

ALBERTA SECURITIES COMMISSION

NOTICE

Repeals and Amendments to Alberta Securities Laws Related to Proposed National Instrument 45-106 *Prospectus and Registration Exemptions* and Interim Transitional Relief for \$97,000 Minimum Investment and \$100,000 Asset Purchase Exemptions

September 12, 2005

Proclamation of remaining provisions of the Securities Amendment Act, 2005

On September 8, 2005 the Alberta Government approved an order in council (431/2005) Securities Commission (ASC) approved the proclamation of the remaining provisions of the *Securities Amendment Act, 2005* (Bill 19) **effective September 14, 2005.**

This means that the majority of registration and prospectus exemptions currently found in sections 85, 86, 87 and 131 of the *Securities Act* (the Act) and related transitional provisions and filing requirements will be repealed and replaced by National Instrument 45-106 *Prospectus and Registration Exemptions* (NI 45-106). NI 45-106 comes into effect on September 14, 2005 in Alberta and the rest of Canada.

A few existing registration and prospectus exemptions are being moved into the Alberta Securities Commission Rules (General) (the Rules) along with related transitional provisions. These include the exempt purchaser, promoter, cooperatives under the *Cooperative Act* and corporations under the *Rural Utilities Act* exemptions.

Please see ASC Notice dated July 8, 2005 for a more detailed explanation of the consequential amendments being made to Alberta securities laws to fully implement NI 45-106 on September 14, 2005.

Interim Transitional Relief

NI 45-106 consolidates, harmonizes, modernizes and replaces certain exemptions, previously set out in a variety of statutes and instruments, from the registration requirement and the prospectus requirements.

Among the existing exemptions being repealed and replaced by NI 45-106 are:

- ◆ the *asset purchase* exemption (the Current Asset Purchase Exemption) currently found in sections 66(s) and 131(1)(l) of the Act and sections 66.1 and 122.1 of the Rules, for which the minimum fair value is currently \$100,000, rising to \$150,000 under NI 45-106; and

- ◆ the *minimum investment* exemption (the Current Minimum Investment Exemption) currently found in sections 66.2 and 122.2 of the Rules, for which the minimum acquisition cost to the purchaser is currently \$97,000, rising to \$150,000 under NI 45-106.

The Commission has, by order dated August 29, 2005, provided short-term interim transitional relief to issuers that have commenced but not completed an offering of their securities in reliance on the Current Minimum Investment Exemption or the Current Asset Purchase Exemption prior to their repeal on September 14, 2005. This transitional relief will effectively allow issuers to continue to rely on these exemptions up to November 30, 2005, provided each trade complies with and is completed in accordance with the Current Minimum Investment Exemption or the Current Asset Purchase Exemption. The order takes effect September 14, 2005 and expires December 1, 2005. The order has been posted on the ASC website at www.albertasecurities.com under Securities Law and Policy - Regulatory Instruments under NI 45-106.

Questions

If you have questions or require further information, please contact:

Marsha Manolescu
Deputy Director, Legislation
Alberta Securities Commission
Phone: (403) 297-2091
Fax: (403) 297-3679
e-mail: marsha.manolescu@seccom.ab.