



Securities Act

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LOCAL RULE 55-501

Insider Trading Reporting

PART 1 DEFINITIONS AND INTERPRETATION

1. (1) In this Rule,

“**executor**” includes an administrator and any other personal representative of an estate;

“**income trust**” means a trust or other entity that issues securities that entitle the holder to net cash flows generated by:

- (a) an underlying business owned by the trust or other entity; or
- (b) the income-producing properties owned by the trust or other entity;

“**manager**” means a person established or contracted to provide management or administrative services;

“**operating entity**” means a person with an underlying business or with assets owned in whole or in part by an income trust for the purposes of generating cash flow.

(2) For the purposes of this Rule,

- (a) the acquisition or disposition of a put, call or other transferable option with respect to a security is deemed to be a change in the beneficial ownership of the security to which the put, call or other transferable option relates, and
- (b) ownership is deemed to pass at the time
 - (i) an offer to sell is accepted by the purchaser or the purchasers agent, or
 - (ii) an offer to buy is accepted by the vendor or the vendors agent.

(3) Where an issuer becomes an insider of a reporting issuer, every director or senior officer of that issuer is deemed to have been an insider of the reporting issuer for the previous six months or for any shorter period that he or she was a director or senior officer of that issuer.

(4) Where a reporting issuer becomes an insider of any other reporting issuer, every director or senior officer of the second-mentioned reporting issuer is deemed to have been an insider of the first-mentioned reporting issuer for the previous six months or for any shorter period that he or she was a director or senior officer of the second-mentioned reporting issuer.

(5) The following are deemed to be an insider of an income trust:

(a) every operating entity of the income trust;

(b) every manager of the income trust;

(c) if an operating entity or a manager is not a reporting issuer, every person who would be an insider of the operating entity or the manager if the operating entity or the manager were a reporting issuer.

PART 2 INSIDER TRADING REPORTS

2. (1) A person who becomes an insider of a reporting issuer, other than a mutual fund, shall, within 10 days after the date that the person becomes an insider, file a report as of the day on which that person becomes an insider, disclosing any direct or indirect beneficial ownership of or control or direction over securities of the reporting issuer.

(2) A person

(a) who has filed or who is required to file a report under this section or who has any requirement to file an insider report under the *Business Corporations Act*, and

(b) whose direct or indirect beneficial ownership of or control or direction over securities changes from that shown or required to be shown in the report or in the latest report filed by him or her under this section or under any requirement to file an insider report under the *Business Corporations Act*,

shall, within 10 days after the date that the change takes place, file a report of

(c) the person's direct or indirect beneficial ownership of or control or direction over securities of the reporting issuer before the change, and

(d) the change or changes in the person's direct or indirect beneficial ownership of or control or direction over securities of the reporting issuer.

(3) A person who becomes an insider of a reporting issuer by reason of subsection 1(3) or (4) shall file the reports required by subsections (1) and (2) of this section for the previous six months or any shorter period that the person was a director or officer of the reporting issuer within 10 days after the date that

- (a) the issuer becomes an insider of a reporting issuer, or
- (b) the reporting issuer becomes an insider of another reporting issuer,

as the case may be.

(4) No insider of a reporting issuer shall transfer or cause to be transferred any securities of the reporting issuer into the name of an agent, nominee or custodian without delivering to the Superintendent a report of the transfer within 10 days of the date of the transfer unless the transfer is for the purpose of giving collateral for a bona fide debt

(5) Where voting securities are registered in the name of a person other than the beneficial owner and the person knows that

- (a) they are beneficially owned by an insider, and
- (b) the insider has failed to file a report of his or her ownership with the Superintendent as required by this Part,

the person shall report to the Superintendent the insider's failure to file the report unless the securities were transferred into the person's name for the purpose of giving collateral for a bona fide debt.

PART 3 FILING

3.(1) Notwithstanding section 2, a person is not required to file a report on becoming an insider of an issuer where the person does not own or exercise control or direction over securities of the issuer.

(2) For the purposes of section 2,

- (a) a report filed by a corporation that includes a reference to
 - (i) securities beneficially owned or deemed to be beneficially owned by an affiliate, or
 - (ii) changes in the affiliate's beneficial ownership or deemed beneficial ownership of the securities,

is deemed to be a report filed by the affiliate and the affiliate need not file a separate report, and

- (b) a report filed by a person that includes a reference to
 - (i) securities beneficially owned or deemed to be beneficially owned by a corporation controlled by the person or by an affiliate of the controlled corporation,
 - (ii) changes in the controlled corporation's or affiliate's beneficial ownership or deemed beneficial ownership of the securities,

is deemed to be a report filed by the controlled corporation or affiliate and the controlled corporation and affiliate need not file a separate report.

(3) The reporting requirements of this Part are deemed to be satisfied as they apply to

(a) an executor, and

(b) the directors and senior officers of an executor

where the applicable report is filed by the executor or by a co-executor with respect to securities owned by the estate.

(4) Subsection (3) only applies to reporting requirements that arise solely from a person's capacity as an executor or as a director or senior officer of an executor.

PART 4 TRANSITIONAL

4. A requirement to file a report under this Rule is satisfied where a report has been filed before the coming into force of this Rule, pursuant to a requirement of the *Business Corporations Act* in respect of the same transaction.

PART 5 EFFECTIVE DATE

5. This instrument comes into force on October 26, 2008.