

**ALBERTA SECURITIES COMMISSION
NOTICE**

NEW PROSPECTUS REQUIREMENTS

AND

**ALBERTA SECURITIES COMMISSION RULE 41-501
USE OF PROSPECTUS COMPLYING WITH
ONTARIO SECURITIES COMMISSION REQUIREMENTS**

Reminder Concerning Effective Date of New Prospectus Requirements

The Commission (the "ASC") reminds capital market participants that new prospectus requirements will come into effect on December 31, 2000. The new requirements are set out in national instruments and related documents that replace a number of National Policy Statements ("NPs"), as follows:

- National Instrument 41-101 *Prospectus Disclosure Requirements*
 - replaces NPs 12, 13, 32 and 35
- National Instrument 44-101 *Short Form Prospectus Distributions* ("NI 44-101", accompanied by related Forms, Companion Policy and ASC implementing rule)
 - replaces NP 47
- National Instrument 44-102 *Shelf Distributions* (with related Companion Policy and ASC implementing rule)
 - replaces the shelf prospectus provisions of NP 44
- National Instrument 44-103 *Post-Receipt Pricing* (with related Companion Policy and ASC implementing rule)
 - replaces the balance of NP 44, dealing with post-receipt pricing

The new instruments were published, with explanatory notices, in a Supplement to the ASC Summary for the week ended October 13, 2000. They are also available on the Commission website at www.albertasecurities.com.

The notice accompanying publication of NI 44-101 indicated incorrectly that NI 44-101 does not contain transitional provisions. Transitional provisions are set out in section 2.1 of NI 44-101.

On and after December 31, 2000, references in Alberta securities laws or ASC policies or notices to any of the NPs identified above are to be construed as references to the instruments which replace them.

ASC Rule 41-501 and New Ontario Long Form Prospectus Requirements

(a) New OSC Rule

The ASC advised market participants on October 13, 2000 that the Ontario Securities Commission (the "OSC") has approved OSC Rule 41-501 *General Prospectus Requirements*, related forms and a companion policy (together, the "OSC Rule"). The OSC Rule is expected to come into force in Ontario on December

31, 2000. The OSC Rule and explanatory OSC notice are available on the OSC website at www.osc.gov.on.ca.

(b) ASC Proposal

When the OSC Rule comes into force, it will significantly alter the requirements relating to long form prospectuses in Ontario.

The Canadian Securities Administrators (the "CSA") will work to develop a harmonized general prospectus instrument based on the OSC Rule. Until a harmonized instrument is in place, the ASC and other CSA members intend to implement measures to minimize potential adverse consequences, for capital market participants, of inconsistencies in long form prospectus requirements. To that end, on October 13, 2000 the ASC published for comment proposed ASC Rule 41-501 *Use of Prospectus Complying with Ontario Securities Commission Requirements* (the "ASC Rule"), intended to provide issuers with the option of applying the OSC Rule in Alberta.

The ASC received no comments on the proposed ASC Rule. The ASC has made non-material changes to the published proposal to clarify (i) that the ASC Rule can be applied to any distribution in Alberta, (ii) that requirements for both public filing and non-public delivery to the ASC of documents accompanying a prospectus can be satisfied by applying the requirements of the OSC Rule, and (iii) how provisions of the OSC Rule relating to exemptive relief can be applied in Alberta. In addition, to avoid confusion as to which prospectus regime is being applied, the ASC Rule now provides that issuers that intend to rely on the ASC Rule for a distribution must notify the ASC of that intention in a covering letter filed with or prior to filing the preliminary prospectus for the distribution.

(c) ASC Rule Approved

The ASC has approved the ASC Rule, as revised. The ASC Rule, which is published with this Notice and is available on the ASC website, will come into effect on December 31, 2000.

The ASC Rule will enable issuers to satisfy Alberta requirements governing the form and content of a long form prospectus, and the accompanying filings and deliveries to the Commission, by applying the OSC Rule. The ASC Rule will facilitate multijurisdiction long form prospectus distributions of securities by permitting use of the same prospectus in Alberta as in Ontario. Moreover, because reliance on the ASC Rule is not conditional on a distribution having an Ontario element, the ASC Rule will permit issuers to apply the OSC Rule even for an Alberta-only distribution.

The ASC Rule is permissive. It does not affect the general prospectus requirements of Alberta securities laws in respect of a distribution under a long form prospectus for which the issuer does not elect to rely on the ASC Rule.

Except to the extent specified in the ASC Rule, satisfaction of Alberta prospectus requirements by reliance on the ASC Rule requires compliance with the requirements of the OSC Rule as a whole. The ASC Rule does not provide for the application of arbitrary combinations of elements of the OSC Rule and elements of Alberta general prospectus requirements.

December 15, 2000.