



BILL NO. 60

Government Bill

*1st Session, 62nd General Assembly
Nova Scotia
63 Elizabeth II, 2014*

An Act to Amend Chapter 418 of the Revised Statutes, 1989, the Securities Act

CHAPTER 28
ACTS OF 2014

**AS ASSENTED TO BY THE LIEUTENANT GOVERNOR
MAY 1, 2014**

The Honourable Diana Whalen
Minister of Finance and Treasury Board

*Halifax, Nova Scotia
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**An Act to Amend Chapter 418
of the Revised Statutes, 1989,
the Securities Act**

Be it enacted by the Governor and Assembly as follows:

1 Subsection 2(1) of Chapter 418 of the Revised Statutes, 1989, the *Securities Act*, as amended by Chapter 15 of the Acts of 1990, Chapter 32 of the Acts of 1996, Chapter 41 of the Acts of 2001, Chapter 39 of the Acts of 2002, Chapters 26 and 27 of the Acts of 2005, Chapter 46 of the Acts of 2006, Chapter 32 of the Acts of 2008, Chapter 73 of the Acts of 2010 and Chapter 34 of the Acts of 2012, is further amended by

(a) adding “, herself” immediately after “himself” in the second line of clause (a);

(b) adding “or derivatives” immediately after “securities” in the last line of clause (a);

(c) striking out subclauses (b)(v) and (vi) and substituting the following sub-clauses:

(v) any person who has the same home as that person and to whom that person is married or with whom that person is living in a conjugal relationship outside of marriage, or

(vi) any relative of a person mentioned in subclause (v) who has the same home as that person;

(d) adding immediately after clause (d) the following clauses:

(da) “class of derivatives” includes a series of a class of derivatives;

(db) “clearing agency” means a person or company who, in connection with trades

(i) in securities,

(A) acts as an intermediary in paying funds, delivering securities or doing both of those things,

(B) provides centralized facilities through which trades in securities are cleared, or

(C) provides centralized facilities as a depository of securities, or

(ii) in derivatives, provides centralized facilities for the clearing and settlement of trades in derivatives and who, with respect to a contract, instrument or transaction,

(A) enables each party to a derivatives trade to substitute, through novation or otherwise, the credit of the clearing agency for the credit of the parties,

(B) arranges or provides, on a multilateral basis, for the settlement or netting of obligations resulting from a derivatives trade, or

(C) otherwise provides clearing services or arrangements that mutualize or transfer among participants in the clearing agency the credit risk arising from derivatives trades;

(e) adding “or derivatives” immediately after “securities” in the last line of clause (i);

(f) renumbering clause (ja) as clause (jac) and adding immediately preceding that clause the following clauses:

(ja) “derivative” means

(i) an option, swap, future, forward or other financial or commodity contract or instrument whose market price, value, delivery obligations, payment obligations or settlement obligations are derived from, referenced to or based on an underlying interest, which interest may include a value, price, index, event, probability or thing,

(ii) a contract or instrument, or class of contracts or instruments, that is designated as a derivative under Section 30A, or

(iii) a contract or instrument, or class of contracts or instruments, that is prescribed as a derivative,

but does not include

(iv) a contract or instrument that would be a derivative under sub-clause (i) if the contract or instrument is an interest in or to a security and a trade in the security pursuant to the contract or instrument would constitute a distribution,

(v) a contract or instrument, or class of contracts or instruments, that is designated not to be a derivative under Section 30A, or

(vi) a contract or instrument, or class of contracts or instruments, that is prescribed not to be a derivative;

(jaa) “derivatives trade repository” means a person or company who collects and maintains reports of trades of derivatives;

(jab) “derivatives trading facility” includes a person or company that

(i) constitutes, maintains or provides a market or facility for bringing together counterparties to derivatives,

(ii) brings together orders for derivatives of multiple counterparties, or

(iii) uses established methods under which orders interact with each other and counterparties entering the orders agree to the terms of a trade;

(g) adding immediately after clause (an) the following clause:

(ana) “related derivative” means, with respect to a security, a derivative that is related to the security because the derivative’s market price, value, delivery obligations, payment obligations or settlement obligations are, in a material way, derived from, referenced to or based on the market price, value, delivery obligations, payment obligations or settlement obligations of the security;

(h) striking out subclause (aq)(iv) and substituting the following subclause:

(iv) any contract or instrument where the contract or instrument is an interest in or to a security and a trade in the security pursuant to the contract or instrument would constitute a distribution,

