

REGULATION TO AMEND REGULATION 41-101 RESPECTING GENERAL PROSPECTUS REQUIREMENTS

Securities Act
(chapter V-1.1, s. 331.1, par. (4.1), (11) and (34))

1. Regulation 41-101 respecting General Prospectus Requirements (chapter V-1.1, r. 14) is amended by inserting, after section 3C.2, the following:

“3C.2.1. Delivery of ETF facts documents for no-trailing-commission ETF switches

(1) In this section:

“no-trailing-commission ETF switch” means, in respect of a client of a participating dealer, a purchase of securities of a class or series of an ETF in respect of which an investment fund manager does not pay the participating dealer a trailing commission immediately following a redemption of securities of another class or series of the ETF in respect of which the investment fund manager pays the participating dealer a trailing commission, if all of the following apply:

(a) the aggregate value of the securities purchased is the same as the aggregate value of the securities redeemed;

(b) there are no material differences between the class or series of securities purchased and the class or series of securities redeemed other than the rate of management fees charged in respect of the two classes or series;

(c) the participating dealer, who executed the purchase and redemption of the securities, was not required by securities legislation or the rules of an SRO applicable to the dealer to make a suitability determination in respect of the client in connection with those securities;

“suitability determination” has the same meaning as in section 1.1 of Regulation 81-105 respecting Mutual Fund Sales Practices (chapter V-1.1, r. 41).

2) Despite subsection 3C.2(2), a dealer is not required to deliver or send to the purchaser of a security of an ETF the most recently filed ETF facts document for the applicable class or series of securities of the ETF in connection with a no-trailing-commission ETF switch.”.

2. Effective date

(1) This Regulation comes into force on 31 December 2020.

(2) In Saskatchewan, despite paragraph (1), if these regulations are filed with the Registrar of Regulations after 31 December 2020, these regulations come into force on the day on which they are filed with the Registrar of Regulations.