

**BLANKET ORDER NUMBER 63.1**

**IN THE MATTER OF THE *SECURITIES ACT*  
R.S.N.L. 1990 CHAPTER S-13, AS AMENDED**

**AND**

**EXEMPTION FROM THE REGISTRATION REQUIREMENT FOR TRADES  
IN SHORT-TERM DEBT INSTRUMENTS**

**ORDER  
(Section 144.(1))**

**Definitions**

1. Terms defined in the *Securities Act*, or in National Instrument 14-101 *Definitions* have the same meaning in this Blanket Order.
2. "Approved credit rating" has the same meaning ascribed to it in National Instrument 81-102 *Mutual Funds* (NI 81-102) with the exception of paragraph (b) of such definition.

**Background**

3. A person or company in Newfoundland and Labrador is exempt from the registration requirement for trades in short-term debt under section 3.35 of NI 45-106 *Prospectus and Registration Exemptions* (NI 45-106).
4. Subsection 3.35(b) of NI 45-106 provides that the dealer registration requirement for short-term debt is available only where, among other things, the negotiable promissory note or commercial paper "has an approved credit rating from an approved credit rating organization."
5. NI 45-106 incorporates by reference the definitions for "approved credit rating" and "approved credit rating organization" in NI 81-102. The definition of "approved credit rating" in NI 81-102 requires, among other things, that (a) the rating assigned to such debt must be "at or above" certain prescribed short-term ratings categories, and (b) such debt must not have been assigned a rating by any "approved credit rating organization" that is not an "approved credit rating."
6. Certain Canadian financial institutions currently rely on section 3.35 of NI 45-106.
7. Section 3.35 of NI 45-106 will cease to be in force on March 27, 2010 pursuant to section 8.5 of NI 45-106, and the exemption will no longer be available to persons or companies currently relying upon it.

**Order**

8. The Superintendent orders, under section 138.19 of the *Act*, that the dealer registration requirement does not apply to

- (i) a bank listed in Schedule I, II or III to the *Bank Act* (Canada);
- (ii) an association to which the *Cooperative Credit Associations Act* (Canada) applies or a central cooperative credit society for which an order has been made under subsection 473 (1) of that *Act*;
- (iii) a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative or credit union league or federation that is authorized by a statute of Canada or of a jurisdiction in Canada to carry on business in Canada or in any jurisdiction in Canada, as the case may be;
- (iv) the Business Development Bank of Canada.


in respect of a trade in a negotiable promissory note or commercial paper maturing not more than one year from the date of issue, if the note or commercial paper traded

- (a) is not convertible or exchangeable into or accompanied by a right to purchase another security other than a security described in this order; and
- (b) has an approved credit rating issued by one of the following rating organizations, or any of their successors, at or above one of the following rating categories or a rating that replaces a category listed below:

Rating Organization	Rating
DBRS Limited	R-1 (low)
Fitch Ratings Ltd.	F2
Moody's Investors Service, Inc.	P-2
Standard & Poor's Corporation	A-2.

This order will come into effect on March 27, 2010 and will no longer apply after September 28, 2011.

**Dated** at St. John's, Newfoundland and Labrador this 26th day of March, 2010.

  
**Douglas Connolly, C.G.A.**  
Superintendent of Securities