(i) striking out “and” in the last line of subclause (aq)(xv);**(j) striking out subclause (aq)(xvi) and substituting the following subclauses:**

(xvi) any contract or instrument or class of contracts or instruments that is designated as a security under Section 30A, and

(xvii) any contract or instrument or class of contracts or instruments that is prescribed as a security,

(k) adding “, but does not include a derivative” immediately after “issuer” in the last line of clause (aq); and**(l) striking out subclauses (as)(ii) and (iii) and substituting the following subclauses:**

(ii) entering into a derivative or making a material amendment to, terminating, assigning, buying, selling or otherwise acquiring or disposing of a derivative,

(iii) a novation of a derivative, other than a novation with a clearing agency,

(iiia) any participation as a trader in any transaction in a security through the facilities of any exchange or quotation and trade reporting system,

(iiib) any participation as a trader in the trade of a derivative through the facilities of a derivatives trading facility,

(iiic) any receipt by a registrant of an order to buy or sell a security or an order to buy, sell, enter into, amend, terminate, assign or novate a derivative,

2 (1) Subsection 27(1) of Chapter 418, as enacted by Chapter 15 of the Acts of 1990 and amended by Chapter 32 of the Acts of 1996 and Chapter 27 of the Acts of 2005, is further amended by

(a) adding “or derivatives” immediately after “securities” in the second line of clause (b);

(b) adding “or derivatives” immediately after “securities” in the second line of clause (c); and

(c) adding “or derivatives” immediately after “securities” in the second line of clause (d).

(2) Subsection 27(5) of Chapter 418, as enacted by Chapter 15 of the Acts of 1990 and amended by Chapter 27 of the Acts of 2005 and Chapter 46 of the Acts of 2006, is further amended by

(a) adding “, derivatives” immediately after “securities” in the fifth and in the eleventh and twelfth lines; and

(b) adding “or derivatives” immediately after “securities” in the eighth and tenth lines.

(3) Subsection 27(7) of Chapter 418, as enacted by Chapter 15 of the Acts of 1990 and amended by Chapter 32 of the Acts of 1996, Chapter 27 of the Acts of 2005 and Chapter 46 of the Acts of 2006, is further amended by

(a) adding “or derivatives” immediately after “securities” in the second line of clause (a);

(b) adding “, derivative” immediately after “security” in the first line of clause (b); and

(c) adding “, derivative” immediately after “security” in the third line of clause (c).

(4) Subsection 27(8) of Chapter 418, as enacted by Chapter 15 of the Acts of 1990, is amended by adding “, derivative” immediately after “security” in the last line.

(5) Subsection 27(9) of Chapter 418, as enacted by Chapter 15 of the Acts of 1990 and amended by Chapter 27 of the Acts of 2005 and Chapter 46 of the Acts of 2006, is further amended by

(a) adding “, derivative” immediately after “security” in the third, in the fourth and in the twelfth lines; and

(b) adding “or derivatives” immediately after “securities” in the eighth and in the tenth lines.

(6) Subsection 27(10) of Chapter 418, as enacted by Chapter 15 of the Acts of 1990, is amended by adding “, derivatives” immediately after “securities” in the first line.

(7) Subsection 27(11) of Chapter 418, as enacted by Chapter 15 of the Acts of 1990, is amended by

(a) adding “, derivatives” immediately after “securities” in the first line of clause (a);

(b) adding “, derivatives” immediately after “securities” in the second line of clause (b); and

(c) adding “, derivatives” immediately after “securities” in the third last line.

(8) Subsection 27(12) of Chapter 418, as enacted by Chapter 15 of the Acts of 1990 and amended by Chapter 46 of the Acts of 2006, is further amended by

(a) adding “, derivatives” immediately after “securities” in the first line of clause (a);

(b) adding “, derivatives” immediately after “securities” in the second and in the fourth lines of clause (b); and

(c) adding “, derivatives” immediately after “securities” in the last line.

(9) Subsection 27(13) of Chapter 418, as enacted by Chapter 15 of the Acts of 1990 and amended by Chapter 46 of the Acts of 2006, is further amended by adding “, derivatives” immediately after “securities” in the fourth line.

(10) Subsection 27(16) of Chapter 418, as enacted by Chapter 15 of the Acts of 1990, is amended by adding “, derivative” immediately after “security” in the first, in the fifth, in the eighth and in the twelfth lines.

(11) Subsection 27(17) of Chapter 418, as enacted by Chapter 15 of the Acts of 1990, is amended by adding “, derivative” immediately after “security” in the third line.

