

**Caution:**

*This consultation draft is intended to facilitate dialogue concerning its contents. Should the decision be made to proceed with the proposal, the comments received during consultation will be considered during the final preparation of the regulation. The content, structure, form and wording of the consultation draft are subject to change as a result of the consultation process and as a result of review, editing and correction by the Office of Legislative Counsel.*

CONSULTATION DRAFT

**ONTARIO REGULATION**

to be made under the

**SECURITIES ACT**

Amending Reg. 1015 of R.R.O. 1990

(GENERAL)

- 1. Subsection 1 (2) of Regulation 1015 of the Revised Regulations of Ontario, 1990 is revoked.**
- 2. Subsection 110 (1) of the Regulation is amended by striking out “*Registration Requirements and Exemptions*” in the portion before clause (a) and substituting “*Registration Requirements, Exemptions and Ongoing Registrant Obligations*”.**
- 3. Section 134 of the Regulation is amended by striking out “Form 8” at the end and substituting “Form 8, Summons to a Witness Before a Person Designated Under Section 31 of the Act, available on the website of the Government of Ontario Central Forms Repository”.**
- 4. Section 152 of the Regulation is revoked and the following substituted:**
  - 152.** (1) In this Part,  
“CUB security” means, subject to subsection (2),
    - (a) a share of a company,
    - (b) a right or warrant, but not an option, to purchase a share of a company, or
    - (c) any combination of a share of a company and a right or warrant, but not an option, to purchase a share of a company;

“CUB System” means the web-based system operated by Canadian Unlisted Board Inc., which is wholly owned by TSX Venture Exchange Inc., for the reporting of over-the-counter trading.

- (2) The definition of “CUB security” does not include,
- (a) a security of a private issuer as defined in subsection 2.4 (1) of National Instrument 45-106 *Prospectus Exemptions*;
  - (b) a security that, under section 2.13 or 2.20, subsection 2.21 (1), paragraph 2.34 (2) (b), (d.1), (e) or (f), subsection 2.35 (1) or section 2.38 of National Instrument 45-106 *Prospectus Exemptions*, is exempt from the prospectus requirement;
  - (c) a security that, under paragraph 1 or 2 of section 73 of the Act, paragraph 1 of subsection 73.1 (1) of the Act, subsection 73.1 (6) of the Act or subsection 73.2 (1) or (3) of the Act, is exempt from the prospectus requirement; or
  - (d) a security that is traded on a marketplace.

**5. Section 153 of the Regulation is revoked.**

**6. Section 154 of the Regulation is revoked and the following substituted:**

**154.** (1) Every purchase or sale in Ontario of a CUB security made by a registered dealer, as principal or agent, shall be reported to the CUB System except for a purchase or sale that is,

- (a) made through the facilities of a marketplace outside Canada, or is required to be reported to a marketplace or a self-regulatory organization outside Canada immediately following execution, if,
  - (i) the purchase or sale is monitored for compliance with applicable securities law, and
  - (ii) information concerning the purchase or sale is provided to an information vendor or a person performing a similar function respecting public dissemination of data;
- (b) a distribution by or on behalf of an issuer; or
- (c) a purchase or sale made in reliance on an exemption set out in section 2.3, 2.5, 2.8, 2.10 or 2.15 of National Instrument 45-106 *Prospectus Exemptions*.

(2) Every purchase or sale of a CUB security that is required to be reported under subsection (1) shall be reported to the CUB System,

- (a) by the registered dealer by or through whom the sale is made; or
- (b) in the case of a sale not made by or through a registered dealer, by the registered dealer by or through whom the purchase is made.

**7. Sections 155, 156 and 157 of the Regulation are revoked.**

**8. Section 158 of the Regulation is amended by striking out “COAT System” and substituting “CUB System”.**

**9. Section 159 of the Regulation is revoked.**

**10. Section 160 of the Regulation is amended by striking out “Form 39” at the end and substituting “Form 39, Endorsement of Warrant, available on the website of the Government of Ontario Central Forms Repository”.**

**11. Section 161 of the Regulation is amended by striking out “Ontario Securities Commission Rule 55-502” in the portion before clause (a) and substituting “National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)*, Ontario Securities Commission Rule 55-502”.**

**12. (1) Paragraph 2 of section 163 of the Regulation is amended by striking out “Form 1” at the end and substituting “Form 1, Summons to a Witness Before a Person Appointed under Section \_\_ of the Act, available on the website of the Government of Ontario Central Forms Repository”.**

**(2) Paragraph 3 of section 163 of the Regulation is amended by striking out “Form 2” at the end and substituting “Form 2, Affidavit of Service, available on the website of the Government of Ontario Central Forms Repository”.**

**13. Section 164 of the Regulation is revoked.**

**14. Section 168 of the Regulation is amended by striking out “Form 37” at the end and substituting “Form 37, Report by a Registered Owner of Securities Beneficially Owned by an Insider, available on the website of the Government of Ontario Central Forms Repository”.**

**15. Section 169 of the Regulation is amended by striking out “Form 38” at the end and substituting “Form 38, Report under Section 117 of the Act, available on the website of the Government of Ontario Central Forms Repository”.**

**16. Subsection 173 (1) of the Regulation is amended by striking out “Form 36” and substituting “Form 55-102 F6 (made under National Instrument 55-102 *System for Electronic Disclosure by Insiders (SEDI)*)”.**

**17. Part XV of the Regulation is revoked.**

**18. Subsection 252 (1) of the Regulation is amended by striking out “clause 72 (7) (b) of the Act” and substituting “section 2.8 of National Instrument 45-102 *Resale of Securities*”.**

**19. Forms 1, 2, 8, 37, 38, 39 and 41 are revoked.**

**Commencement**

**20. [Commencement].**