



NATIONAL ASSEMBLY

FIRST SESSION

THIRTY-SIXTH LEGISLATURE

Bill 125
(2000, chapter 28)

An Act respecting Nasdaq stock exchange activities in Québec

Introduced 9 May 2000
Passage in principle 1 June 2000
Passage 14 June 2000
Assented to 16 June 2000

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EXPLANATORY NOTES

The object of this bill is to recognize The Nasdaq Stock Market, Inc., a company incorporated in the United States, for the purpose of stock market activities in Québec. It provides that the provisions of the Securities Act relating to self-regulatory organizations will not apply to that organization.

Nasdaq Canada Inc., a company incorporated in Canada, is also recognized for the purpose of stock market activities in Québec. The operating rules will be those of The Nasdaq Stock Market Inc., with the modifications authorized by the Government.

The Government will determine the date on which Nasdaq Canada Inc. may begin its activities, and will exercise the powers of the Commission des valeurs mobilières du Québec with regard to self-regulatory organizations, until the date determined by the Government.

The bill gives the Government the power to determine that certain provisions of the Securities Act will not apply to dealers and dealer's representatives who transact with Nasdaq Canada Inc. and The Nasdaq Stock Market, Inc. Moreover, the Government is empowered to delegate powers that may be delegated under the Act to a self-regulatory organization, to approve the subdelegation of powers to a self-regulatory organization and to make any regulatory provisions to ensure the carrying out of these statutory provisions.

Bill 125

AN ACT RESPECTING NASDAQ STOCK EXCHANGE ACTIVITIES IN QUÉBEC

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS :

1. The Nasdaq Stock Market, Inc., a company legally incorporated in the United States of America, is recognized as a self-regulatory organization within the meaning of section 169 of the Securities Act (R.S.Q., chapter V-1.1) to carry on business in Québec.

The provisions of the Securities Act relating to self-regulatory organizations do not apply to The Nasdaq Stock Market, Inc.

The provisions of the Securities Act and the regulations thereunder that do not apply to dealers and dealer's representatives who transact with The Nasdaq Stock Market, Inc. shall be determined by the Government.

2. Nasdaq Canada Inc., a company legally incorporated under the Canada Business Corporations Act (R.S.C., 1985, chapter C-44), is recognized as a self-regulatory organization within the meaning of section 169 of the Securities Act to carry on business in Québec.

3. Recognition is granted under section 2 subject to the condition that the constituting documents, by-laws and operating rules of Nasdaq Canada Inc. conform with those of The Nasdaq Stock Market, Inc., with the modifications and amendments considered necessary by the Government.

4. The Government shall determine the date from which Nasdaq Canada Inc. may pursue its activities.

5. The Government may, on the conditions it determines, delegate to Nasdaq Canada Inc. the application of all or part of Title V of the Securities Act and the regulations thereunder.

The Government may, similarly, delegate to Nasdaq Canada Inc. the powers provided for in sections 237 and 238 of the said Act, and the application of the regulatory provisions made under paragraph 26 of section 331 of the said Act.

The provisions of the Securities Act and the regulations thereunder that do not apply to dealers and dealer's representatives who transact with Nasdaq Canada Inc. shall be determined by the Government.

6. Nasdaq Canada Inc. may, with the prior approval of the Government, delegate some or all of its powers and of the powers delegated to it under section 5 to an organization recognized for that purpose by the Commission des valeurs mobilières du Québec in accordance with the procedure for recognizing a self-regulatory organization provided in the Securities Act or, where applicable, to an organization recognized for that purpose by the Government.

7. The Government shall exercise the supervisory powers of the Commission des valeurs mobilières du Québec under sections 177 to 181 of the Securities Act with regard to Nasdaq Canada Inc. and with regard to any organization exercising powers delegated under section 6 of this Act, until the date determined by the Government, which shall not be later than six months after the date determined under section 4, unless the Commission requests an extension so that this Act may be carried out in full.

During the period referred to in the first paragraph, the Commission shall, at the request of the Minister of Finance and on behalf of the Government, exercise the power to make inspections under sections 180.1 and following of the Securities Act. The Commission shall report inspection results to the Minister without delay.

8. From the end of the period referred to in the first paragraph of section 7, the Commission des valeurs mobilières du Québec shall have full jurisdiction over the activities of Nasdaq Canada Inc. as a self-regulatory organization, over the exercise of powers delegated under section 5 and over the activities of any organization exercising powers delegated under section 6, in accordance with the provisions of the Securities Act.

9. The Government may, by regulation, make any provision to ensure the carrying out of this Act.

A regulation made under this section is not subject to the provisions of the Regulations Act.

10. The provisions of this Act come into force on the date or dates to be fixed by the Government.