



In this issue:

1. [IOP Creates Security Interest, Not Absolute Assignment: C.A.](#)
2. [Companies Office System Revisions](#)
3. [Changes to Federal and Provincial Securities Laws](#)
4. [Selected Amendments to *The Securities Act* in Force](#)
5. [Advanced Business Transactions](#)

1. IOP Creates Security Interest, Not Absolute Assignment: C.A.

The Manitoba Court of Appeal recently considered whether the effect of irrevocable orders to pay (IOP) was to create an absolute assignment or merely a security interest in the proceeds. In [Winnipeg Enterprises Corp. v. 4133854 Manitoba Ltd. et al.](#), 2008 MBCA 23, the court found that the IOP did not create an absolute assignment and in so finding, the court stated that:

While it is true that every absolute assignment is irrevocable, it is not true that every irrevocable assignment is absolute.

Every absolute assignment is irrevocable because it must be in order to be absolute. The essence of an absolute assignment is that once the assignment has been granted, the subject matter is gone. Thus, an absolute assignment cannot be revoked.

On the other hand, the subject matter of an assignment that is not absolute is given on terms, the terms of the assignment document itself, and may revert to the assignor.

The usual term of an assignment that is not absolute, but is given as security, is that it is irrevocable. Otherwise, it has no security value; that is, if not irrevocable, the assignor could revoke it the minute or day after it was given, the result being that the assignee would have no security whatsoever.

2. Companies Office System Revisions

Effective March 10, 2008, clients of the Companies Office System have access to a new screen: Screen 13. As well, the existing Screen 10 has been changed. Screen 13 now contains information on the previous name(s) of a company either through a Change of Name or an Amalgamation. This information was previously disclosed on Screen 10. Screen 10 now only provides information on directors, officers, shareholders, attorney for service and registrants. For more information, visit the [Companies Office website](#).

3. Changes to Federal and Provincial Securities Laws

Effective March 17, 2008, the Mutual Reliance Review System has been replaced by MI11-102 Passport System and NP 11-202 Process for Prospectus Reviews in Multiple Jurisdictions. The Passport System has been created to give

...each market participant a single window of access to the capital markets in multiple jurisdictions. It enables a person or company to deal only with its principal regulator to

- get deemed receipts in other jurisdictions (except Ontario) for a preliminary prospectus and prospectus, and
- obtain automatic exemptions in other jurisdictions (except Ontario) equivalent to most types of discretionary exemptions granted by the principal regulator.

More information on the newly implemented rules and policies can be found at the [Manitoba Securities Commission](#) website.

4. Selected Amendments to *The Securities Act* in Force

Provisions of [The Securities Act](#), C.C.S.M. c.S50 came into force on February 1, 2008. As of that date, ss. 21-27, 33 and 49(f) and (h) are in effect.

5. Advanced Business Transactions

[Advanced Business Transactions](#) is an upcoming CLE program that follows up on last fall's program, *Bringing Business Transactions to Life*. This full-day CLE program takes place at The Law Society on Thursday, April 17, 2008. Visit the [website](#) or [contact Legal Studies](#) to register.

[Go to the eLaw Archive](#)

The Law Society of Manitoba provides this service solely for the benefit of and to support the competence of its members. Members should exercise their professional judgment in using or adapting any content.