3 (1) Section 29AA of Chapter 418, as enacted by Chapter 46 of the Acts of 2006, is amended by adding immediately after subsection (2) the following subsection:

(2A) Notwithstanding subsection (2), where the Commission considers that it would be in the public interest, it may make an order without notice, and without giving an opportunity to be heard, authorizing the disclosure of the information described in clauses (a) to (c) of subsection (1) to any other securities, derivatives or financial regulatory authorities, self-regulatory bodies or organizations, law enforcement and other governmental or regulatory authorities.

(2) Subsection 29AA(3) of Chapter 418, as enacted by Chapter 46 of the Acts of 2006, is amended by adding “or (2A)” immediately after “subsection (1)” in the third line.

(3) Subsection 29AA(4) of Chapter 418, as enacted by Chapter 46 of the Acts of 2006, is amended by adding “or (2A)” immediately after “subsection (1)” in the first line.

4 (1) Subsection 29C(1) of Chapter 418, as enacted by Chapter 46 of the Acts of 2006, is amended by

(a) adding “or derivatives” immediately after “securities” in the second line of clause (b);

(b) adding “, derivatives” immediately after “securities” in the ninth and in the tenth lines; and

(c) adding “, derivative” immediately after “security” in the twelfth line.

(2) Subsection 29C(3) of Chapter 418, as enacted by Chapter 46 of the Acts of 2006, is amended by

(a) adding “, derivatives” immediately after “securities” the first time it appears in the second line; and

(b) adding “or derivatives” immediately after “securities” the second time it appears in the second line.

5 (1) Clause 29E(1)(a) of Chapter 418, as enacted by Chapter 27 of the Acts of 2005, is amended by striking out “recognized clearing agency,” in the fourth line.

(2) Section 29E of Chapter 418, as enacted by Chapter 15 of the Acts of 1990, is amended by adding immediately after subsection (1) the following subsection:

(1A) The Commission may, in writing, appoint any person to examine at any time the business, conduct, financial affairs and records of a self-regulatory organization, an exchange, a quotation and trade reporting system, a clearing agency, a credit rating organization, a derivatives trading facility or a derivatives trade repository for the purpose of determining whether Nova Scotia securities laws are being complied with.

(3) Subsection 29E(2) of Chapter 418, as enacted by Chapter 15 of the Acts of 1990, is amended by adding “, derivatives” immediately after “securities” in the third line.

6 (1) Subsection 29F(2) of Chapter 418, as enacted by Chapter 15 of the Acts of 1990, is amended by

(a) adding “, derivatives” immediately after “securities” in the second and third, in the fifth and in the eighth lines;

(b) adding “, derivatives” immediately after “securities” in the second line of clause (a); and

(c) adding “, derivatives” immediately after “securities” in the second line of clause (b).

(2) Subsection 29F(3) of Chapter 418, as enacted by Chapter 15 of the Acts of 1990 and amended by Chapter 46 of the Acts of 2006, is further amended by adding “, derivatives” immediately after “securities” in the third line.

(3) Subsection 29F(4) of Chapter 418, as enacted by Chapter 15 of the Acts of 1990 and amended by Chapter 39 of the Acts of 2002 and Chapter 46 of the Acts of 2006, is further amended by

(a) adding “, derivatives” immediately after “securities” in the third line of clause (a); and

(b) adding “, derivatives” immediately after “securities” in the third line of clause (b).

7 (1) Subsection 30(3) of Chapter 418, as enacted by Chapter 15 of the Acts of 1990, is amended by adding “or derivatives” immediately after “securities” in the second line.

(2) Clause 30(6)(c) of Chapter 418, as enacted by Chapter 15 of the Acts of 1990, is amended by adding “or derivatives” immediately after “securities”.

(3) Subsection 30(7) is repealed.

8 Subsection 30A(1) of Chapter 418, as enacted by Chapter 26 of the Acts of 2005 and amended by Chapter 46 of the Acts of 2006 and Chapter 34 of the Acts of 2012, is amended by striking out clause (b) and substituting the following clauses:

- (b) a contract or instrument or a class of contracts or instruments to be, or not to be, a derivative;
- (ba) a contract or instrument or a class of contracts or instruments to be, or not to be, a security;

9 Chapter 418 is further amended by adding immediately after Section 30H the following Sections:

30I (1) Where the Commission is satisfied that to do so would be in the public interest, the Commission may, on the application of a person or company, recognize the person or company as

- (a) an exchange;
- (b) a quotation and trade reporting system;
- (c) a clearing agency;
- (d) a derivatives trading facility; or
- (e) a derivatives trade repository.

