

THE SECURITIES ACT

)

Order No. 2955

)

Subsection 20(1)

)

June 14, 2000

HSBC CANADA ASSET TRUST/HSBC BANK CANADA

WHEREAS:

(A) HSBC Bank Canada (the "Bank") and HSBC Canada Asset Trust (the "Trust") have made application (the "Application") to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 20(1) of *The Securities Act* (Manitoba) R.S.M. 1988 C.S.50 (the "Act") that certain trades contemplated by the terms of the HSBC Canada Trust Securities - Series 2010 (the "HSBC HaTS"TM) to be distributed by the Trust will be exempt from sections 6 and 37 of the Act;

(B) It has been represented to the Commission by the Bank that:

(a) the Bank is a Canadian chartered bank subject to the *Bank Act* (Canada) and is not currently subject to the continuous disclosure reporting requirements of the Act;

(b) the Trust is a closed-end trust established under the laws of British Columbia and is not currently subject to the continuous disclosure reporting requirements of the Act;

(c) the Trust and the Bank have filed a preliminary long form prospectus dated May 29, 2000 (the "Preliminary Prospectus") in relation to the offering (the "Offering") by the Trust in each province and territory of Canada of HSBC HaTS;

(d) the Trust and the Bank will become subject to the continuous disclosure reporting requirements of the Act upon a receipt being issued for the prospectus qualifying the Offering and, in the case of the Bank, upon a receipt being issued for the prospectus qualifying a concurrent offering by the Bank of Non-Cumulative Redeemable Preferred Shares, Series A, in the capital of the Bank, in respect of which the Bank has filed a preliminary long form prospectus in each province and territory of Canada;

(e) as disclosed in the Preliminary Prospectus, the HSBC HaTS will be exchangeable for Non-Cumulative Redeemable Class 1 Preferred Shares, Series Z, of the Bank (the "Bank Class 1 Preferred Shares, Series Z") automatically on the occurrence of certain defined events (the "Automatic Exchange"). Where the Automatic Exchange is triggered and any HSBC HaTS remain outstanding thereafter, the Trust will redeem each outstanding HSBC HaT for Bank Class 1 Preferred Shares, Series Z (the "Trust Share Redemption");

(f) the terms of the Bank Class 1 Preferred Shares, Series Z, will provide, among other things, that such shares may be convertible at the option of the holder into a further series of Non-Cumulative Preferred Shares of the Bank (the "New Bank Preferred Shares"), in certain circumstances;

(g) the Bank, the Trust and Montreal Trust Company of Canada, as trustee, will enter into a Bank Share Exchange Agreement providing for, among other things, the grant of the Automatic Exchange as well as the grant by the Bank to the Trust of a right to subscribe for Bank Class 1 Preferred Shares, Series Z, in order to give effect to the Trust Share Redemption (the "Subscription Right");

(h) the prospectus in respect of the Offering will qualify the Automatic Exchange and the Subscription Right;

(i) there are no available exemptions from the requirements of sections 6 and 37 of the Act for the distribution of the Bank Class 1 Preferred Shares, Series Z, to a holder in Manitoba under the Automatic Exchange or the Trust Share Redemption.

(C) The Commission is of the opinion that it would not be prejudicial to the public interest to grant the order requested.

IT IS ORDERED:

1. THAT, pursuant to subsection 20(1) of the Act:

(a) the Automatic Exchange;

(b) the Trust Share Redemption; and

(c) any trades pursuant to any other right of redemption, conversion or exchange described in the prospectus qualifying the Offering by the Bank, the Trust and the holders of the HSBC HaTS, of the Bank Class 1 Preferred Shares, Series Z, or the New Bank Preferred Shares;

shall be exempt from sections 6 and 37 of the Act provided that no commission or other remuneration is paid or given to any person in respect of such trades except for ministerial or professional services or for services performed by a person or company registered for trading in securities under the Act.

2. THAT the fee for this order shall be \$1000.00.

BY ORDER OF THE COMMISSION

Director - Legal

