



April 27, 2022

Delivered By Email: comments@osc.gov.on.ca, consultation-en-cours@lautorite.gc.ca

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission of New Brunswick
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Registrar of Securities, Northwest Territories
Registrar of Securities, Yukon Territory
Superintendent of Securities, Nunavut

The Secretary
Ontario Securities Commission
20 Queen Street West
22nd Floor
Toronto, Ontario M5H 3S8

Me Philippe Lebel
Corporate Secretary and Executive Director,
Legal Affairs
Autorité des marchés financiers
Place de la Cité, tour Cominar
2640, boulevard Laurier, bureau 400
Québec (Québec) G1V 5C1

Dear Sirs and Mesdames:

RE: CSA Notice and Request for Comment – Proposed Amendments to National Instrument 41-101 *General Prospectus Requirements*, National Instrument 81-101 *Mutual Fund Prospectus Disclosure*, and Related Proposed Consequential Amendments and Changes and Consultation Paper on a Base shelf Prospectus Filing Model for Investment Funds in Continuous Distribution -- Modernization of the Prospectus Filing Model for Investment Funds

Franklin Templeton Investments Corp. (“**Franklin Templeton Canada**”) appreciates the opportunity to comment on CSA Notice and Request for Comment – Proposed Amendments to National Instrument 41-101 *General Prospectus Requirements*, National Instrument 81-101 *Mutual Fund Prospectus Disclosure*, and Related Proposed Consequential Amendments and Changes and Consultation Paper on a Base shelf Prospectus Filing Model for Investment Funds in Continuous Distribution -- Modernization of the Prospectus Filing Model for Investment Funds (the “**Consultation**”).

Franklin Templeton Canada is registered as an investment fund manager, portfolio manager, mutual fund dealer and exempt market dealer with the securities regulatory authorities in various Canadian provinces and territories. Franklin Templeton Canada is an indirect, wholly owned subsidiary of Franklin Resources, Inc. [NYSE:BEN], a global investment management organization with subsidiaries operating as Franklin Templeton and serving clients in over 155 countries. Franklin Templeton's mission is to help clients achieve better outcomes through investment management expertise, wealth management and technology solutions. Through its specialist investment managers, the company offers boutique specialization on a global scale, bringing extensive capabilities in equity, fixed income, multi-asset solutions and alternatives. With offices in more than 30 countries and approximately 1,300 investment professionals, Franklin Templeton has 75 years of investment experience and approximately US\$1.5 trillion (approximately CAN\$1.9 trillion) in assets under management as of March 31, 2022.

Franklin Templeton Canada supports the Canadian Securities Administrators' ("**CSA**") initiative to reduce the regulatory burden for investment funds and commends the CSA for the Consultation. Addressing the issue of regulatory burden requires the fostering of healthy dialogue between the industry and regulators, and Franklin Templeton Canada appreciates the opportunity to provide its input in this regard.

Furthermore, Franklin Templeton Canada welcomes the CSA's proposals to extend the lapse date for investment funds in continuous distribution to 24 months and repeal the requirement to file a final prospectus within 90 days after the issuance of a receipt for a preliminary prospectus for an investment fund. We believe these proposals, if implemented, will benefit both investors and investment funds. However, we have concerns with the proposed requirement in the Consultation to file an amended and restated prospectus every time an amendment is required.

Franklin Templeton Canada is a member of the Investment Funds Institute of Canada ("**IFIC**") and generally supports the submissions made by IFIC with respect to the Consultation. Franklin Templeton Canada is concerned that the requirement to file an amended and restated prospectus every time an amendment is required is not an appropriate solution nor is it consistent with the goal of reducing regulatory burden. The increased costs of producing an amended and restated prospectus every time an amendment occurs, the time required by both internal and external personnel, and the lack of clarity for an investor in not being able to see the actual amended disclosure in an amended and restated prospectus, are factors that need to be considered before implementing such change.

It is also important to consider that, in many instances, amendments to the prospectus must be filed in a timely fashion, particularly when there has been a material change that affects the business, operations or affairs of a fund. Implementation of these changes would be further protracted if an amended and restated prospectus is required every time such a change is required.

Filing fees is also an area of concern. Would the CSA's expectation be that each time an amended and restated prospectus is filed, the fees payable would be for all funds in the prospectus or just the funds impacted by the amendment itself? The former would result in an increased cost burden than what exists under the current filing fee regime.

