

MANITOBA SECURITIES COMMISSION LOCAL POLICY 51-601

REPORTING ISSUERS LIST

1. Introduction

- 1.1 Effective December 15, 2006 the Manitoba Securities Commission (MSC) will commence publishing a list of reporting issuers that is updated each business day. Interested persons can refer to this list of reporting issuers to determine whether a Manitoba reporting issuer has been noted in default of certain requirements of Manitoba's securities laws or its securities are the subject of a general cease trade order issued by the MSC.
- 1.2 The MSC will no longer issue "status letters" with respect to Manitoba reporting issuers.
- 1.3 Given the breadth of the definition of reporting issuer, the MSC does not represent that this is a complete list of Manitoba reporting issuers. For example, there may be corporations subject to *The Business Corporations Act* that have offered securities to the public within the meaning of that statute but have not filed material with the MSC. They would fall within the definition of reporting issuer, but would not be on the list. Also, since the MSC does not continuously review the corporate status of issuers, corporations that have been dissolved may still be on the list.

2. List of Reporting Issuers

- 2.1 The MSC maintains a list of reporting issuers that identifies:
 - (a) issuers that are reporting issuers in Manitoba;
 - (b) Manitoba reporting issuers that have been noted in default of certain requirements of Manitoba securities laws; and
 - (c) Manitoba reporting issuers whose securities are the subject of a general cease trade order issued by the MSC.
- 2.2 The list of reporting issuers is available on the MSC website (www.msc.gov.mb.ca) under "Securities" – "Continuous Disclosure". The list is compiled as of the close of business each business day and appears on the MSC website by 11:00 a.m. the following day.

- 2.3 Every effort is made to ensure the accuracy of this list. A reporting issuer that does not appear on this list or that has inappropriately been noted in default should contact the MSC promptly.
- 2.4 In the event of technical difficulties or circumstances beyond the Commission's control, the Commission may, alternatively, only publish a list of defaulting reporting issuers whose Principal Regulator is Manitoba.

3. Basis for Noting in Default

- 3.1 The list of reporting issuers identifies those instances in which a reporting issuer has been noted in default for certain compliance deficiencies.
- 3.2 The absence of a default notation on the list of reporting issuers does not ensure that the reporting issuer is in full compliance with all of its obligations under Manitoba securities law because, amongst other things:
 - (a) not all types of deficiency may lead to a default notation;
 - (b) the list will not reflect undetected deficiencies; and
 - (c) the list will not reflect deficiencies which, though detected, have not yet resulted in a reporting issuer being noted in default as the issuer may be given advance notice of the deficiency and a time-limited opportunity to remedy the deficiency before being noted in default.
- 3.3 The MSC will generally consider a reporting issuer to be in default if the issuer:
 - (a) does not file a continuous disclosure document required by Manitoba securities laws;
 - (b) makes disclosure that does not comply with Manitoba securities laws; or
 - (c) does not pay a fee required by Manitoba securities laws.
- 3.4 Appendix A to the Policy identifies significant deficiencies in compliance with Manitoba securities laws that, when detected and determined to be deficient by MSC staff, may result in the reporting issuer being noted in default on the list of reporting issuers.
Appendix A will be updated periodically.
- 3.5 Section 1 of Appendix A sets out a list of failures to file significant continuous disclosure that will, when detected and determined to be a default by MSC staff, generally result in the reporting issuer being noted on the list of reporting issuers without prior notification.

- 3.6 Section 2 of Appendix A describes significant deficiencies in the content of a required continuous disclosure filing.

Before noting a reporting issuer in default on the list of reporting issuers for a deficiency contemplated in section 2 of Appendix A, MSC staff will notify a reporting issuer of its intention to do so. The issuer will have the opportunity, within a specified time period, either to remedy the deficiency or to satisfy MSC staff that there was no deficiency.

If the issuer remedies the deficiency or satisfies MSC staff that there was no deficiency, MSC staff will take no further action and the issuer will not be noted in default on the list of reporting issuers.

If the issuer acknowledges the deficiency but does not remedy it within the specified period, MSC staff will note the issuer in default on the list of reporting issuers.

If the issuer and MSC staff disagree as to whether the identified disclosure is deficient, the issuer will not be noted in default on that particular ground on the list of reporting issuers. That does not preclude MSC staff from seeking a hearing under section 148 of *The Securities Act* for an order that the issuer's continuous disclosure record be amended to address the issues identified or any other appropriate order under *The Securities Act*.

