiders who reported transactions on SEDI are not required to file paper reports of these transactions. However, we encourage insiders to voluntarily file paper reports of these transactions, so that there will be an uninterrupted, publicly available record of their insider transactions.

The securities commissions have already received a significant number of voluntary paper filings of insider reports originally filed on SEDI. We encourage market participants to refer to the web sites of the British Columbia Securities Commission (BCSC)(www.bcsc.bc.ca) and the Commission des valeurs mobilières du Québec (CVMQ)(www.cvmq.com) to view summaries of these reports filed with the BCSC and CVMQ, respectively.

D. Withdrawal of CSA Staff Notices 55-303, 55-304, 55-305, and 55-307

We have issued a number of CSA staff notices relating to SEDI and insider reporting. We are now withdrawing these notices for the following reasons:

- CSA Staff Notices 55-303 and 55-304 are now out of date
- the information in CSA Staff Notices 55-305 and 55-307 is being consolidated in this notice, in order to reduce the reference sources for market participants.

E. Interim requirements for insiders and issuers affected by suspension of SEDI operation (previously found in CSA Staff Notice 55-305)

SEDI is currently unavailable in order to permit required diagnostic and repair work to be performed. SEDI will become again fully operational starting on May 5, 2003. Section B.1 'Stages for SEDI Launch' sets out the additional steps insiders and issuers need to take to resume filing on SEDI. In the meantime, insiders and issuers should continue to refer to the following interim requirements.

Insiders

Insider reports

Insiders are still required to comply with their insider reporting obligations. Insiders of SEDI issuers can file their insider reports in paper before June 9, 2003 using Form 55-102F6, as set out in Part 3 of NI 55-102. Insiders who do so will not have to file these reports on SEDI when SEDI becomes operational. Please note that Form 55-102F6 contains codes both in respect of nature of transaction and type of ownership (please see section F 'Reminder to file insider reports using the correct codes' below).

Insiders of SEDI issuers who filed reports in reliance on the temporary hardship exemption between January 21, 2002 and February 11, 2002, will not have to file those reports on SEDI when SEDI becomes operational.

Insiders of SEDI issuers will resume filing insider reports on SEDI on June 9, 2003, as specified in section B 'SEDI Launch' above.

Issuers

SEDAR profiles

Please note that SEDI issuers should continue to update their SEDAR profiles.

New issuer profile supplements

Issuers who became or become SEDI issuers during the suspension and before May 30, 2003 do not have to file issuer profile supplements during the suspension. Starting May 5, 2003, these new SEDI issuers will have until May 30, 2003 to file their issuer profile supplement.

Issuers that become SEDI issuers on or after May 30, 2003 have 3 business days from the date they become a SEDI issuer to file their issuer profile supplement.

Issuer event reports

SEDI issuers will not have to file issuer event reports for any issuer events that occur during the suspension up until June 9, 2003. Starting June 9, 2003, SEDI issuers will file issuer event reports within one business day of the event.

F. Reminder to file paper insider reports using the correct codes (previously found in CSA Notice 55-307)

All insiders required to file paper insider reports must use Form 55-102F6. Form 55-102F6 is the form that contains the **nature of transaction codes**, and the **nature of ownership codes that should be used**. For example, Form 55-102F6 prescribes nature of transaction code 50 for a "Grant of options" transaction, and nature of ownership code 1 for "Direct ownership". Please refer to the instructions page of Form 55-102F6 for a full list of these codes.

The codes in Form 55-102F6 (the current codes) are significantly different from the codes in the previous paper form (the previous codes). For example, nature of transaction code 50 in the previous paper form refers to an "Acquisition or disposition by gift", instead of a "Grant of options".

The CSA have received and are still receiving a number of paper reports that continue to use the previous codes. The use of these previous codes, where current codes have been prescribed, creates uncertainty as to what transaction is being reported, and may result in dissemination of misleading insider reporting information to the marketplace.

As a result, we are not accepting any reports that use the previous codes. We will return these reports, and require that insiders refile their reports on Form 55-102F6 using the correct codes. We recognize that prior to Form 55-102F6 coming into effect, a number of reporting issuers prepared customized insider report forms for their insiders. We are accepting insider reports filed on a customized form, if they contain the information required and use the codes prescribed by Form 55-102F6. Please write "Form 55-102F6" on the customized form.

You can download PDF and/or Word versions of Form 55-102F6 from the securities commission web sites listed below.

Securities commission web sites:

Alberta	www.albertasecurities.com
British Columbia	www.bcsc.bc.ca
Manitoba	www.msc.gov.mb.ca
Newfoundland and Labrador	www.gov.nf.ca/gsl/cca/s
Ontario	www.osc.gov.on.ca
Quebec	www.cvmq.com

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April 11, 2003.