

Using Insider Accounts



Who or what is an insider

The term "insider" generally includes a director or senior officer of a reporting issuer or a person or a company that has beneficial ownership or control or direction over more than 10% of the voting rights attached to all outstanding voting securities of an issuer.

What do I as an insider have to file

As an insider who has insider transaction reporting obligations to file insider reports in electronic format, you must file an insider profile and then an insider report using SEDI.

The insider profile contains information identifying you the insider and your relationship with one or more SEDI issuers. The information required is prescribed by Form 55-102F1. Typically, the information in the insider profile would not change as a result of changes in the security holdings. An insider that is required to file an insider profile in SEDI format must not file more than one insider profile. The insider report contains information about transactions in securities of a reporting issuer for which you are required to report. The information required is prescribed by Form 55-102F2.

You need to file your insider profile after you or your agent are registered as a SEDI user, but before any of your insider reports are due (5 calendar days after the transaction or 10 calendar days after becoming an insider).

Why do I have to file an insider report

You are required to file an insider report because as an insider of a reporting issuer (other than a mutual fund) in one or more jurisdictions in Canada, you must disclose any direct or indirect beneficial ownership or control or direction over securities of that issuer, both when you first become an insider, and thereafter, whenever your direct or indirect ownership of or control or direction over securities of the reporting issuer changes.

When must I file an initial SEDI report

As an insider, you must file an initial insider report within 10 days of becoming an insider. The initial insider report must disclose your direct or indirect ownership of, or control or direction over, securities of the issuer at the date you became an insider.

What information do I need to include in my insider profile

You need to include:

- ✚ full legal name (if an individual insider)
- ✚ company name (if not an individual insider)
- ✚ full legal name of individual representative of insider (if insider is not an individual)
- ✚ residential address (business address for insider's representative, if insider is not an individual)
 - street name and number, etc.
 - municipality (city, town, etc.)
 - province, territory or state
- ✚ postal code or zip code (if North America)
- ✚ country of residence
- ✚ daytime telephone number
- ✚ confidential question and answer (see next paragraph)
- ✚ the date you became an insider of the SEDI issuer (if you have not already filed an insider report for the issuer) or the opening balance date (if you have previously filed an insider report for this issuer) (see next paragraph) . If you were an insider prior to June 9, 2003 (paper filer) then you would put the date of your last paper filing. If you became an insider on or after June 9, 2003 you would put the date you became an insider of the issuer.
- ✚ relationship with an issuer
- ✚ registered holders (if applicable)
- ✚ date you ceased to be an insider (when applicable)

For the confidential question and answer, you should provide a question for which only you would know the answer. For example, "What is your favourite movie?" rather than "What colour is the sky?" You must provide an answer to this question. If you forget your password, the SEDI operator will ask you this question to verify that you are who you say you are.

The opening balance date will be used for all opening balances for this issuer and should be a date prior to the date of any transactions to be reported for this issuer on SEDI.

How do I create an insider's profile on SEDI

Once the SEDI Administrator activates your user account you can create your Insider profile:

1. On the Insider home page, click on "Create insider profile"
2. Enter your personal information or if you are already registered as a user click "Copy your user registration" to copy the information that you entered for your SEDI user account, (repeating)
OR if the insider is a company Click "Enter company information". Enter the company information In the fields provided
3. Click the radio button beside your preferred language of correspondence
4. Enter a question to which only you know the answer in the "Confidential question" field.
5. Enter the answer to the question in the "Answer to the confidential question" field and click "Next"
6. You will be taken to the "Create insider profile –Add an issuer to the insider profile" screen. Search for an issuer to add to your profile using one of the following options:
Option1 – Enter the SEDAR profile number in the "Issuer number" field. Option 2 – Enter the issuer's name in the "Issuer name" field.
7. Click "Search" and you will be taken to the "Create insider profile –View issuer search results". Click on the radio button beside your issuer and click "Next"
8. You will be taken to the "Create insider profile – Enter information about the insider's relationship to the issuer" screen. Use the drop down list box to select a relationship in the "Insider's relationship to issuer" field. Specify the date on which the insider became an insider of the issuer OR the opening balance date in the field provided. . If you were an insider prior to June 9, 2003 (paper filer) then you would put the date of your last paper filing. If you became an insider on or after June 9, 2003 you would put the date you became an insider of the issuer.
9. Use the drop down list boxes to enter a month and day in the "date the insider became an insider of this issuer" fields. Enter a 4 digit year. OR use the drop-down list box to enter a month and day in the "Opening balance date" fields. Enter a 4 digit year.
10. Click "Next" and ensure the list of issuers is correct and click "Next" and click "Certify". Review the certification information carefully and click "Accept".
11. Make note of your insider number and the case-sensitive access key displayed on the screen before you change the page because you will lose the current information and then click "Next".

What happens after I create an insider's profile account

Once you have created an Insider's profile, a letter is sent to you at your personal address or the contact address in case if the insider is a company. The letter confirms that you have created an insider profile and includes your insider number and insider access key.

Once you have logged in you will be taken to the Insider activities screen, here you can Amend the insider profile or file and amend insider reports.

How do I link my account to an existing insider profile

If an insider profile has already been created for you, you can link your SEDI user ID and password to that profile. To link your account to an existing insider profile follow the steps below:

1. Click "link your SEDI Account to your insider profile"
2. Search for an insider profile using one of the following options:
3. Option 1 – enter the insider number in the Insider number field.
4. Option 2 – Enter the insider's family and given names in the Insider family and given names field
5. Click "Search" and then click the radio button beside the insider profile to which you want to link your SEDI user ID.
6. SEDI will prompt you to input your case-sensitive insider access key. Click "Next".
7. Click "Next" and you will be taken to the Insider activities screen where you can amend you insider profile or file or amend insider reports.

