

5.1.3 National Policy 12-201 - Mutual Reliance Review System for Exemptive Relief Applications - Blackline Copy

**National Policy 12-201  
MUTUAL RELIANCE REVIEW SYSTEM FOR  
EXEMPTIVE RELIEF APPLICATIONS\***

**Part 1 DEFINITIONS AND INTERPRETATION**

**1.1 Definitions** - In this policy

“**application**” means a request for exemptive relief other than a waiver application or pre-filing as defined in the prospectus policy or a request for exemptive relief if a certificate of registration can evidence the granting of exemptive relief for that request;

“**CSA committee**” means the Exemptive Relief Applications Committee of the Canadian Securities Administrators;

“**exemptive relief**” means any approval, declaration, determination, exemption, extension, order, ruling, permission, recognition, revocation, waiver or other relief sought under securities legislation or securities directions;

“**filer**” means

- (a) a person or company filing an application, and
- (b) an agent of a person or company referred to in paragraph (a);

“**local securities directions**” means, for the local jurisdiction, the instruments listed in Appendix A of NI 14-101 opposite the name of the local jurisdiction;

“**local securities legislation**” means, for the local jurisdiction, the statute and other instruments listed in Appendix B of NI 14-101 opposite the name of the local jurisdiction;

“**local securities regulatory authority or regulator**” means, for the local jurisdiction, the securities commission or similar regulatory authority listed in Appendix C of NI 14-101 opposite the name of the local jurisdiction or the regulator listed in Appendix D of NI 14-101 opposite the name of the local jurisdiction;

“**materials**” means the documents and fees set out in Part 5;

“**MRRS MOU**” means the Memorandum of Understanding related to the mutual reliance review system signed as of October 14, 1999;

“**NI 14-101**” means National Instrument 14-101 Definitions, or in Québec Policy statement 14-101 relating to definitions;

“**pre-filing**” means a consultation with one or more of the local securities regulatory authorities or regulators regarding the interpretation or application of securities legislation or securities directions to a particular transaction or matter or proposed transaction or matter that is the subject of, or is referred to in, an application, if the consultation is initiated before the filing of the application;

“**principal decision documents**” means the principal regulator’s staff memorandum, recommendation and proposed MRRS decision document(s) that are circulated to each non-principal regulator with whom an application has been filed under this policy;

“**prospectus policy**” means National Policy 43-201 - Mutual Reliance Review System for Prospectuses and AIFs;

“**requested regulator**” means a participating principal regulator that a filer requests under section 3.3(1) to act as the principal regulator;

“**securities directions**” means the instruments listed in Appendix A of NI 14-101;

“**securities legislation**” means the statutes and other instruments listed in Appendix B of NI 14-101;

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\* In Québec, the title of this instrument is: Notice 12-201 relating to the Mutual Reliance Review System for exemptive relief applications

“system” means the mutual reliance review system described in this policy for the review of applications;

## 1.2 Interpretation

Terms defined or interpreted in the MRRS MOU and used in this policy have the respective meanings given them in the MRRS MOU.

## Part 2 OVERVIEW AND APPLICATION

### 2.1 Overview and Application

- (1) This policy describes the application of the mutual reliance concepts set out in the MRRS MOU relating to the filing and review of applications.
- (2) A filer may elect to use the system for any application made in more than one jurisdiction.
- (3) Although the filer will generally deal only with the principal regulator regarding an application filed under the system, the local securities legislation and local securities directions in each jurisdiction are applicable to that application. Filers should ensure that the exemptive relief sought is both appropriate and necessary in each jurisdiction where the application is made.
- (4) Filers should be aware that the terms and conditions of the MRRS decision document will generally reflect the local securities legislation and local securities directions of the jurisdiction in which the principal regulator is located.
- (5) Filers are reminded that the primary objective of the system is to reduce unnecessary duplication in the review of applications. The timelines set out in the system are designed to ensure that the principal regulator and the non-principal regulators have sufficient time to consider the application and exercise their discretion.

## Part 3 PRINCIPAL REGULATOR

**3.1 Participating Principal Regulators** - As of the date of this policy, the securities regulatory authorities and regulators of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia—~~and Newfoundland and Labrador~~ have agreed to act as principal regulator for applications filed under this policy.

