

ALBERTA SECURITIES COMMISSION

NOTICE

Blanket Order 42-501 *Interim Relief from section 109 of ASC Rules (General)*

April 23, 2004

This Alberta Securities Commission (the “ASC”) Notice supplements the ASC Notice issued on January 20, 2004 (the “January Notice”) concerning local consequential amendments to Alberta securities legislation relating to the National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*.

In addition to the consequential amendments to the *Alberta Securities Commission Rules (General)* (the “Rules”) set out in the January Notice, the ASC has approved Blanket Order 42-501, which provides a blanket exemption to issuers other than investment funds, as defined in National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102), from the requirements of section 109, and of section 114 to the extent it refers to section 109, of the Rules.

Section 109, regarding notes re accounting matters, states:

If a prospectus contains financial statements

- (a) of an issuer incorporated or organized in a jurisdiction other than in Canada or a province or territory of Canada, and
- (b) prepared in accordance with generally accepted accounting principles as permitted by section 6(2),

the notes to the financial statements shall explain and quantify any significant differences between the principles applied in the financial statements and the principles referred to in section 6(1).

Section 109 will continue to apply to those issuers that are investment funds. This section will likely be repealed in its entirety once National Instrument 81-106 *Investment Fund Continuous Disclosure* (“NI 81-106”) is implemented.

Blanket Order 42-501 grants automatic relief from the requirements of section 109 to issuers other than investments funds and therefore those issuers will not have to apply for that relief provided they comply with NI 52-107.

Issuers are reminded, however, of CSA Staff Notice 42-303 *Prospectus Requirements*, which states that issuers must still apply for relief from certain other requirements of the prospectus rules if they wish to comply with corresponding, but different, requirements in NI 52-107 and NI 51-102 instead.

Further Information

Please direct your questions concerning the above to either of the following:

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