

Headnote

Mutual Reliance Review System for Exemptive Relief Applications -- Relief from the prospectus and registration requirements granted for trades in negotiable promissory notes and commercial paper (short-term debt instruments). The short-term debt instruments may not meet the "approved credit rating" requirement contained in the short-term debt exemption in section 2.35 of National Instrument 45-106 Prospectus and Registration Exemptions (NI 45-106). The definition of an "approved credit rating" requires, among other things, that every rating of the short-term debt instrument be at or above a prescribed standard. The relief is granted provided the short-term debt instrument:

- (i) matures not more than one year from the date of issue;
- (ii) is not convertible or exchangeable into or accompanied by a right to purchase another security other than a short-term debt instrument; and
- (iii) has a rating issued by one of the following rating organizations at or above one of the following rating categories: DBRS: "R-1(low); Fitch: "F2"; Moody's: "P-2" or S&P: "A-2".

The relief will terminate on the earlier of 90 days upon an amendment to section 2.35 of NI 45-106 or three years from the date of the decision.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53, 74.

October 23, 2006

IN THE MATTER OF

THE SECURITIES LEGISLATION OF

BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,

MANITOBA, ONTARIO, QUEBEC, NEW BRUNSWICK,

PRINCE EDWARD ISLAND, NOVA SCOTIA,

NEWFOUNDLAND AND LABRADOR, YUKON,

NORTHWEST TERRITORIES AND NUNAVUT

(the Jurisdictions)

AND

IN THE MATTER OF

THE MUTUAL RELIANCE REVIEW SYSTEM

FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF

CANADIAN IMPERIAL BANK OF COMMERCE (CIBC)

AND CIBC WORLD MARKETS INC.

(CIBC WORLD MARKETS)

(the Filers)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the **Legislation**):

(a) exempting CIBC from the dealer registration requirement in respect of a trade in a negotiable promissory note or commercial paper maturing not more than one year from the date of issue (together **Commercial Paper**); and

(b) exempting CIBC and CIBC World Markets from the prospectus requirement in respect of the distribution of the Commercial Paper,

(collectively, the **Requested Relief**).

Under the Mutual Reliance Review System for Exemptive Relief Applications

(a) the Ontario Securities Commission is the principal regulator for this application, and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meanings in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Filers:

1. CIBC is a bank listed on Schedule I of the *Bank Act* (Canada). The head office of CIBC is located in Toronto, Ontario.

2. CIBC is a reporting issuer in each Jurisdiction having such a concept. CIBC is not in default of any of its obligations as a reporting issuer under the Legislation in any such Jurisdiction.

3. CIBC is not registered as a dealer or adviser under the Legislation in any Jurisdiction.

4. CIBC World Markets is a corporation governed by the laws of Ontario. The head office of CIBC World Markets is located in Toronto, Ontario.

5. CIBC World Markets is a wholly-owned subsidiary of CIBC. CIBC World Markets is registered as an investment dealer in each Jurisdiction having such concept.

6. The Filers trade in and distribute Commercial Paper in the Jurisdictions through the purchase of Commercial Paper as principal for their own account or with a view to distribution or as agents for certain issuers.

7. Paragraph 2.35(1)(b) of National Instrument 45-106 *Prospectus and Registration Exemptions* ("**NI 45-106**") provides an exemption from the dealer registration requirement and prospectus requirement for a trade in Commercial Paper (the "**Short-term Debt Exemption**") where, among other things, the Commercial Paper "has an approved credit rating from an approved credit rating organization".

8. NI 45-106 incorporates by reference the definitions for "approved credit rating" and "approved credit rating organization" that are used in National Instrument 81-102 *Mutual Funds* ("**NI 81-102**"). The definition of an "approved credit rating" in NI 81-102, requires, among other things, that (a) the rating assigned to such debt must be "at or above" certain prescribed short-term ratings, and (b) such debt must not have been assigned a rating by any "approved credit rating organization" that is not an "approved credit rating".

9. The Filers have in the past traded and propose in the future to trade in Commercial Paper with the following general characteristics:

- (a) it matures not more than one year from the date of issue;
- (b) it is not convertible or exchangeable into or accompanied by a right to purchase another security other than Commercial Paper; and
- (c) it has a credit rating from at least one of the following credit rating organizations at or above one of the following rating categories listed below:

Rating Organization	Rating
Dominion Bond Rating Service Limited	R-1 (low)
Fitch Ratings Ltd.	F2
Moody's Investors Service	P-2
Standard & Poor's	A-2

10. The Commercial Paper may have a lower rating than required by the Short-term Debt Exemption and accordingly, the Short-term Debt Exemption may not be available.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that the Commercial Paper:

- (a) matures not more than one year from the date of issue;
- (b) is not convertible or exchangeable into or accompanied by a right to purchase another security other than Commercial Paper; and
- (c) has a rating issued by one of the following rating organizations, or any of their successors, at or above one of the following rating categories or a rating category that replaces a category listed below:

Rating Organization	Rating
Dominion Bond Rating Service Limited	R-1 (low)

Fitch Ratings Ltd.	F2
Moody's Investors Service	P-2
Standard & Poor's	A-2

For each Jurisdiction, this decision will terminate on the earlier of:

(a) 90 days after the coming into force of any rule, other regulation or blanket order or ruling under the Legislation of the Jurisdiction that amends section 2.35 of NI 45-106 or provides an alternative exemption; and

(b) three years from the date of this decision.

"Paul M. Moore"
Vice-Chair

"Harold P. Hands"
Commissioner