- 3.7 Section 3 of Appendix A identifies the failure to pay a fee required under Manitoba securities laws as a ground of default. Such a default will also generally result in the reporting issuer being noted in default on the list of reporting issuers without prior notification.
- 3.8 Section 4 of Appendix A identifies the failure to comply with any other requirement related to continuous disclosure as a ground of default. The failure to file continuous disclosure prescribed by Manitoba securities law, and not specifically identified in section 1 of Appendix A, once detected and determined to be in default by MSC staff, will generally result in a reporting issuer being noted in default on the list of reporting issuers without prior notification. Other failures to comply with requirements related to continuous disclosure under section 4 of Appendix A will be treated in the manner provided in section 3.6 of this Policy.
- 3.9 A notation of default on one or more of the specific grounds listed in Appendix A will be identified in the list of reporting issuers by a code referring to the item number in Appendix A.
- 3.10 Once the reporting issuer has addressed to the satisfaction of MSC staff a deficiency for which it has been noted in default, MSC staff will no longer consider the reporting issuer to be in default on that ground. The corresponding

notation of the default will be removed from the list of reporting issuers when the website list is updated the next business day.

4. Cease Trade Orders

- 4.1 The list of reporting issuers will identify certain cease trade orders that prohibit all trading in Manitoba of securities of a reporting issuer.
- 4.2 If an order has been issued under subsection 148 of *The Securities Act* prohibiting all trading in securities or specified securities of a reporting issuer, the existence of a cease trade order will be noted on the list of reporting issuers beside the name of the issuer without prior notification.
- 4.3 Other orders that may prohibit or restrict trading in Manitoba in the securities of the reporting issuer by specified persons or companies will not appear on the list of reporting issuers. Because a management and insider cease trade order is directed at the management and insiders of the reporting issuer and not the securities of the reporting issuer, this type of cease trade order is not noted on the list of reporting issuers against the name of the issuer.

5. Filing Consideration For Reporting Issuers

- 5.1 A reporting issuer may be noted in default if it fails to file a required document within the prescribed time period. National Instrument 13-101 *System for Electronic Document Analysis and Retrieval* (the SEDAR instrument) provides for the electronic transmission of documents to the MSC for filing. The date of filing a document in electronic format for the purpose of Manitoba securities law is determined in accordance with section 2.7 of the SEDAR instrument. Reporting issuers should review the provisions of the SEDAR instrument to determine applicable filing requirements.
- 5.2 A reporting issuer is responsible for creating and maintaining a current filer profile under the SEDAR instrument and a current issuer profile supplement under National Instrument 55-102 *System for Electronic Disclosure by Insiders* (SEDI). Reporting issuers should review requirements for filing a filer profile under the SEDAR instrument, an issuer profile supplement under SEDI and any amendments to the filer profile or issuer profile supplement. Reporting issuers are reminded that the MSC relies on the contact information in the issuer's SEDAR profile to serve any notices or orders issued under *The Securities Act*.

6. Sample Notation

6.1 A notation of default on the list of reporting issuers will be identified in the list under the heading "Nature of Default". The notation will use coding corresponding to the relevant description in Appendix A:

Example: ABC Inc. Cease Traded 1a, 1b, 3

Nature of default:	1a	failure to file annual financial statements
	1b	failure to file interim financial statements
	3	failure to pay a fee required by Manitoba securities

laws

7. Effective Date

7.1 This Policy is effective December 15, 2006.

APPENDIX A

Key Deficiencies Resulting in Default

- 1) The reporting issuer has failed to file the following continuous disclosure prescribed by Manitoba securities laws:
 - (a) annual financial statements;
 - (b) interim financial statements;
 - (c) annual or interim management's discussion and analysis (MD&A) or an annual or interim management report of fund performance (MRFP);
 - (d) annual information form (AIF);
 - (e) certification of annual or interim filings under Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (MI 52-109);
 - (f) proxy materials or a required information circular;
 - (g) issuer profile supplement on the *System for Electronic Disclosure By Insiders* (SEDI);
 - (h) material change report;
 - (i) written update as required after filing a confidential report of a material change;
 - (j) business acquisition report;
 - (k) annual oil and gas disclosure prescribed in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (NI 51-101) or reports for a mineral project required under National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (NI 43-101);
 - (l) mandatory news releases;
 - (m) corporate governance disclosure as required by National Instrument 58-101 *Disclosure of Corporate Governance Practices*;
 - (n) audit committee disclosure as required by Multilateral Instrument 52-110 *Audit Committees*; or

- (o) disclosure in a reporting issuer's MD&A relating to disclosure controls and procedures and their effectiveness that is referred to in a certificate filed under MI 51-109.
2. The reporting issuer's continuous disclosure is deficient because:
- (a) financial statements of the reporting issuer, or the auditor's report accompanying the financial statements, do not comply with the requirements of National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102), National Instrument 81-106 *Investment Fund Continuous Disclosure* (NI 81-106) or National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;
 - (b) the reporting issuer has acknowledged that its financial statements, or the auditor's report accompanying the financial statements, may no longer be relied upon;
 - (c) the reporting issuer's AIF, MD&A, MRFP, information circular, or business acquisition reports do not contain information for each of the content items required by NI 51-102 or NI 81-106; or
 - (d) the reporting issuer's technical disclosure or other reports do not comply with the disclosure requirements of NI 43-101 or NI 51-101.
3. The reporting issuer has failed to pay a fee required by Manitoba securities law.
4. The reporting issuer has failed to comply with any other requirement related to continuous disclosure.