**3.2 Determination of Principal Regulator** - A filer is responsible for selecting a principal regulator in accordance with the following guidelines when electing to use the system for a particular application:

1. The filer should select as its principal regulator the local securities regulatory authority or regulator in the jurisdiction where the filer’s head office is located.
2. If the filer does not require exemptive relief in the jurisdiction referred to in paragraph 1 or the local securities regulatory authority or regulator in the jurisdiction referred to in paragraph 1 is not a participating principal regulator under the system, the filer should select the participating principal regulator in the jurisdiction with which the filer has the next most significant connection to act as the principal regulator.
3. If the filer has no significant connection to any jurisdiction, the filer may select any participating principal regulator to act as the principal regulator.
4. ~~\_\_\_\_\_~~ If the filer is a mutual investment fund, the location of the head office of the manager of the mutual investment fund will be considered to be the location of the head office of the mutual investment fund for the purposes of selecting a principal regulator under section 3.2.

Filers are reminded that it is the location of the head office or the significant connection of the person or company filing an application, not the head office location or connection of the agent, that is used to satisfy the criteria for selecting a principal regulator under section 3.2. For example, the selection of the jurisdiction in which the offices of the law firm filing an application on behalf of a client, whose head office is located in another jurisdiction, would not satisfy the criteria under section 3.2.

### 3.3 Change of Principal Regulator - by Filer

- (1) A filer may apply for a change of principal regulator for an application if:
  - (a) the filer believes the principal regulator determined in accordance with section 3.2 is not the appropriate local securities regulatory authority or regulator to act as principal regulator for a particular application such as where the nature of the exemptive relief sought could result in the selection of more than one principal regulator in respect of a transaction or matter; or
  - (b) the filer withdraws its application in the jurisdiction where the principal regulator is located after the principal regulator has commenced its review of the application because no exemptive relief is required in that jurisdiction, but the filer wishes to remain in the system for the application.
- (2) A filer may apply for a change of principal regulator by filing a written notice of the request with the principal regulator determined in accordance with section 3.2 and the requested regulator at least two business days before the filing of the application referred to in paragraph (1)(a) or as soon as practicable after the withdrawal referred to in paragraph (1)(b). The written notice should address the basis for the original designation of principal regulator under section 3.2 and the reasons for the requested change.
- (3) Filers are reminded to include notice of any change of principal regulator together with reasons for the change in the application.
- (4) Requests to change a filer's principal regulator under paragraph (1) will not generally be granted unless exceptional circumstances justify the change.
- (5) If staff of both participating principal regulators consent to the change in designated principal regulator under paragraph (1)(a), staff of the requested regulator will notify the filer.
- (6) If staff of both participating principal regulators consent to the change in designated principal regulator under paragraph (1)(b), staff of the requested regulator will notify the filer and the non-principal regulators by e-mail or facsimile of the change and the reasons for the change.

### 3.4 Change of Principal Regulator - by the Participating Principal Regulators

- (1) For a particular application filed under the system, staff of the participating principal regulators may determine that it would be preferable for a participating principal regulator other than the principal regulator determined in accordance with section 3.2 to act as a filer's principal regulator. This determination will generally only be made when changing the principal regulator would result in greater administrative and regulatory efficiencies in the review process for the application such as where the nature of the exemptive relief sought results in the selection of more than one principal regulator in respect of a transaction or matter.
- (2) If staff of the participating principal regulators propose to change a filer's principal regulator for a particular application, staff of the redesignated principal regulator will notify the filer and non-principal regulators by e-mail or facsimile of the change in principal regulator and the reasons for the proposed change in principal regulator.

**3.5 Continued Use of Requested Regulator** - A filer may continue to select the requested principal regulator as its principal regulator for future applications filed under the system, if there has been no material change in the circumstances giving rise to the change in principal regulator. Filers are reminded to reference the change in principal regulator when setting out the basis for its selection of principal regulator in any future application under the system.

**3.6 Notification to CSA Committee** - The participating principal regulators involved in a proposal to change a filer's principal regulator will advise the CSA committee of all determinations made under section 3.3 or 3.4 and the reasons for the decision.

## Part 4 PRE-FILING DISCUSSIONS

### 4.1 General

- (1) The principles of mutual reliance are available to govern the review of pre-filings of applications that will be made to a principal regulator and at least one other non-principal regulator. Filers intending to file an application under the system should use the procedures set out in Part 4 for any pre-filings related to the application.

- (2) Filers are reminded to identify the pre-filing as an MRRS filing and file the pre-filing sufficiently in advance of the filing of the application under the system to avoid any delays in the issuance of the MRRS decision document.
- (3) Filers should also be aware that different review procedures apply to those pre-filings that are routine and those that raise novel and substantive issues or novel public policy issues.