(2) A recognition under this Section must be made in writing and is subject to such terms and conditions as the Commission may impose.

(3) A person or company recognized under subsection (1) shall provide to the Commission or to the Director, at the request of the Commission or the Director, any information or record in its possession relating to

- (a) a registrant or a client of a registrant;
- (b) an issuer; or
- (c) trading in securities or derivatives.

(4) Where the Commission is satisfied that to do so would be in the public interest, the Commission may make any decision with respect to any by-law, rule, regulation, policy, procedure, interpretation or practice of a person or company recognized under subsection (1).

(5) The Director or any person or company directly affected by a decision, order or ruling of a person or company recognized under subsection (1) is entitled to a hearing and review of the decision, order or ruling by the Commission to the same extent as if the decision, order or ruling had been a decision of the Director.

(6) Section 6 applies to the hearing and review of a decision, order or ruling under subsection (5) in the same manner as that Section applies to a hearing and review of a decision of the Director.

30J No person or company shall carry on business as an exchange, a quotation and trade reporting system, a clearing agency, a derivatives trading facility or a

derivatives trade repository in the Province unless the person or company is recognized by the Commission pursuant to Section 30I.

30K Where the Commission or the Director considers it to be in the public interest, the Commission or the Director may make a decision respecting

- (a) the trading of derivatives or classes of derivatives on or through the facilities of a derivatives trading facility;
- (b) the clearing of trades of derivatives or classes of derivatives on or through the facilities of a clearing agency; and
- (c) the reporting of trades of derivatives or classes of derivatives to or through the facilities of a derivatives trade repository.

30L Unless the terms of the derivative provide otherwise, a derivative trade is not void, voidable or unenforceable, and no counterparty to the trade is entitled to rescind the trade, solely by reason that the transaction failed to comply with this Act or the regulations.

10 Subsection 32(2) of Chapter 418, as amended by Chapter 15 of the Acts of 1990, is further amended by adding “or derivatives” immediately after “securities” in the fifth and in the last lines.

11 Subsection 41(2) of Chapter 418, as amended by Chapter 15 of the Acts of 1990, Chapter 32 of the Acts of 1996, Chapter 41 of the Acts of 2001 and Chapter 46 of the Acts of 2006, is further amended by

- (a) adding “or derivatives” immediately after “securities” in the second line; and
- (b) adding “or derivatives” immediately after “securities” in the first line of clause (p).

12 Subsection 43(1) of Chapter 418, as amended by Chapter 15 of the Acts of 1990, is further amended by

- (a) adding “or derivative” immediately after “security” in the second last line; and
- (b) adding “or derivatives” immediately after “securities” in the last line.

13 (1) Subsection 44(1) of Chapter 418 is amended by

- (a) striking out “he” in the fifth line and substituting “the person or company”;
- (b) adding “will” immediately after “company” in the sixth line;
- (c) striking out “will” in clause (a); and
- (d) striking out “will” in the first line of clause (b).

(2) Chapter 418 is further amended by adding immediately after subsection (1) the following subsection:

(1A) No person or company, with the intention of effecting a trade in a derivative, shall make any representation, written or oral, that the person or company or any person or company will

- (a) refund all or part of any margin put up or premium paid with respect to the derivative; or
- (b) assume all or part of an obligation under the derivative.

(3) Subsection 44(2) of Chapter 418 is amended by adding “or derivative” immediately after “security” in the second and in the last line.

(4) Subsection 44(3) of Chapter 418, as enacted by Chapter 34 of the Acts of 2012, is amended by

- (a) adding “or derivative” immediately after “security” in the second, in the fourth and both times it appears in the sixth line;**
- (b) adding “in the case of a security,” immediately before “application” in the first line of clause (a); and**
- (c) adding “or derivative” immediately after “security” in the third line of clause (b).**

(5) Chapter 418 is further amended by striking out subsection 44(4) and substituting the following subsection:

(4) This Section does not apply to any representation referred to in subsection (1) or (1A) if the representation is contained in an enforceable written agreement and

- (a) in the case of a representation in respect of a security, the security has an aggregate acquisition cost of more than fifty thousand dollars; or
- (b) in the case of representation in respect of a derivative, the derivative is in a class of derivatives prescribed by the regulations.

