

## Local Policy 3.08

### Insider Reporting Exemptions

Date: June 1, 1972

Amended: January 7, 1974

Henceforth The Manitoba Securities Commission will as a general rule, grant unconditional exemptions under section 116(1)(b) of The Securities Act from the insider reporting requirements to the insiders of companies incorporated in Canada which have no local connection with Manitoba if they are required by the laws of the jurisdiction under which the company is incorporated to file similar reports in that jurisdiction.

For the purposes of this policy, a company has a local connection with Manitoba (and therefore is not eligible for exemption) if

- (a) its head office is in Manitoba;
- (b) any of its shares are listed on the Winnipeg Stock Exchange;
- (c) securities issued by it, other than mutual fund shares, are in continuous primary distribution in Manitoba; or
- (d) it has some other connection with Manitoba which would make the ownership of its shares a matter of interest to residents of Manitoba (e.g. a company whose executive office was in Manitoba even though its nominal head office was elsewhere).

Because of the uncertain scope of the fourth category, applications for exemption must be made individually, on behalf of their respective insiders, by those companies which believe they are eligible and desire the exemption.

There will be a fee of \$10.00 payable on an application.

It is fundamental to the proposed exemptions that the insider reports will be available elsewhere in Canada. If the Commission should find that it is unable to obtain copies of reports filed in a company's home jurisdiction if and when it needs them, then that company's exemption may have to be revoked. An exemption will also be liable to revocation if the insiders fail to maintain their filings in the company's home jurisdiction.

The Commission will also entertain, on the same "no local connection" basis, applications for exemption in respect of companies (whether incorporated in Canada or not) whose insiders are presently required to report in Manitoba and who are also required to report in another province because the company's shares are listed on a stock exchange there, even though there is no reporting requirement under the laws of the company's home jurisdiction. But whereas a

reporting requirement imposed by a company's home jurisdiction is permanent, one that results from a stock exchange listing would be terminated if the shares were delisted. Before granting an exemption on this basis, therefore, the Commission will consider carefully the past history and future prospects of the company in order to satisfy itself that there is a reasonable certainty that the shares will remain listed.

These exemptions will apply to insider reporting under Part XI of The Securities Act only. The filings required under Parts X and XII will not be affected.