**4.2 Procedure for Routine Pre-Filings** - Except as provided in section 4.3, a pre-filing made under Part 4 should be submitted to the principal regulator in the form required by the principal regulator and the filer will deal directly with the principal regulator to resolve the pre-filing. If staff of the principal regulator determine that the pre-filing involves novel and substantive issues or raises novel public policy issues, staff of the principal regulator will advise the filer that the pre-filing would be more appropriately dealt with in accordance with the procedures described in section 4.3.

**4.3 Procedure for Novel and Substantive Pre-Filings** - If staff of the principal regulator determine that a pre-filing filed under Part 4 involves a novel and substantive issue or raises a novel public policy issue:

- (a) staff of the principal regulator will request that the filer concurrently submit the pre-filing by facsimile to the principal regulator and all non-principal regulators where relief may be required;
- (b) the principal regulator will notify the non-principal regulators by e-mail or facsimile that it has requested that the pre-filing be sent to the non-principal regulators. The notice will identify the name, phone number, fax number and e-mail address of the staff member who has been assigned to review the pre-filing;
- (c) on receipt of the notice, staff of each non-principal regulator will notify the principal regulator staff member by e-mail or facsimile of the name, phone number, fax number and e-mail address of the staff member assigned to the pre-filing in that jurisdiction;
- (d) staff of the principal regulator will make arrangements with the non-principal regulators within seven business days or as soon as practicable after the notice referred to in subsection 4.3(b) to discuss the issues arising on the pre-filing. The principal regulator will assume that a non-principal regulator who does not participate in discussions has no position on the pre-filing. The principal regulator will advise the filer of the results of those discussions; and
- (e) if a non-principal regulator has not received the pre-filing at the time the notice is received, the filer will be directed by staff of the principal regulator to deliver the pre-filing to that non-principal regulator. When the principal regulator is satisfied that each non-principal regulator is in receipt of the pre-filing, the principal regulator will provide the filer and the non-principal regulators with a new notice referred to in subsection 4.3(b) and will make the arrangements in subsection 4.3(d) after sending the new notice.

**4.4 Disclosure in Related Application** - In any application filed under this system, the filer should describe the subject matter of any pre-filing and the approach taken on the pre-filing by staff of the principal regulator and, if applicable, staff of any non-principal regulator that disagreed with the approach adopted by the principal regulator and had an alternative approach for the pre-filing.

## Part 5 FILING OF MATERIALS UNDER MRRS

**5.1 Election of MRRS and Identification of Principal Regulator** - A filer wishing to use the system is responsible for selecting a principal regulator in accordance with the criteria set out in Part 3 and identifying the non-principal regulators from whom exemptive relief is sought.

### 5.2 Materials to be Filed

- (1) A filer should file concurrently in each jurisdiction where exemptive relief is sought materials consisting of
  - (a) a written application drafted in accordance with the procedures of the principal regulator as to format and content in which the filer:
    - (i) states that the application is being filed under the system and identifies the jurisdictions in which the application is being filed,