What do I need to do if I am an insider of several companies

You need to file one insider profile and indicate the names of all the companies of which you are an insider. If you use an agent to file for you, we recommend that you only use one. However, if you choose to have different people file insider reports for you for these different companies, you must make sure that only one insider profile is created for you. You may wish to have one agent set up the profile for you, and then share your access key with all of your other filing agents.

What if the information in my insider profile changes

You need to amend your profile on SEDI. You must do this within 10 days if you change your name or your relationship to a SEDI issuer, or if you cease to be an insider of a SEDI issuer. For other changes, you can amend your profile the next time you have to file an insider report.

How do I amend an insider profile

To reflect changes to your personal information or changes to your relationships with issuers, you may need to amend your insider profile. You can amend the details of an insider profile at any time while you are logged in

To amend an insider profile, follow the steps listed below:

1. Click "**Insider profile**" in the top right navigation bar. This will take you to the "**Introduction to insider profile activities (Form 55-102F1)**"
2. Click "**Amend insider profile**" in the left navigation bar and select one of the following options:
 - Option 1- Amend insider personal information
 - Option 2- Add or amend issuer information

What if I cannot find a SEDI issuer in the database that I need to add to my insider profile

You should contact the issuer to ask whether the issuer has filed its issuer profile supplement on SEDI. If the issuer has not yet done so, it may be in default of its reporting requirements and you will be unable to file an insider report on SEDI for any securities of that issuer. Encourage the issuer to file its issuer profile supplement so that you can file your insider profile. You may also contact your local Securities Commission as soon as possible to advise them of this.

If your report is due and you cannot file your insider report on SEDI because the issuer has not filed its issuer profile supplement, you can file your report in paper under the temporary hardship exemption. However, when you become aware that the issuer has filed its issuer profile supplement, you will have to re-file your insider report on SEDI. See NI 55-102, section 4.1.

Do I need to add the name of the broker or depository as the registered holder of the securities if I own the securities directly

No. For insider reporting, the term "registered holder" means the entity through which you beneficially own or control securities such as an RRSP, holding company, family trust, or the person or company that owns the securities over which you have control or direction. Securities owned directly but held through a nominee such as a broker or book-based depository (i.e., CDS) are considered direct holdings. See Form 55-102F1, item 14, and Form 55-102F2, item 6.

When do I need to add registered holders and in what circumstances

Whenever you create an insider profile and file an insider report, SEDI will prompt you to indicate how you (or your insider, if you are an agent, filing for an insider) hold the securities.

You can hold your securities in the following three ways:

- 1) You can hold them **directly**. For example, you can hold the securities in an account with your broker, but the account is in your name.
- 2) You can hold them **indirectly**. For example, you beneficially own common shares in X Co. but the registered owner is another entity such as a holding company, an RRSP, or a family trust.
- 3) You can have **control or direction** over them. You have control or direction over the securities if you, directly or indirectly, through any contract, arrangement, understanding or relationship or otherwise have or share voting power, or investment power. This would include having control or direction over the securities through a power of attorney, a grant of limited trading authority, or management agreement. For example, you set up a trust for your children in which Co. X securities are held. Because of your relationship with your children, you need to report your children's holdings, because you could direct your children to purchase or sell those securities. This may also be the case if your spouse owns the securities, but you have control or direction over those securities.

What is control or direction

An insider has control or direction over securities if the insider, directly or indirectly, through any contract, arrangement, understanding or relationship or otherwise has or shares:

- voting power, which includes the power to vote, or direct the voting of, the securities; or
- investment power, which includes the power to buy or sell, or to direct the purchase or sale of, the securities.

An insider may not be the beneficial owner, but the insider may have control or direction over the securities through a power of attorney, grant of limited trading authority, or management agreement. For example: An insider may have been granted authority to vote or to trade securities owned by family members, friends or associates. If so, the insider would have to report those securities' holdings and transactions on insider reports as being under the insider's control or direction.

If you choose either 'Indirect' or 'Control or Direction', SEDI will prompt you to add the name of a registered holder. The registered holder is the entity through which you beneficially own the securities, such as an RRSP, holding company, family trust, or the person or company that owns the securities you have control or direction over.

When am I the beneficial owner of securities, direct or indirect

You are the beneficial owner of securities if you have an equitable right to them, whether or not they are registered in your name. Equitable or beneficial ownership is in contrast to legal ownership. A legal owner has title to the securities, although legal title may carry no rights to the property. Equitable or beneficial ownership means that while you may not have title to the securities, you have rights to the securities which are the normal incidents of owning the securities. Many insiders hold securities which are registered in the name of an investment firm, depository, trustee or bank, but the individual remains the beneficial owner.

You may also be deemed to be the beneficial owner of securities that are beneficially owned by:

- an issuer that you control or
- by an affiliate of any issuer that you control.

A person is an indirect beneficial owner when the person's securities are held through an issuer, an affiliated issuer, a family trust, a third person or other legal entity.

For example: The insider is the indirect beneficial owner of securities that are held by a holding company that an insider or its subsidiaries controls. Whenever an insider is deemed to be the beneficial owner, the insider will be an indirect beneficial owner.

Note: Securities beneficially owned but held through a nominee such as a broker or a book-based depository are considered direct holdings.

What date do I report: an opening balance date or the date I became an insider

If you have not previously filed an insider report for the issuer, enter the date on which you became an insider of this issuer.

If you have previously filed an insider report for this issuer, enter the opening balance date. This date will be used for all opening balances for this issuer and should be prior to the date of any transactions to be reported for this issuer on SEDI. If you were an insider prior to June 9, 2003 (paper filer) then you would put the date of your last paper filing. If you became an insider on or after June 9, 2003 you would put the date you became an insider of the issuer.