

"Market value."

(c) "market value" means the market value at the date of the annual statement or, in the discretion of the Superintendent, at a date not more than sixty days before the date of that statement;

"Redeemable security."

(d) "redeemable security" means a security being for a fixed term and redeemable at the end of that term at a specified value; and 5

"Yield."

(e) "yield", when used in relation to a redeemable security, means the effective rate of interest that will be returned on the purchase price if the payments of interest specified in the security are made up to and including the redemption date and the security is then redeemed at the specified value; and, in the case of a security that is redeemable at more than one specified date, "redemption date" means, for the purposes of this section, the specified date that gives the lower or the lowest effective rate of interest, as the case may be. 10 15

(2) For the purposes of paragraphs (a) and (e) of subsection (1), 20

Redeemable security acquired otherwise than by purchase.

(a) where a redeemable security is acquired otherwise than by purchase, it shall be deemed to have been purchased at a price not exceeding the market value at the date of acquisition; and

Option to redeem not exercised.

(b) where the option to redeem a security is not exercised at the redemption date used to determine the yield, then, with respect to the remainder of the term, the security shall be deemed to have been purchased at that date at a price equal to the then amortized value. 25 30

Valuation of securities in statement.

(3) The securities owned by a company shall be taken into account in every annual statement at values that, in total, do not exceed the aggregate of

(a) the amortized values of redeemable securities not in default, issued or guaranteed by the Government of Canada or by the government of any province of Canada, and 35

(b) the market values of all securities other than those described in paragraph (a).

Market values to be shown in schedule.

(4) Every annual statement required by this Act to be deposited in the Department shall show in a schedule the market values of all securities owned by the company at the date of the statement." 40