- (ii) identifies whether a separate application in connection with the same transaction or subject matter has been filed outside of the system in one or more jurisdictions and the reasons for filing a separate application,
  - (iii) identifies the principal regulator(s) selected and the basis for that selection (i.e. whether in accordance with the guidelines in section 3.2 or the criteria in section 3.3 or 3.4),
  - (iv) describes any pre-filing discussions under sections 4.2 and 4.3,
  - (v) sets out any request to shorten either the review period referred to in section 6.2 or the opting out period referred to in section 8.1, or both, together with supporting reasons,
  - (vi) sets out under separate headings all of the exemptive relief sought, including any request for confidentiality, and clearly identifies the jurisdictions in which each head of relief is sought and all of the relevant provisions of the local securities legislation and local securities directions of the jurisdiction in which the principal regulator and each non-principal regulator is located, including an analysis where the provisions of the local securities legislation or local securities directions of a jurisdiction in which a non-principal regulator is located differs from those of the jurisdiction in which the principal regulator is located. These provisions may be set out in a footnote or table of concordance, and
  - (vii) sets out references to previous orders of the decision makers which would support granting the relief or indicates that the relief requested is novel and has not been previously granted;
- (b) supporting materials;
  - (c) draft form(s) of MRRS decision document(s) with terms and conditions, including resale restrictions, based on the local securities legislation and local securities directions of the jurisdiction in which the principal regulator is located; and
  - (d) the appropriate fees payable in each jurisdiction under securities legislation.
- (2) By way of example,
- (a) if in connection with a reorganization, a filer with a head office in jurisdiction A requires exemptive relief from the prospectus and registration requirements in all jurisdictions and wishes to be designated as a reporting issuer in only three jurisdictions (jurisdictions "A", "B" and "C"), the filer would
    - (i) select a principal regulator in accordance with section 3.2 - in this case the filer selects jurisdiction "A" as the principal regulator for each head of relief,
    - (ii) set out the relief sought under two separate headings - in this case one for the registration and prospectus relief and a second for the reporting issuer designation,
    - (iii) prepare and file with the application one draft MRRS decision document dealing with the registration and prospectus relief for all jurisdictions and the reporting issuer designation for jurisdictions "A", "B" and "C";
  - (b) if, however, the filer in this example wishes to be designated as a reporting issuer in only jurisdictions "B" and "C", the filer would ordinarily file a separate application for each head of relief, but under the system
    - (i) the filer would
      - (A) combine the requests for exemptive relief in one application,
      - (B) select another principal regulator in accordance with section 3.2 for the reporting issuer designation head of relief as that relief is not required in jurisdiction "A", and
      - (C) prepare and file with the application two draft MRRS decision documents, one dealing with the registration and prospectus relief for which jurisdiction "A" is the principal regulator and the second dealing with the reporting issuer designation for which either jurisdiction "B" or "C" would act as the principal regulator, or

- (ii) in exceptional circumstances, the filer could request a change of principal regulator under section 3.3; or
- (c) if registration and prospectus relief is required in a number of jurisdictions for a multi-trade transaction, such as an amalgamation or reorganization, but the trades that require relief differ from jurisdiction to jurisdiction, due to the availability of statutory exemptions or blanket relief, the filer would
  - (i) select a principal regulator in accordance with section 3.2,
  - (ii) in the application
    - (A) establish that some aspect of the transaction or subject matter of the application requires exemptive relief in each jurisdiction,
    - (B) provide a detailed analysis of the trades and the exemptive relief required in each jurisdiction together with supporting arguments, and
    - (C) identify any statutory exemptions that apply to any aspect of the transaction or subject matter of the application in each jurisdiction, and
  - (iii) prepare and file with the application one draft MRRS decision document that provides registration and prospectus relief for the entire transaction or subject matter of the application. This will ensure that the exempt transaction or subject matter is treated uniformly in all jurisdictions named in the MRRS decision document.
- (3) Filers are advised to submit their applications sufficiently in advance of any deadlines to ensure that staff of the principal regulator has a reasonable opportunity to complete their review of the application and make recommendations to the principal regulator and all of the non-principal regulators for a decision on the merits of the application.
- (4) Filers must ensure that some aspect of the exemptive relief sought is necessary in each jurisdiction where the application is made.
- (5) Filers are reminded that the ~~Commission des valeurs mobilières du Québec~~ ("~~CVMQ~~Autorité des marchés financiers" ("AMF") will require that a French language version of the draft MRRS decision document be filed in Québec when the ~~CVMQ~~AMF is acting as principal regulator.

### 5.3 Request for Confidentiality

- (1) Filers requesting that the application and supporting material be held in confidence during the application review process must provide a substantive reason for the request.
- (2) If a filer is seeking to have any of the application, supporting materials, or the MRRS decision document held in confidence after the effective date of the MRRS decision document, the request for confidentiality should be set out in a separate head of relief with the appropriate fee payable in each jurisdiction where confidentiality is sought.
- (3) The filer should provide an explanation in the application to demonstrate that the request for confidentiality is reasonable in the circumstances and is not prejudicial to the public interest.
- (4) The filer should also provide a timeline for lifting a grant of confidentiality.
- (5) Staff of the principal and non-principal regulators normally communicate among themselves and the filer using e-mail. If the filer is concerned with this practice, they may request in the application that all communications be made by facsimile or telephone.

### 5.4 Filing

- (1) The filer should file materials with the principal regulator and concurrently with each non-principal regulator. Applications cannot be filed electronically through SEDAR as the materials filed under the system are not a mandated filing under SEDAR.

- (2) Filers are encouraged to file the application both by facsimile and in paper format to ensure the timely delivery of materials to all non-principal regulators. Failure to file the application concurrently in all jurisdictions may affect the timing of the review and the issuance of the MRRS decision document.

