

**Model Secondary Market Trading  
Exemption for Qualifying Canadian Securities**

*Adopted April 14, 2002, Amended October 2, 2004*

Section 202(b)            Exempted Transactions.

\* \* \*

(23)(a) A nonissuer transaction in an outstanding security by a registered agent of a registered broker-dealer, provided that:

1.     The issuer is a reporting issuer in a foreign country or jurisdiction designated in paragraph (b), or by rule [or order] of the Administrator, and has been subject to continuous reporting requirements in such foreign country for not less than 180 days before the transaction; and
2.     The security is listed on such foreign country's securities exchange which has been designated in paragraph (b), or by rule [or order] of the Administrator, or is a security of the same issuer which is of senior or substantially equal rank to such listed security or is a warrant or right to purchase or subscribe to any of the foregoing.

(b)     For purposes of paragraph (a), Canada together with its provinces and territories is a designated foreign jurisdiction and The Toronto Stock Exchange Inc., as well as the TSX Venture Exchange, Inc., are designated securities exchanges.

(c)     After an administrative hearing in compliance with applicable state law, the Administrator may by rule [or order] revoke the designation of a securities exchange under this section if the Administrator finds that such revocation is necessary or appropriate in the public interest or for the protection of investors.

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*[Drafting Note: The section numbering corresponds to its inclusion in the Uniform Securities Act 2002. For jurisdictions with the 1956 version of the Uniform Securities Act, the Model Secondary Market Trading Exemption would be numbered as section 402(b)(13).]*