

NOTICE AND REQUEST FOR COMMENT

Proposed Amendments to National Instrument 44-101 *Short Form Prospectus Distributions*, Form 44-101F3 *Short Form Prospectus* and Companion Policy 44-101CP

Introduction

We (the members of the Canadian Securities Administrators (CSA)) are publishing for comment proposed amendments to National Instrument 44-101 *Short Form Prospectus Distributions* (the Instrument). We are also publishing for comment amendments to related forms and amendments to the companion policy.

Additional information on the proposed amendments to the Instrument, required for publication in Ontario, can be found in the form of notice published in the OSC Bulletin or on its Website at www.osc.gov.on.ca.

Substance, Purpose and Background

Subject to ministerial approval, on March 30, 2004, National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* (NI 52-107) will be effective. NI 52-107 allows in certain circumstances financial statements to be prepared using foreign generally accepted accounting principles and financial statements to be audited using foreign generally accepted auditing standards. The Instrument requires all financial statements to be prepared using Canadian generally accepted accounting principles and financial statements to be audited using Canadian generally accepted auditing standards. As a result, we are proposing amendments to the Instrument to make it consistent with NI 52-107.

Summary of the Proposed Amendments to the Instrument

The proposed amendments will

- update the definitions in the Instrument,
- delete references to matters that will be dealt with in NI 52-107, and
- basically repeal Part 7 of the Instrument dealing with accounting principles, auditing standards, auditors' reports and other financial statement matters, and replace this part with a reference to NI 52-107.

Alternatives Considered

No other alternatives were considered.

Unpublished Materials

No unpublished study, report, or other written materials were relied on in proposing the amendments to this Instrument.

Anticipated Costs and Benefits

The purpose of the proposed amendments is to eliminate inconsistencies with existing rules and increases the number of acceptable accounting principles and auditing standards. Consequently, the proposed amendments to the Instrument reduce the cost of compliance for issuers and registrants.

Request for Comments

We welcome your comments on the proposed amendments to the Instrument and the Policy. Please submit your comments in writing on or before April 29, 2004. If you are not sending your comments by email, a diskette containing the submissions (in Windows format, Word) should also be forwarded.

Address your submission to all of the CSA member commissions, as follows:

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Office of the Administrator, New Brunswick
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Newfoundland and Labrador Securities Commission
Registrar of Securities, Northwest Territories
Registrar of Securities, Yukon Territory
Registrar of Securities, Nunavut

Deliver your comments **only** to the addressed that follow. Your comments will be forwarded to the remaining CSA member jurisdictions.

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Secretary to the Commission
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jstevenson@osc.gov.on.ca

Denise Brosseau, Secretary
Commission des valeurs mobilières du Québec
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We cannot keep submissions confidential because securities legislation in certain provinces requires publication of a summary of the written comments received during the comment period.

Questions

Please refer your questions to any of:

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The text of the proposed amendments to the Instrument follows or can be found elsewhere on a CSA member website.

January 30, 2004