

**I, Manon Losier, Secretary of the New Brunswick Securities Commission (Commission), hereby certify that:**

- 1. Blanket Order 52-502, was issued by Members of the Commission at a meeting held on 20 September 2010 with an effective date of 1 January 2011.**

IN THE MATTER OF THE *SECURITIES ACTS*.N.B., 2004, c. S-5.5 (*Act*)

AND

IN THE MATTER OF  
AN EXEMPTION FROM THE REQUIREMENT TO INCLUDE FINANCIAL STATEMENTS  
PREPARED IN ACCORDANCE WITH CANADIAN GAAP APPLICABLE TO PUBLICLY  
ACCOUNTABLE ENTERPRISES IN FORM 45-106F2 *OFFERING MEMORANDUM FOR NON-  
QUALIFYING ISSUERS (FORM 45-106F2)*

Blanket Order 52-502  
Section 208

**WHEREAS:**

1. Unless otherwise defined in this decision or the context otherwise requires, terms used in this decision that are defined in National Instrument 14-101 *Definitions*, National Instrument 45-106 *Prospectus and Registration Exemptions* (NI 45-106), National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* (NI 52-107) or National Instrument 81-106 *Investment Fund Continuous Disclosure* have the same meaning.
2. "Commission" means the New Brunswick Securities Commission. (*Commission*)
3. "New Brunswick-Based Issuer" means an issuer,
  - (a) that is not an investment fund,
  - (b) that is not a qualifying issuer, and
  - (c) whose head office is located in New Brunswick. (*émetteur établi au Nouveau-Brunswick*)
4. The Canadian Accounting Standards Board (AcSB) is adopting International Financial Reporting Standards (IFRS) as Canadian GAAP for publicly accountable enterprises (Public Enterprise GAAP). Publicly accountable enterprises are required to adopt Public Enterprise GAAP for financial years beginning on or after 1 January 2011.
5. Private enterprises have the option of adopting either Public Enterprise GAAP or Canadian GAAP applicable to private enterprises (Private Enterprise GAAP).

Private Enterprise GAAP was developed by the AcSB specifically to meet the needs of private enterprises. Private Enterprise GAAP is effective for financial years beginning on or after 1 January 2011.

6. Section 3.2 of NI 52-107 requires, among other things, that financial statements used in Form 45-106F2 must be prepared in accordance with Public Enterprise GAAP.
7. Section 1 under Part B *Financial Statements – General* of Form 45-106F2 indicates that financial statements must generally be prepared in accordance with Public Enterprise GAAP and that an issuer using Form 45-106F2 cannot use Private Enterprise GAAP, except for financial statements for a business referred to in C.1 of Form 45-106F2.
8. The Commission considers that for New Brunswick-Based Issuers, limited relief from the Public Enterprise GAAP Requirement would not be prejudicial to the public interest.

#### Transition

9. Section 4.2 of NI 52-107 requires that for financial years beginning before 1 January 2011, financial statements other than financial statements delivered by registrants and acquisition statements, must be prepared in accordance with Canadian GAAP – Part V.
10. The Commission considers that it is appropriate for New-Brunswick Based Issuers to have the option of using Private Enterprise GAAP in financial statements for financial years beginning before 1 January 2011 that must be included in Form 45-106F2 after 1 January 2011.

**IT IS ORDERED** pursuant to section 208 of *Act* that

- A. for financial years beginning on or after 1 January 2011, a New Brunswick Based Issuer distributing its securities to a New Brunswick resident under section 3.9 of NI 45-106 is exempt from subsections 3.2(1), (2) and (5) of NI 52-107, and Instruction B.1 of Form 45-106F2 **PROVIDED THAT** the financial statements accompanying the offering memorandum
  - I. are prepared in accordance with Private Enterprise GAAP;
  - II. consolidate any subsidiaries and account for significantly influenced investees and joint ventures using the equity method; and
  - III. are accompanied by a notice stating:

“These financial statements are prepared in accordance with Canadian GAAP applicable to private enterprises, which are Canadian accounting standards for private enterprises in Part II of the Handbook.

The recognition, measurement and disclosure requirements of Canadian GAAP applicable to private enterprises differ from those of Canadian GAAP applicable to publicly accountable enterprises, which are International Financial Reporting Standards incorporated into the Handbook.”

B. for financial years beginning before 1 January 2011, a New Brunswick based Issuer distributing its securities to a New Brunswick resident under section 3.9 of NI 45-106 is exempt from subsections 4.2(1), (3) and (4) of NI 52-107 **PROVIDED THAT** the financial statements accompanying the offering memorandum

- I. are prepared in accordance with Private Enterprise GAAP;
- II. consolidate any subsidiaries and account for significantly influenced investees and joint ventures using the equity method; and
- III. are accompanied by a notice stating:

“These financial statements are prepared in accordance with Canadian GAAP applicable to private enterprises, which are Canadian accounting standards for private enterprises in Part II of the Handbook.

The recognition, measurement and disclosure requirements of Canadian GAAP applicable to private enterprises differ from those of Canadian GAAP applicable to publicly accountable enterprises, which are International Financial Reporting Standards incorporated into the Handbook.”

C. This order will come into effect on 1 January 2011.

**DATED** at Saint John, New Brunswick this 20th day of September 2010.

“original signed by”

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Manon Losier  
General Counsel and Secretary to the Commission