



CHAPTER 82

An Act to amend the Securities' Act

[Assented to, the 12th of April, 1938]

HIS MAJESTY, with the advice and consent of the Legislative Council and of the Legislative Assembly of Quebec, enacts as follows:

1. Section 26 of the Securities' Act (Revised Statutes, R.S., c. 228A, 1925, chapter 228A), as enacted by the act 23 George V, chapter 85, section 2, and amended by the act 25-26 George V, chapter 72, section 10, is replaced by the following:

"26. No broker or salesman shall engage in the business of trading in a security when the proceeds of the sale of such security must, in whole or in part, directly or indirectly, be remitted, return or belong:

Restriction as to certain trading.

a. To the person or company having issued such security; or

b. To any person or company having himself or itself acquired such security under an option or an underwriting or for a monetary consideration, but with a view to the resale thereof to the public; or

c. To any person or company having acquired such security from the company which issued same for a consideration other than money, before having received from the registrar a letter declaring the latter has obtained, with respect to the company which has issued the security, such information as he deems necessary.

This section shall not apply:

Application restricted.

I. To the transactions mentioned in subsection 3 of section 3;

II. To the securities mentioned in subsection 4 of the said section 3;

III. To the securities quoted on a recognized exchange or therein dealt with;

IV. To purchases made by a broker for a client when the remuneration of the broker consists solely of a commission payable by such client.

Giving of certain prospectus obligatory.

"26a. Every broker or salesmen trading in securities under the circumstances mentioned in section 26 must, at the time of the sale of such security, give the purchaser a written or printed prospectus, containing, with respect to the company which has issued the security, the information determined by the Lieutenant-Governor in Council.

Application restricted.

This section shall not apply:

I. To the transactions mentioned in subsection 3 of section 3;

II. To the securities mentioned in subsection 4 of the said section 3;

III. To the securities quoted on a recognized exchange or therein dealt with."

Coming into force.

2. This act shall come into force on the day of its sanction.