

**CANADIAN SECURITIES ADMINISTRATORS
IMPLEMENTATION OF A NEW TAILORED PROSPECTUS FORM
FOR SCHOLARSHIP PLANS**

NOTICE

**REGULATION TO AMEND REGULATION 41-101 RESPECTING GENERAL PROSPECTUS
REQUIREMENTS, FORM 41-101F2, FORM 41-101F3**

AND

**AMENDMENTS TO POLICY STATEMENT TO REGULATION 41-101 RESPECTING
GENERAL PROSPECTUS REQUIREMENTS**

Introduction

We, the Canadian Securities Administrators (the CSA or we) are making amendments to *Regulation 41-101 respecting General Prospectus Requirements* (the Regulation), Form 41-101F2 *Information Required in an Investment Fund Prospectus* (Form 41-101F2) and new Form 41-101F3 *Information Required in a Scholarship Plan Prospectus* (New Form 41-101F3) and *Policy Statement to Regulation 41-101 respecting General Prospectus Requirements* (collectively, the Final Amendments). Subject to Ministerial approval requirements, the Final Amendments will come into force on May 31, 2013.

The Final Amendments aim to improve the prospectus disclosure provided by scholarship plans by introducing a prospectus form tailored to reflect the unique features of scholarship plans. This is an important investor-focused initiative. We know that many investors have trouble understanding the unique features and complexities of scholarship plans. New Form 41-101F3 will require scholarship plans to provide investors with key information in a simple, accessible and comparable format to assist them in making a more informed investment decision.

Central to the new prospectus form is the Plan Summary document. It is written in plain language, will generally be no more than four pages, and highlights the potential benefits, risks and the costs of investing in a scholarship plan. It will form part of the prospectus, but will be bound separately.

The amendments were first published for comment on March 26, 2010 (the 2010 Proposal) and then again for comment on November 25, 2011 (the 2011 Proposal). After reviewing the comments received and further considering the Final Amendments, we are proposing a number of changes to the 2011 Proposal. Appendix A sets out the key changes we have made to the 2011 Proposal.

The text of the amendments follows this Notice and can be obtained on the websites of members of the CSA. We expect the Final Amendments to be adopted in each jurisdiction of Canada, following the satisfaction of applicable Ministerial approval requirements.

Background

Scholarship plans are eligible for registration with the Canada Revenue Agency (CRA) as a Registered Education Savings Plan (RESP). The number of investors, particularly investors with low to modest incomes, in scholarship plans has grown substantially since 1998 when the Government of Canada

actively began encouraging saving for post-secondary education through the Canada Education Savings Grant (CESG). As of December 2011, the aggregate value of assets held in scholarship plans was \$9.1 billion. This represents approximately 28.9% of all the assets currently held in RESPs.

There are three types of scholarship plans, all of which are offered by prospectus: individual scholarship plans, family scholarship plans and group scholarship plans. Group scholarship plans account for approximately 95% of the total assets under management of scholarship plans.

The disclosure requirements for scholarship plan prospectuses are currently found in the Regulation and in Form 41-101F2, the disclosure form for all investment funds other than those that file a simplified prospectus form under *Regulation 81-101 respecting Mutual Fund Prospectus Disclosure*. While Form 41-101F2 is an improvement over predecessor prospectus forms for scholarship plans, it contains many aspects that are not applicable to scholarship plans. As a result, the prospectus disclosure for scholarship plans does not provide as meaningful or effective disclosure as it could for investors. This was illustrated in the report prepared for the department of Human Resources and Skills Development Canada (HRSDC)¹ on RESP industry practices (the Federal Report), which identified the need for clearer and simpler prospectus disclosure, particularly as it relates to causes of forfeiture, fees and the operation of group scholarship plans.

We expect that adoption of the Final Amendments will lead to more understandable and effective disclosure for investors, enabling them to better understand the possible outcomes and risks associated with investing in scholarship plans, particularly group scholarship plans.