14 Subsection 44A(1) of Chapter 418, as enacted by Chapter 39 of the Acts of 2002, is amended by

- (a) adding “or trade or hold a derivative” immediately after “security” in the last line of clause (a);**
- (b) adding “or trade or hold a derivative” immediately after “security” in the last line of clause (b); and**
- (c) adding “or derivatives” immediately after “securities” in the second line of clause (c).**

15 Section 52 of Chapter 418, as amended by Chapter 15 of the Acts of 1990, is further amended by adding “, derivative, underlying interest of a derivative” immediately after “security” in the second last line.

16 (1) Subsection 56(1) of Chapter 418, as amended by Chapter 15 of the Acts of 1990, is further amended by adding “or derivatives” immediately after “securities” in the last line.

(2) Subsection 56(2) of Chapter 418 is amended by striking out clause (b) and substituting the following clause:

(b) “sales literature” includes audio and visual recordings in any media, written matter and all other material designed for use in a presentation to a purchaser, whether such material is given or shown to the purchaser, but does not include

- (i) preliminary prospectuses,
- (ii) prospectuses, and
- (iii) disclosure documents, with respect to derivatives, that satisfy the requirements prescribed by the regulations.

17 Subsection 65(3) of Chapter 418 is repealed and the following subsection substituted:

(3) Every offering memorandum that has been furnished to a prospective purchaser in connection with a distribution of a security under an exemption from Section 58 that is specified in the regulations for the purpose of Section 138 shall contain a statement of

- (a) the rights given to a purchaser by Section 138 and a statement that such rights are in addition to any other right or remedy available at law to the purchaser; and
- (b) the limits on the time within which an action to enforce a right under Section 138 must be commenced.

18 Subsection 80(1) of Chapter 418, as enacted by Chapter 15 of the Acts of 1990 and amended by Chapter 32 of the Acts of 1996, is further amended by adding “, derivative” immediately after “security” in the second line.

19 (1) Subsection 82(3) of Chapter 418, as enacted by Chapter 15 of the Acts of 1990, is amended by

- (a) adding “that is considering or evaluating whether, or” immediately after “company” in the first line; and
- (b) striking out “to effect” in the second last line and substituting “relating to”.

by (2) **Subsection 82(5), as enacted by Chapter 34 of the Acts of 2012, is amended**

(a) striking out paragraphs (a)(i)(B) and (C) and substituting the following paragraphs:

(B) a person or company that is considering or evaluating whether to make a take-over bid, as defined in Section 95, or that proposes to make a take-over bid, as defined in Section 95, for the securities of the reporting issuer, or

(C) a person or company that is considering or evaluating whether to become a party, or that proposes to become a party, to a reorganization, amalgamation, merger, arrangement or similar business combination with the reporting issuer or to acquire a substantial portion of its property,

and

(b) striking out subclauses (5)(a)(ii) and (iii) and substituting the following subclauses:

(ii) a person or company that is engaging in any business or professional activity, that is considering or evaluating whether to engage in any business or professional activity, or that proposes to engage in any business or professional activity where the business or professional activity is with or on behalf of the reporting issuer or with or on behalf of a person or company described in paragraph (B) or (C) of subclause (i),

(iii) a person who is a director, officer or employee of the reporting issuer, a subsidiary of the reporting issuer, a person or company that controls, directly or indirectly, the reporting issuer, or a person or company described in paragraph (B) or (C) of subclause (i) or subclause (ii),

(3) **Subsection 82(6) of Chapter 418, as enacted by Chapter 15 of the Acts of 1990, is amended by**

(a) striking out “or” at the end of clause (a);

(b) striking out the period at the end of clause (b) and substituting “; or”;
and

(c) adding the following clause:

(c) a related derivative.

20 Section 132A of Chapter 418 is repealed and the following Section substituted:

132A (1) A person or company shall not, directly or indirectly, engage or participate in any act, practice or course of conduct relating to securities, derivatives or the underlying interest of a derivative that the person or company knows or reasonably ought to know

(a) results in or contributes to a misleading appearance of trading activity in, or an artificial price for or artificial value of, a security, derivative or underlying interest of a derivative; or

(b) perpetrates a fraud on any person or company.

(2) A person or company shall not, directly or indirectly, attempt to engage or participate in any act, practice or course of conduct that is contrary to subsection (1).

21 Clause 132B(1)(b) of Chapter 418, as enacted by Chapter 46 of the Acts of 2006, is amended by adding “, derivative or underlying interest of a derivative” immediately after “security” in the last line.

