

6.1.2 Proposed Rescission of OSC Policy 57-602 Cease Trading Orders – Applications for Partial Revocation to Permit a Securityholder to Establish a Tax Loss

**ONTARIO SECURITIES COMMISSION
NOTICE AND REQUEST FOR COMMENT**

**PROPOSED RESCISSION OF
OSC POLICY 57-602 CEASE TRADING ORDERS – APPLICATIONS FOR
PARTIAL REVOCATION TO PERMIT A SECURITYHOLDER TO ESTABLISH A TAX LOSS**

On January 5, 2007, the Canadian Securities Administrators (CSA) published for comment proposed National Policy 12-202 *Revocation of a Compliance-related Cease Trade Order* (the Policy). The Policy describes how the regulators will generally exercise their discretion when deciding whether to revoke a cease trade order prohibiting trading in the securities of an issuer for failure to comply with continuous disclosure requirements. The Policy applies to cease trade orders imposed against an issuer as well as management cease trade orders as described in CSA Staff Notice 57-301 *Failing to File Financial Statements on Time - Management Cease Trade Orders*.

Proposed rescission of OSC Policy 57-602

Section 3.2 of the Policy states that we will generally grant a partial revocation order to permit a securityholder to sell securities for a nominal amount solely to establish a tax loss. In Ontario, this is currently contemplated by OSC Policy 57-602 *Cease Trading Orders – Applications for Partial Revocation to Permit a Securityholder to Establish a Tax Loss* (the Prior Policy).

The Commission is proposing to rescind the Prior Policy upon the coming into force of the Policy as it replaces the Prior Policy.

Unpublished Materials

In proposing the rescission of the Prior Policy, we have not relied on any significant unpublished study, report, decision or other written materials.

Request for comment

Interested persons are invited to make written representations with respect to the proposed rescission of the Prior Policy. Submissions received by **July 11, 2007** will be considered.

Please deliver your comments to the address below:

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Box 55, Suite 1900
Toronto, Ontario M5H 3S8
Fax: (416) 593-2318
E-mail: jstevenson@osc.gov.on.ca

If you do not submit your comments by e-mail, a diskette containing the submissions in Word should also be provided.

We cannot keep submissions confidential because Ontario securities law requires that a summary of the written comments received during the comment period be published.

Please refer your questions to any of the people listed below:

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