#### **5.5 Incomplete or Deficient Material**

- (1) If the materials filed under the system are deficient or incomplete, staff of the principal regulator may direct that the filer file an amended application with the principal regulator and each non-principal regulator.
- (2) Upon confirmation from the filer that an amended application has been filed with the principal regulator and all non-principal regulators, the principal regulator will provide the filer and the non-principal regulators with a new acknowledgment of receipt referred to in section 5.6 which will trigger a new seven business day review period referred to in section 6.2.

#### **5.6 Acknowledgment of Receipt of Filing**

- (1) Upon receipt of an application, the principal regulator will provide by e-mail or facsimile an acknowledgment of receipt of the application to the filer and non-principal regulators. In the acknowledgement, the principal regulator will identify the name, phone number, fax number and e-mail address of the staff member who has been assigned to review the application and the end date of the review period referred to in section 6.2.
- (2) On receipt of the acknowledgement, each non-principal regulator will notify the principal regulator by e-mail or facsimile of the name, phone number, fax number and e-mail address of the staff member assigned to the application in that jurisdiction and confirm receipt of the application.
- (3) If a non-principal regulator has not received the application at the time the acknowledgment is received, the filer will be directed by staff of the principal regulator to deliver the application to that non-principal regulator. When the principal regulator is satisfied that each non-principal regulator is in receipt of the application, the principal regulator will provide the filer and the non-principal regulators with a new acknowledgement of receipt referred to in this section which will trigger a new seven business day review period referred to in section 6.2.

#### **5.7 Withdrawal or Abandonment of Application**

- (1) If an application is withdrawn at any time during the process, the filer is responsible for notifying by e-mail or facsimile the principal regulator and all non-principal regulators and providing an explanation for the withdrawal.
- (2) If at any time during the review process staff of the principal regulator determine that an application has been abandoned by a filer, staff of the principal regulator will notify by e-mail or facsimile the filer that the application will be marked "not proceeded with" and the file closed without further notice to the filer unless the filer responds in writing within 10 business days with acceptable reasons as to why the file should remain open. If no response is received from the filer within the 10 business day time period, staff of the principal regulator will notify by e-mail or facsimile the filer and all non-principal regulators that the file has been closed.

### **Part 6 REVIEW OF MATERIALS**

#### **6.1 Reliance on Principal Regulator**

- (1) Staff of the principal regulator is responsible for reviewing any application filed under the system in accordance with its usual review procedures, analysis and previous orders together with the benefit of comments, if any, from staff of the non-principal regulators.
- (2) The filer will generally deal only with staff of the principal regulator, who will be responsible for issuing comments to and receiving responses from the filer.
- (3) In exceptional circumstances, staff of the principal regulator may refer the filer to staff of a non-principal regulator.

#### **6.2 Review Period for Non-Principal Regulators**

- (1) Staff of the non-principal regulators will have seven business days from receipt of the acknowledgment referred to in section 5.6 to review the application.

- (2) If staff of a non-principal regulator identify substantive issues that in the view of staff may, if left unresolved, cause the non-principal regulator to opt out of the system for that particular application, staff will forward these comments to staff of the principal regulator by e-mail or facsimile before the expiration of the seven business day review period or the abridged period referred to in section 6.3.
- (3) If staff of a non-principal regulator are of the view that no relief is required under the securities legislation of that jurisdiction, staff of the non-principal regulator will notify the filer and the principal regulator by e-mail or facsimile and request that the application be withdrawn in that jurisdiction.
- (4) If staff of a non-principal regulator do not send comments within the seven business day review period, or the abridged period provided under section 6.3, staff of the principal regulator may assume that staff of the non-principal regulator have no comments on the application.

### **6.3 Abridgement of Review Period for Non-Principal Regulators**

- (1) If staff of the principal regulator considers it appropriate, they can abridge the seven business day review period referred to in section 6.2 by notifying each of the non-principal regulators by e-mail or facsimile.
- (2) Such abridgements will generally be made only in exceptional circumstances.
- (3) Filers requesting an abridgement must satisfy the staff of the principal regulator that the application has been concurrently filed in all jurisdictions and that immediate attention to the application is necessary and reasonable under the circumstances.
- (4) If staff of a non-principal regulator are of the view that there is insufficient time to review the application under the abridged time period, staff of the non-principal regulator will notify the filer and the principal regulator by e-mail or facsimile and request that the application be withdrawn from the system for that jurisdiction. The application will be processed as a local application filed in that jurisdiction.