22 (1) Subsection 134(1) of Chapter 418, as enacted by Chapter 15 of the Acts of 1990 and amended by Chapter 27 of the Acts of 2005, Chapter 46 of the Acts of 2006, Chapter 73 of the Acts of 2010 and Chapter 34 of the Acts of 2012, is further amended by

(a) striking out subclause (a)(i) and substituting the following subclause:

(i) a provision of Nova Scotia securities laws,

(b) striking out subclause (a)(iii) and substituting the following subclause:

(iii) a by-law, rule or other regulatory instrument or policy or a direction, decision, order or ruling made under a by-law, rule or other regulatory instrument, or policy of a self-regulatory organization, exchange, quotation and trade reporting system, clearing agency, derivatives trading facility or derivatives trade repository, as the case may be, that has been recognized by the Commission;

and

(c) adding “or derivative” immediately after “security” in the second last and in the last lines of clause (b).

(2) Subsection 134(1A) of Chapter 418, as enacted by Chapter 46 of the Acts of 2006 and amended by Chapter 32 of the Acts of 2008 and Chapter 34 of the Acts of 2012, is further amended by

(a) adding “or derivatives” immediately after “securities” in the last line of clause (a);

(b) adding “or derivatives” immediately after “securities” the second time it appears in the third line of clause (b);

(c) adding “or derivatives” immediately after “securities” in the third, in the fourth and in the fifth lines of clause (c); and

(d) adding “or derivatives” immediately after “securities” each time it appears in the third line of clause (d).

23 Chapter 418 is further amended by adding immediately after Section 134 the following Section:

134A(1) For the reasons set out in subsection (2), the Commission or the Director may, without providing an opportunity to be heard, order one or more of the following:

- (a) that trading or purchasing cease in respect of any security specified in the order;
 - (b) that a person or company cease trading in or purchasing securities, specified securities or a class of securities specified in the order.
- (2) The Commission or the Director may make an order under subsection (1) if the issuer of the security or the person or company in respect of which the order is made
- (a) fails to file a document required to be filed under Nova Scotia securities laws; or
 - (b) files a document required to be filed under Nova Scotia securities laws that has not been completed in accordance with Nova Scotia securities laws.
- (3) An order made under subsection (1) must be revoked as soon as practicable after the document referred to in the order is completed in accordance with Nova Scotia securities laws and filed.
- (4) The Commission or the Director, as the case may be, shall send to any person or company directly affected by an order under subsection (1)
- (a) written notice of the order; and
 - (b) written notice of a revocation of the order, if any.

24 (1) Subsection 142(1) of Chapter 418, as enacted by Chapter 15 of the Acts of 1990, is amended by

- (a) striking out “the person or company in the special relationship with the reporting issuer proves that” in the ninth and tenth lines; and**
- (b) adding “the person or company in the special relationship with the reporting issuer proves that” immediately before “the” in the first line of clause (a).**

(2) Subsection 142(2) of Chapter 418, as enacted by Chapter 15 of the Acts of 1990, is amended by

- (a) striking out “and” at the end of clause (b);**
- (b) striking out clause (c) and substituting the following clauses:**
 - (c) person or company that is considering or evaluating whether to make a take-over bid, as defined in Section 95, or that proposes to make a take-over bid, as defined in Section 95, for the securities of a reporting issuer; and
 - (ca) person or company that is considering or evaluating whether to become a party, or that proposes to become a party, to a reorganization, amalgamation, merger, arrangement or similar business combination with a reporting issuer or to acquire a substantial portion of its property.

(c) striking out “the person or company referred to in clause (a), (b) or (c), as the case may be, proves that” in the twenty-third, twenty-fourth and twenty-fifth lines;

(d) adding “the person or company who informed the other person or company proves that” immediately before “the” in the first line of clause (d);

(e) adding “or company” immediately after “person” in the second line of clause (f); and

(f) striking out clause (g) and substituting the following clause:

(g) in the case of an action against a person or company described in clause (c) or (ca), the information was given in the necessary course of business relating to the take-over bid, business combination or acquisition.

(3) Subsection 142(8) of Chapter 418, as enacted by Chapter 15 of the Acts of 1990, is amended by

(a) striking out “or” in the last line of clause (a);

(b) striking out the period at the end of clause (b) and substituting “; or”;
and

(c) adding immediately after clause (b) the following clause:

(c) a related derivative.

25 Section 146A of Chapter 418, as enacted by Chapter 46 of the Acts of 2006 and amended by Chapter 73 of the Acts of 2010, is further amended by

(a) striking out “stock” in the fourth line of paragraph (d)(ii)(B); and

(b) striking out “a stock” in the third line of clause (l) and substituting “an”.

