

# ALBERTA SECURITIES COMMISSION

## EXEMPTION ORDER EXCHANGE RECOGNITION

**Citation: Re Aequitas Neo Exchange Inc., 2014 ABASC 493**

**Date: 20141210**

### **Aequitas Neo Exchange Inc. and Aequitas Innovations Inc.**

#### **Background**

1. Aequitas Neo Exchange Inc. (**Aequitas Neo**) and Aequitas Innovations Inc. (**Aequitas** and, together with Aequitas Neo, the **Filers**) are each recognized as an exchange under securities legislation of Ontario pursuant to a 13 November 2014 order of the Ontario Securities Commission (the **OSC**) that takes effect on 1 March 2015 (the **OSC Recognition Order**).
2. Under the *Memorandum of Understanding respecting the Oversight of Exchanges and Quotation and Trade Reporting Systems* among the Alberta Securities Commission (the **ASC**) and other Canadian securities regulatory authorities (the **MoU**), the OSC is the designated lead regulator for the Filers.
3. The Filers seek exemption from section 62(1) of the *Securities Act* (Alberta) (the **Act**), concerning carrying on business as an exchange.

#### **Interpretation**

4. Terms defined in the Act, in National Instrument 14-101 *Definitions* or in National Instrument 21-101 *Marketplace Operation* have the same meaning in this Order.

#### **Representations**

5. Each of the Filers represents to the ASC that:
  - (a) its head office is in Ontario and it has no office in Alberta;
  - (b) Aequitas is the sole shareholder of Aequitas Neo; and
  - (c) it is not in default of securities legislation in any jurisdiction of Canada.

#### **Undertakings**

6. Each of the Filers undertakes to ensure that:
  - (a) unless and until relieved by the ASC of such requirement, before first approving the listing of securities of a particular issuer, Aequitas Neo will obtain from that issuer an undertaking of the issuer in a form satisfactory to the ASC's Executive Director;
  - (b) it will comply with the terms and conditions of the OSC Recognition Order; and

- (c) it will provide to the ASC, promptly upon request, copies of all of its current or proposed rules, policies, manuals or other instruments pertaining to its governance, its carrying on business as an exchange, or other matters within the scope of the Act.

### Decision

7. The ASC, considering that it would not be prejudicial to the public interest, orders under section 213 of the Act that:

- (a) subject to paragraph (b) below, the Filers are exempt from section 62(1) of the Act, provided that and for so long as:
    - (i) the representations in paragraph 5 remain true and the undertakings in paragraphs 6(a) and (c) are fulfilled;
    - (ii) the Filers provide to the ASC, promptly upon request, any information in the custody or control of either of the Filers or any of their affiliates about members, listed issuers, shareholders and market operations of either of the Filers, including shareholder or member lists, products, trading information and disciplinary decisions; and
    - (iii) either:
      - (A) the Filers are recognized as an exchange by the OSC and comply with the terms and conditions of the OSC Recognition Order; and
      - (B) the OSC and the ASC remain parties to the MoU, the OSC remains the lead regulator for the Filers thereunder and the Filers continue to be subject to the OSC's oversight as such;
- or
- (C) if and to the extent that a successor entity (an **OSC Successor**) assumes regulatory responsibilities pertaining to the Filers, with or without a variation or replacement of the OSC Recognition Order:
    - (I) arrangements with the OSC Successor, satisfactory to the ASC, relating to the allocation of responsibilities and the recognition of decisions concerning regulation and oversight of exchanges remain, or are put, in place and are applied to the Filers; and
    - (II) the Filers comply with the terms and conditions of the OSC Recognition Order (as so varied or replaced, if applicable); and

(b) in the event of non-satisfaction of any proviso of paragraph (a), this Order may be revoked on not less than 30 days' notice to the Filers.

8. This decision takes effect on 1 March 2015.

10 December 2014

**For the Commission:**

*“original signed by”*

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Tom Cotter  
Vice-Chair

*“original signed by”*

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Stephen Murison  
Vice-Chair