### **6.4 Review and Processing of Application by Principal Regulator** - Following the expiration of the seven business day period referred to in section 6.2 or the abridged period referred to in section 6.3, staff of the principal regulator will

- (a) complete their review of the application;
- (b) prepare a staff memorandum that
  - (i) provides an analysis of the application and the exemptive relief sought,
  - (ii) identifies a request by the filer for the application and/or the MRRS decision document to be held in confidence beyond the effective date of the MRRS decision document, the basis for the request, including a timeframe for lifting of any grant of confidentiality, and
  - (iii) identifies any substantive issues raised by staff of the non-principal regulators and sets out how those issues have been resolved;
- (c) if it is making a recommendation to deny the exemptive relief sought by the filer, concurrently notify staff of each non-principal regulator by e-mail or facsimile of the recommendation;
- (d) if there is a recommendation to grant the exemptive relief sought, prepare a proposed MRRS decision document following the form described in section 11.2. The proposed MRRS decision document should also reference any request for confidentiality of materials and/or the MRRS decision document beyond the effective date of the MRRS decision document; and
- (e) where the relief requested, or the terms and conditions of the relief requested in the proposed MRRS decision document differs substantially from any draft decision document submitted by the filer either with the application or during the time the application is under review, staff of the principal regulator will circulate the proposed MRRS decision document to staff of the non-principal regulators for comments.



## **Part 7 DECISION OF PRINCIPAL REGULATOR**

**7.1 Principal Regulator to Grant or Deny Relief** - Upon completion of the review process and after considering the recommendation of its staff, the principal regulator will determine whether it will grant or deny the exemptive relief sought.

### **7.2 Decision to Grant Exemptive Relief**

- (1) If the principal regulator makes a decision to grant the exemptive relief sought, the principal regulator will immediately circulate by facsimile the principal decision documents to the non-principal regulators.
- (2) Two business days before the expiry of the opting out period referred to in section 8.1, the principal regulator will follow-up by e-mail or facsimile with a reminder to each non-principal regulator that has not provided the confirmation referred to in section 8.1.
- (3) The principal regulator will not communicate the decision to the filer until after the opting out period referred to in section 8.1 has elapsed except where all non-principal regulators have made their decisions before the expiry of the opting out period, in which case the principal regulator will communicate the decision to the filer as soon as it receives all of the confirmations referred to in section 8.1.

**7.3 Potential Denial of Exemptive Relief** - If the principal regulator is not prepared to grant the exemptive relief sought based on the information before it, staff of the principal regulator will notify the filer and the staff of the non-principal regulators by e-mail or facsimile that it is not prepared to grant the exemptive relief sought based on the information before it.

### **7.4 Opportunity to be Heard on a Potential Denial**

- (1) If a filer requests the opportunity to appear and make submissions to the principal regulator as a result of a potential denial of the exemptive relief sought, the principal regulator will notify by e-mail or facsimile the non-principal regulators with whom the application was filed that the filer has made the request and circulate their staff memorandum and recommendation.
- (2) The principal regulator may hold a hearing, either solely, jointly or concurrently with other interested non-principal regulators.
- (3) The non-principal regulators with whom the application was filed may make whatever arrangements they consider appropriate, including conducting a hearing contemporaneously with the hearing held by the principal regulator.
- (4) After the hearing, staff of the principal regulator will provide a copy of the decision to the non-principal regulators by e-mail or facsimile.

## **Part 8 DECISION OF NON-PRINCIPAL REGULATORS**

### **8.1 Decision of Non-Principal Regulator**

- (1) Each non-principal regulator will have five business days from receipt of the principal decision documents to confirm to the principal regulator by e-mail or facsimile whether it has made the same decision as the principal regulator or is opting out of the system for that application.
- (2) If staff of the principal regulator considers it appropriate, staff may only request, but cannot require, that the non-principal regulators abridge the five business day time period if possible. Filers requesting an abridgement will be asked to satisfy staff of the principal regulator that the abridgement is necessary and reasonable in the circumstances.
- (3) Each non-principal regulator may document for its own purposes the decision made on each application in its jurisdiction in accordance with its own procedures.