26 Clause 146D(16)(a) of Chapter 418, as enacted by Chapter 46 of the Acts of 2006, is amended by

(a) striking out “a stock” in the fifth line and substituting “an”; and

(b) striking out “stock” in the ninth line.

27 Subsection 148(3) of Chapter 418, as enacted by Chapter 18 of the Acts of 2001 and amended by Chapter 46 of the Acts of 2006, is further amended by striking out “or financial regulatory authorities, stock exchanges” in the fourth and fifth lines and substituting “, derivatives or financial regulatory authorities, exchanges, derivatives trading facilities, derivatives trade repositories, clearing agencies, alternative trading systems”.

28 Subsection 149A(1) of Chapter 418, as enacted by Chapter 26 of the Acts of 2005 and amended by Chapter 46 of the Acts of 2006, is further amended by

(a) adding “or derivatives” immediately after “securities” in the fourth and in the last lines of clause (b);

(b) adding “or derivatives” immediately after “securities” in the fourth line of clause (c); and

(c) striking out “and exchange contracts” in the fourth and fifth lines of clause (c) and substituting “or derivatives”.

29 Section 149E of Chapter 418, as enacted by Chapter 46 of the Acts of 2006, is amended by

(a) adding “, derivative” immediately after “security” in the second and in the fifth lines; and

(b) adding “, derivatives” immediately after “securities” in the third and in the fifth lines.

30 Subsection 149F of Chapter 418, as enacted by Chapter 46 of the Acts of 2006, is amended by striking out “or security” in the third and in the last lines and substituting in each case “, security or derivative”.

31 (1) Subclause 149H(1)(b)(iii) of Chapter 418, as enacted by Chapter 26 of the Acts of 2005, is amended by adding “, derivatives trading facility” immediately after “exchange” in the first line.

(2) Subsection 149H(2) of Chapter 418, as enacted by Chapter 26 of the Acts of 2005, is amended by

(a) adding “, a derivatives trading facility” immediately after “exchange” in the fifth line of clause (b); and

(b) adding “, a derivatives trading facility” immediately after “exchange” in the second line of clause (c).

32 (1) Subclause 149I(1)(b)(ii) of Chapter 418, as enacted by Chapter 26 of the Acts of 2005, is amended by adding “, derivatives trading facility” immediately after “exchange” in the first line.

(2) Subsection 149I(2) of Chapter 418, as enacted by Chapter 26 of the Acts of 2005, is amended by

(a) adding “, a recognized derivatives trading facility” immediately after “exchange” in the fifth line of clause (b); and

(b) adding “, a recognized derivatives trading facility” immediately after “exchange” in the second line of clause (c).

33 Section 150 of Chapter 418, as amended by Chapter 15 of the Acts of 1990, Chapter 32 of the Acts of 1996, Chapters 18 and 41 of the Acts of 2001, Chapter 39 of the Acts of 2002, Chapter 26 of the Acts of 2005, Chapter 46 of the Acts of 2006, Chapter 32 of the Acts of 2008, Chapter 73 of the Acts of 2010 and Chapter 34 of the Acts of 2012, is further amended by

(a) striking out “under Section 149G” in the second line of clause (hf);

(b) adding immediately after clause (hi) the following clauses:

- (i) regulating the trading of derivatives, including, without limiting the generality of the foregoing, prescribing
 - (i) requirements relating to the clearing and settlement of trades,
 - (ii) requirements relating to the reporting of trades on or to a recognized derivatives trade repository,
 - (iii) derivatives or classes of derivatives in respect of which trades must be cleared or settled through a recognized clearing agency,
 - (iv) requirements that a derivative or class of derivatives be traded on a recognized derivatives trading facility,
 - (v) record keeping, reporting and transparency requirements,
 - (vi) requirements respecting persons or companies trading derivatives including, without limiting the generality of the foregoing, trade reporting, clearing and settlement, margin, capital and collateral,
 - (vii) requirements relating to position limits,
 - (viii) requirements that a derivative or class of derivatives not be traded in the Province, and
 - (ix) requirements relating to the holding or maintenance of margin or collateral;
- (j) prescribing that a contract or instrument or a class of contracts or instruments is a security or a class of securities;
- (k) prescribing that a contract or instrument or a class of contracts or instruments is a derivative or a class of derivatives;
- (l) prescribing that a contract or instrument or a class of contracts or instruments is not a derivative or a class of derivatives;
- (m) respecting any matter necessary or advisable to regulate clearing agencies, derivatives trading facilities or derivatives trade repositories;
- (n) in relation to disclosure documents relating to derivatives, including, without limiting the generality of the foregoing,
 - (i) prescribing disclosure requirements including use of particular forms or types of documents,
 - (ii) prescribing specifics relating to the obligation to deliver disclosure documents to counterparties to a derivatives trade, including requirements related to the timing of delivery of the documents,
 - (iii) prescribing circumstances in which a disclosure document is deemed to be accepted for the purpose of this Act, including the circumstances where a disclosure document is accepted under the laws of another jurisdiction, and
 - (iv) prescribing additional requirements that must be satisfied before a disclosure document may be accepted;

