

THE MANITOBA SECURITIES COMMISSION
MSC RULE 2012-5
(Section 149.1, *The Securities Act*)

AMENDMENTS TO
MULTILATERAL INSTRUMENT 11-102
PASSPORT SYSTEM

1. *This Instrument amends Multilateral Instrument 11-102 Passport System.*

2. *The following Part is added:*

PART 4B – APPLICATION TO BECOME A DESIGNATED RATING ORGANIZATION

Specified jurisdiction

4B.1 For the purposes of this Part, the specified jurisdictions are British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and New Brunswick.

Principal regulator – general

4B.2 Subject to sections 4B.3 to 4B.5, the principal regulator for an application by a credit rating organization to become a designated rating organization is

- (a) the securities regulatory authority or regulator of the jurisdiction in which the head office of the credit rating organization is located,
- (b) if the head office for a credit rating organization is not in a jurisdiction of Canada, the securities regulatory authority or regulator of the jurisdiction in which the largest branch office of the credit rating organization is located, or
- (c) if neither the head office or a branch office of the credit rating organization is located in a jurisdiction of Canada, the securities regulatory authority or regulator of the jurisdiction with which the credit rating organization has the most significant connection.

Principal regulator – head office not in a specified jurisdiction

4B.3 Subject to section 4B.5, if the jurisdiction identified under section 4B.2 is not a specified jurisdiction, the principal regulator for the application is the securities regulatory authority or regulator of the specified jurisdiction with which the credit rating organization has the most significant connection.

Principal regulator – designation not sought in principal jurisdiction

4B.4 Subject to section 4B.5 if a credit rating organization is not seeking to become a designated rating organization in the jurisdiction of the principal regulator, as determined under section 4B.2 or 4B.3, as applicable, the principal regulator for the designation is the securities regulatory authority or regulator in the specified jurisdiction

- (a) in which the credit rating organization is seeking the designation, and
- (b) with which the credit rating organization has the most significant connection.

Discretionary change of principal regulator for application for designation

4B.5 If a credit rating organization receives written notice from a securities regulatory authority or regulator that specifies a principal regulator for the credit rating organization's application, the securities regulatory authority or regulator specified in the notice is the principal regulator for the designation.

Deemed designation of a credit rating organization

4B.6(1) If an application to become a designated rating organization is made by a credit rating organization in the principal jurisdiction, the credit rating organization is deemed to be a designated rating organization in a local jurisdiction if

- (a) the local jurisdiction is not the principal jurisdiction for the application,
- (b) the principal regulator for the application designated the credit rating organization and that designation is in effect,
- (c) the credit rating organization that applied to be designated gives notice to the securities regulatory authority or regulator that this subsection is intended to be relied upon for the designation in the local jurisdiction, and
- (d) the credit rating organization complies with any terms, conditions, restrictions or requirements imposed by the principal regulator as if they were imposed in the local jurisdiction.

4B.6(2) For the purpose of paragraph (1)(c), the credit rating organization may give the notice referred to in that paragraph by giving it to the principal regulator.

3. Appendix D is amended by adding, in the format indicated by the shaded area, the following row, that commences with "Designated rating organizations", after the row that commences with "Institutional trade matching and settlement":

Provision	BC	AB	SK	MB	Que	NS	NB	PEI	NL	YK	NW T	Nun	ON
Designated rating organizations	NI 25-101												

4. This Instrument comes into force on April 20, 2012.

5. This Instrument may be cited as MSC Rule 2012-5.