## Part 9 OPTING OUT OF THE SYSTEM

### 9.1 Opting Out of the System

- (1) A non-principal regulator electing to opt out of the system on any particular application will notify the filer, the principal regulator and other non-principal regulators by e-mail or facsimile and briefly indicate reasons for opting out.
- (2) In opting out of the system for a particular application, a non-principal regulator is not making a decision on the merits of the application.
- (3) A filer is entitled to deal directly with a non-principal regulator that has opted out of the system to resolve outstanding issues and obtain a decision in respect of that particular application without having to file a new application or remit a new application fee. If the filer and non-principal regulator are able to resolve all outstanding issues, the non-principal regulator may opt back into the system for that application by notifying the principal regulator and all other non-principal regulators by e-mail or facsimile within the opting out period referred to in section 8.1.
- (4) Reasons for opting out will be forwarded by the non-principal regulator to the CSA committee.

## Part 10 EFFECT OF SILENCE

- 10.1 Effect of Silence** - Silence on the part of a non-principal regulator at the end of the opting out period referred to in section 8.1 will mean that the non-principal regulator is considered to have opted out of the system for that particular application.

## Part 11 MRRS DECISION DOCUMENT

### 11.1 Effect of MRRS Decision Document

- (1) The MRRS decision document evidences that a decision has been made by the principal regulator and each of the non-principal regulators that has not opted out of the system for the application.
- (2) The MRRS decision document will generally reflect the local securities legislation and local securities directions of the jurisdiction in which the principal regulator is located. This may mean that similar transactions or matters may be subject to different terms and conditions, for example resale restrictions, depending on who acts as the principal regulator for an application.
- (3) The MRRS decision document provides exemptive relief for the entire transaction or matter that is the subject of the application. This ensures that the exempt transaction or matter is treated in a uniform manner in all jurisdictions named in the MRRS decision document. Consequently, if the transaction or matter is a composite transaction or matter comprised of a series of trades, the filer will look to the MRRS decision document for all trades in the series and not rely on statutory exemptions for some trades and on the MRRS decision document for other trades.

### 11.2 Form of MRRS Decision Document

- (1) Except as described below, the MRRS decision document will be in the form of the MRRS decision document attached as Schedule A. This will not preclude the issuance of a less formal MRRS Decision Document where it is the current practice. If the decision is a denial of the relief sought, the MRRS decision document will set out reasons for the decision.
- (2) If a filer is relying on the exemptions in Multilateral Instrument 11-101 Principal Regulator System and needs exemptive relief in Ontario, the MRRS decision document will be in the form of the MRRS decision document attached as Schedule B.
- (3) If the MRRS decision document is in a form other than the form set out in Schedules A or B, the MRRS decision document should contain wording to the effect that the MRRS decision document evidences the decisions of each relevant local securities regulatory authority or regulator, as the case may be, and that the decision sets out the decisions of such securities regulatory authorities or regulators, as the case may be.

**11.3 Issuance of MRRS Decision Document**

- (1) The principal regulator will not issue a MRRS decision document with respect to an application until the earlier of
  - (a) the date that the principal regulator has received all of the confirmations referred to in section 8.1; or
  - (b) the date the opting out period referred to in section 8.1 has expired.
- (2) After the opting-out period has elapsed, or such earlier date as the principal regulator has received all of the confirmations referred to above, the principal regulator will issue a MRRS decision document evidencing that a decision to grant or deny the exemptive relief sought has been made by the principal regulator and each non-principal regulator that has not opted out of the system for that application.
- (3) If the MRRS decision document evidences a denial of the exemptive relief sought, reasons for the denial will be provided in the MRRS decision document.
- (4) The principal regulator will then send the MRRS decision document by facsimile to the filer and by facsimile, e-mail, or both to the non-principal regulators.

**11.4 Effective Date of MRRS Decision Document** - The decisions made by each of the principal regulator and the non-principal regulators with respect to an application will have the same effective date as the MRRS decision document.

**11.5 Local Decision** - Notwithstanding the issuance of the MRRS decision document, the CVMQAMF will concurrently issue its own local decision in each case. The CVMQAMF local decision will have the same terms and conditions as the MRRS decision document. No other local securities regulatory authority or regulator will issue a local decision.