(o) respecting the transfer and pledging of securities or the trading of derivatives;

(p) prescribing circumstances in which a person or company or a class of persons or companies is prohibited from trading or purchasing securities or derivatives, or a particular security or derivative, including the circumstance in which a securities regulatory authority in a jurisdiction other than the Province has ordered that

(i) a person is prohibited from trading or purchasing securities or trading derivatives, or a particular security or derivative, or

(ii) trades or purchases of a particular security or trades of a particular derivative cease;

(c) striking out “or securities” in the first line of clause (v) and substituting “, securities or derivatives”;

(d) adding “or derivative” immediately after “security” in the fourth line of clause (af);

(e) adding “and amounts disgorged as a result of non-compliance” immediately after “penalties” in the second line of clause (aas);

(f) striking out “or securities” in the second line of clause (bag) and substituting “, securities or derivatives”;

(g) striking out “or security” in the last line of clause (bag) and substituting “, security or derivative”;

(h) adding “or derivatives” immediately after “securities” in the fourth and fifth and in the last lines of subclause (bah)(i);

(i) adding “or derivatives” immediately after “securities” in the last line of clause (bai);

(j) adding “or derivatives” immediately after “securities” in the third, in the fifth and sixth and in the sixth lines of clause (bak);

(k) adding “or derivative” immediately after “security” in the third line of clause (bak);

(l) striking out subclause (bak)(i) and substituting the following subclause:

(i) a person or company is prohibited from trading or purchasing securities or derivatives, or a particular security or derivative, or

(m) adding “or derivative” immediately after “security” in the first and second lines of subclause (bak)(ii);

(n) adding “or derivatives” immediately after “securities” in the last line of clause (baq);

(o) striking out clauses (bau) and (bav) and substituting the following clauses:

(bau) regulating the listing or trading of publicly traded securities or the trading of derivatives, including rules

(i) relating to clearing and settling trades,

- (ii) requiring the reporting of trades and quotations, and
- (iii) prescribing classes of derivatives in respect of which trades must be cleared or settled through a clearing agency;
- (bav) regulating recognized self-regulatory organizations, exchanges, quotation and trade reporting systems, alternative trading systems, clearing agencies, derivatives trading facilities and derivatives trade repositories, including prescribing requirements in respect of the recognition process and the review or approval by the Commission of any by-law, rule, regulation, policy, procedure, interpretation or practice;
- (p) adding “or derivatives” immediately after “securities” in the first line of clause (baw);**
- (q) adding “or derivatives” immediately after “securities” in the last line of clause (cb);**
- (r) adding “or derivative” immediately after “security” in the second line of subclause (co)(iv);**
- (s) adding “or derivative” immediately after “security” in the fourth line of subclause (cr)(iii);**
- (t) adding immediately after subclause (ct)(i) the following subclause:**
 - (ia) prescribing requirements for investment funds in respect of derivatives,
- (u) striking out “purpose of this Act” in the second and third lines of clause (dd) and substituting “purpose of Nova Scotia securities laws”;**
- (v) striking out “stock exchanges” in the first line of subclause (dd)(i) and substituting “or designating exchanges, quotation and trade reporting systems, derivatives trading facilities, derivatives trade repositories”;**
- (w) adding “or derivatives” immediately after “securities” in the third line of clause (df).**

34 Subsection 150B(1) of Chapter 418, as enacted by Chapter 32 of the Acts of 1996, is amended by adding “, derivatives” immediately after “securities” in the third and in the sixth lines.

35 Sections 32 and 54 of Chapter 46 of the Acts of 2006, *An Act to Amend Chapter 418 of the Revised Statutes, 1989, the Securities Act*, are repealed.

36 Clauses 1(a), (b) and (d) to (k) and subsections 1(2), (4), (6) to (16), (18) to (22), (24) and (27) to (32) come into force on such day as the Governor in Council orders and declares by proclamation.
