

**ALBERTA SECURITIES COMMISSION
NOTICE**

**NATIONAL INSTRUMENT 44-103
*POST-RECEIPT PRICING***

and

**REPEAL OF
NATIONAL POLICY STATEMENT NO. 44**

Implementation of Instrument and Repeal of National Policy Statement No. 44

The Alberta Securities Commission (the "Commission") and other members of the Canadian Securities Administrators (the "CSA") have approved National Instrument 44-103 *Post-Receipt Pricing* ("NI 44-103") and related Companion Policy 44-103CP (the "Policy", NI 44-103 and the Policy being together referred to in this Notice as the "Instrument"). The Commission has also approved related implementing Rule 44-803. In Alberta, NI 44-103 and Rule 44-803 have been made Commission Rules and the Policy has been made a Commission policy.

NI 44-103, the Policy and Commission Rule 44-803 will take effect on December 31, 2000.

In conjunction with the implementation of the Instrument and National Instrument 44-102 *Shelf Distributions* ("NI 44-102", discussed separately in a notice published contemporaneously with this Notice), the Commission has repealed, also with effect on December 31, 2000, National Policy Statement No. 44 *Rules for Shelf Prospectus Offerings and for Pricing Offerings after the Final Prospectus is Received* ("NP 44") and the related blanket order of the Commission dated May 9, 1991.

The Commission and other CSA members published a draft version of the Instrument (the "1998 Draft Instrument") for comment on October 2, 1998. The accompanying notice summarized and solicited comment on the 1998 Draft Instrument. The CSA did not receive any comment letters on the 1998 Draft Instrument.

Purpose and Substance of the Instrument

The Instrument prescribes procedures for distributions of securities for which pricing is deferred until after the issuance of a receipt for a final prospectus (the post-receipt pricing or "PREP" procedures). It reformulates and replaces the provisions of NP 44 relating to post-receipt pricing, maintaining the substance of the PREP procedures under NP 44 while adding clarity, operational efficiency and

enhanced access. The Policy sets out the views of the Canadian securities regulatory authorities on various issues concerning the PREP procedures.

The following are the primary differences between the PREP regime under the Instrument and that under NP 44:

- Availability: The PREP procedures under the Instrument are available for any distribution other than a distribution of rights. NP 44 restricted the PREP procedures to issuers (i) eligible to distribute securities using a short form prospectus, or (ii) that have securities listed on a specified exchange.
- Base PREP Prospectus Disclosure: The Instrument permits the omission from a base PREP prospectus of such information as the offering price but does require that the aggregate offering size be specified. The base PREP prospectus need not identify non-lead underwriters nor any information that can be mathematically derived from the pricing information included in the PREP prospectus.
- Extension of Period for Filing of Supplement: Under NP 44, a supplemented PREP prospectus must be filed within five business days of the date of the base PREP prospectus receipt. Under the Instrument, this period is extended to 20 days. If no supplemented PREP prospectus is filed within that 20 day period, distribution can proceed only if the base PREP prospectus is updated by a filed amendment. To preclude use of the amendment procedure to extend a receipt indefinitely, the Instrument provides that the receipt for a base PREP prospectus expires 90 after the issuance of the receipt unless a supplemented PREP prospectus is filed.

Changes have been made from the 1998 Draft Instrument to conform the substance, terminology and drafting style of the Instrument to National Instrument 44-101 *Short Form Prospectus Distributions* (discussed separately in a notice published contemporaneously with this Notice) and NI 44-102. Further changes of a minor nature have been made for clarification. Because the changes are not material, the Instrument is not being republished for comment.

October 13, 2000.

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