

[Justice Laws Website \(http://laws-lois.justice.gc.ca\)](http://laws-lois.justice.gc.ca)

[Home](#) → [Laws Website Home](#) → [Consolidated Acts](#)

→ [R.S.C. \(Revised Statutes of Canada\), 1985, c. C-46 - Table of Contents](#)

→ [R.S.C. \(Revised Statutes of Canada\), 1985, c. C-46](#)

Criminal Code (R.S.C. (Revised Statutes of Canada), 1985, c. C-46)

Full Document: [HTML \(FullText.html\)](#) | [XML \(/eng/XML/C-46.xml\)](#) [4087 KB] | [PDF \(/PDF/C-46.pdf\)](#) [7995 KB]

Act current to 2017-04-12 and last amended on 2016-06-17. [Previous Versions \(PITIndex.html\)](#)

[Previous Page \(page-83.html#docCont\)](#)

[Table of Contents](#)

[Next Page \(page-85.html#docCont\)](#)

Prohibited insider trading

382.1 (1) A person is guilty of an indictable offence and liable to imprisonment for a term not exceeding ten years who, directly or indirectly, buys or sells a security, knowingly using inside information that they

- (a) possess by virtue of being a shareholder of the issuer of that security;
- (b) possess by virtue of, or obtained in the course of, their business or professional relationship with that issuer;
- (c) possess by virtue of, or obtained in the course of, a proposed takeover or reorganization of, or amalgamation, merger or similar business combination with, that issuer;
- (d) possess by virtue of, or obtained in the course of, their employment, office, duties or occupation with that issuer or with a person referred to in paragraphs (a) to (c); or
- (e) obtained from a person who possesses or obtained the information in a manner referred to in paragraphs (a) to (d).

Tipping

(2) Except when necessary in the course of business, a person who knowingly conveys inside information that they possess or obtained in a manner referred to in subsection (1) to another person, knowing that there is a risk that the person will use the information to buy or sell, directly or indirectly, a security to which the information relates, or that they may convey the information to another person who may buy or sell such a security, is guilty of

(a) an indictable offence and liable to imprisonment for a term not exceeding five years; or

(b) an offence punishable on summary conviction.

Saving

(3) For greater certainty, an act is not an offence under this section if it is authorized or required, or is not prohibited, by any federal or provincial Act or regulation applicable to it.

Definition of *inside information*

(4) In this section, ***inside information*** means information relating to or affecting the issuer of a security or a security that they have issued, or are about to issue, that

(a) has not been generally disclosed; and

(b) could reasonably be expected to significantly affect the market price or value of a security of the issuer.

2004, c. 3, s. 5.

Date modified:

2017-04-20

emd
02.05.17
S. Myer

APPENDIX A
Page 4 of 4

We did not conduct any audit work on MCPEI or any private companies connected with the E-gaming initiative, the loyalty card program or the establishment of the financial services platform.

**SCOPE
LIMITATIONS**

E-gaming was essentially a government project. Government allowed this project to operate outside the normal control framework of government. A local law firm provided legal and other services in relation to the E-gaming initiative. Government did not have a documented agreement that would address government's right to access the records created through the course of their extensive work on the project. The firm would not consent to meeting with our Office and did not provide the information we requested. Therefore, we do not have important project management information in relation to the E-gaming initiative.

E-mail accounts of some former senior government officials who were key participants in the E-gaming initiative, the loyalty card program, and/or the financial services platform were closed, deleted, and could not be recovered. We were not provided any e-mails or other government records for these individuals. We have received some records from other public bodies and sources external to government that should have been retained from these e-mail accounts.

We requested from government all relevant texts including instant messages and PINS. There were none provided by government even though we were advised, and have evidence that some government business relevant to these files was conducted through these forms of communication. Further, we were advised there were instances where interface issues were encountered with the archives of government's e-mail system which led to electronic data being lost. Therefore, we could not determine if the information we received included all relevant government records.