**SCHEDULE A**

[Citation:[neutral citation]]

[Date of decision Document]]<sup>1</sup>

In the Matter of  
the Securities Legislation  
of **[names of jurisdictions participating in this decision document (the Jurisdictions)]**

and

In the Matter of  
the Mutual Reliance Review System for Exemptive Relief Applications

and

In The Matter of **[name(s) of filer(s) and relevant parties,  
including definitions as required, collectively, the Filer]**

MRRS Decision Document

**Background**

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer(s) for a decision under the securities legislation of the Jurisdictions (the Legislation) for **[describe the requested relief (the Requested Relief) in words following the examples below - do not use statutory references - include defined terms as necessary:**

- **an exemption from the dealer registration requirement and the prospectus requirements of the Legislation**
- **a waiver from the valuation requirements of the Legislation**
- **that the Filer is deemed to have ceased to be a reporting issuer]**

Under the Mutual Reliance Review System for Exemptive Relief Applications

- (a) the **[name of the principal regulator]** is the principal regulator for this application, and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

**Interpretation**

Defined terms contained in National Instrument 14-101 Definitions have the same meaning in this decision unless they are defined in this decision. **[add additional definitions here]**

**Representations**

This decision is based on the following facts represented by the Filer(s):

**[Insert material representations necessary to explain why the Decision Makers came to this decision and include the location of the Filer's head office. Do not use statutory references. It may be appropriate to refer to national or multilateral instruments.]**

**Decision**

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that:

**[Insert numbered terms and conditions. These should be generic and without statutory references to the Legislation of the Jurisdictions where this application was filed]**

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<sup>1</sup> The citation and date of decision will be completed by staff after the opt-out period has expired

If the effective date of any head of relief differs from the date of the decision document, state here. For example, designating an issuer to be a reporting issuer as of the closing of transaction]

\_\_\_\_\_ (Name(s) of Decision Maker(s))

\_\_\_\_\_ (Title)

\_\_\_\_\_ (Name of Principal Regulator)  
(justify signature block)

**SCHEDULE B**

**[Filer Relying on MI 11-101 Exemptions with Head Office  
Outside Ontario and Requiring Relief in Ontario under MRRS]**

[Citation:[neutral citation]] [Date of Decision Document]]<sup>1</sup>

In the Matter of  
the Securities Legislation  
of [name of jurisdiction acting as principal regulator under MI 11-101 and Ontario] (the Jurisdictions)]

and

In the Matter of the Mutual Reliance Review System for Exemptive Relief Applications

and

In The Matter of [name(s) of filer(s) and relevant parties,  
including definitions as required, collectively, the Filer]

MRRS Decision Document

**Background**

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer(s) for a decision under the securities legislation of the Jurisdictions (the Legislation) for [describe the requested relief (the Requested Relief) in words following the examples below - do not use statutory references - include defined terms as necessary:

- an exemption from the prospectus form and content or disclosure requirements of the Legislation (e.g. long form rule, national prospectus rules or local prospectus-related requirements as defined in MI 11-101 that cannot be evidenced by a prospectus receipt, such as the eligibility requirements under NI 44-101)
- an exemption from the continuous disclosure requirements of the Legislation (i.e. the CD requirements as defined in MI 11-101)]

**Application of Principal Regulator System**

Under Multilateral Instrument 11-101 *Principal Regulator System* (MI 11-101) and the Mutual Reliance Review System for Exemptive Relief Applications

- (a) the [name of the principal regulator] is the principal regulator for the Filer,
- (b) the Filer is relying on the exemption in Part [3 or 4 ] of MI 11-101 in [list the jurisdictions where the exemption would apply for this Filer], and
- (c) this MRRS decision document evidences the decision of each Decision Maker.

**Interpretation**

Defined terms contained in National Instrument 14-101 Definitions have the same meaning in this decision unless they are otherwise defined in this decision. [add additional definitions here]

**Representations**

This decision is based on the following facts represented by the Filer(s):

**[Insert material representations necessary to explain why the Decision Makers came to this decision. Include:**

- the location of the Filer's head office,
- the jurisdictions in which the Filer or the issuer of the relevant securities is or will be a reporting issuer or its equivalent, where applicable, and

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<sup>1</sup>The citation and date of decision will be completed by staff after the opt-out period has expired

- that the Filer is not in default of its obligations as a reporting issuer under the legislation of any jurisdiction in which it is a reporting issuer or its equivalent.  
Do not use statutory references. It may be appropriate to refer to national or multilateral instruments.]

**Decision**

The Decision Makers being satisfied that they have [each has] jurisdiction to make this decision and that the relevant test under the Legislation has been met, the Requested Relief is granted if / unless / for so long as / provided that ... [as appropriate].

**[Insert numbered terms and conditions. These should be generic and without statutory references to the Legislation of the Jurisdictions where this application was filed**

**If the effective date of any head of relief differs from the date of the decision document, state here.]**

\_\_\_\_\_  
**(Name of Decision Maker)**

\_\_\_\_\_  
**(Title)**

\_\_\_\_\_  
**(Name of Principal Regulator)**

(justify signature block)