You can find additional background information in the earlier publications of the 2010 Proposal and 2011 Proposal on the websites of members of the CSA.

Substance and Purpose of the Final Amendments

The Final Amendments propose to address the shortcomings of the current disclosure regime for scholarship plans by focusing on providing investors with key information about a scholarship plan and providing the information in a simple, accessible and comparable format.

Scholarship plans disclose a great deal of information to investors through the prospectus, the financial statements and the plan contracts. While these documents are intended to provide critical information to investors who are considering whether to buy a scholarship plan, we know that many investors have trouble finding and understanding key information because these documents tend to be long and complex. Investors also find it difficult to compare information about different scholarship plans.

Further, we know that for some of these investors, a scholarship plan is the only security they will ever purchase. Many of these investors have little to no financial literacy. In some instances, they may not speak or understand English or French as a first language, making the information in the prospectus even more difficult for them to access.

The new disclosure form tailored to scholarship plans will address these issues and codify some of the prospectus disclosure that is currently requested during the prospectus review and renewal process. We have organized the format and content of the prospectus in a meaningful order for investors considering

¹ *Review of Registered Education Savings Plan Industry Practices – Report* prepared for Human Resources and Social Development Canada prepared by Informetrica Limited, Final Report, released August 2008.

the purchase of a scholarship plan, in order to make the document more understandable, accessible and readable.

Where appropriate, we have considered the content and approach to the mutual fund simplified prospectus and annual information forms, as well as the Fund Facts document now required pursuant to the CSA point of sale initiative for mutual funds.²

We expect the Final Amendments to benefit investors by providing them with disclosure that gives them a simpler, clearer understanding of the potential benefits, risks and costs of investing in a scholarship plan, and allows them to meaningfully compare one scholarship plan to another. By making disclosure more effective, we are giving investors the opportunity to make more informed decisions. We are also enhancing transparency in the marketplace.

Feedback on the 2011 Proposal

We received 7 comment letters on the 2011 Proposal. Copies of the comment letters have been posted on the Ontario Securities Commission website at www.osc.gov.on.ca. Copies are also available from any CSA member. You can find the names of the commenters and a summary of the comments and our responses in Appendix B to this Notice.

Summary of Changes to the 2011 Proposal

We have considered all of the comments received and thank everyone who took the time to comment. In response to the comments, the CSA have proposed a number of changes, particularly to the Plan Summary, in response to investor advocate feedback and to provide greater clarity around prescribed disclosure requirements.

A description of the key changes we made to the 2011 Proposal is set out in Appendix A to this Notice.

Summary of the Final Amendments

Application

The Final Amendments apply only to scholarship plans subject to *Regulation 41-101 respecting General Prospectus Requirements*.

New Prospectus Form

The Final Amendments require scholarship plans to prepare their prospectuses in accordance with New Form 41-101F3. It consists of four parts:

- Part A is the Plan Summary. It must be bound separately from the rest of the prospectus. It is written in plain language, generally fits on no more than four pages (or two pages double-sided), and highlights key information that is important to investors, including a number of statements to help investors understand the key risks and the costs of investing in a scholarship plan.

² *CSA Implementation of Stage 1 of Point of Sale Disclosure for Mutual Funds – Notice Regulation to amend Regulation 81-101 respecting Mutual Fund Prospectus Disclosure, Form 81-101F1 and 81-101F2 and Amendments to Policy Statement to Regulation 81-101 respecting Mutual Fund Prospectus Disclosure and Related Amendments* published October 8, 2010.

- Part B describes the features common to all the scholarship plans offered under the prospectus.
- Part C provides plan-specific information. A separate Part C will be required for each type of scholarship plan offered under the prospectus.
- Part D provides information about the organization and management of the scholarship plan(s) as well as appropriate certifications from the scholarship plan, its investment fund manager, principal distributor and promoter as applicable.

Parts B, C and D of New Form 41-101F3 are now collectively referred to as the Detailed Plan Disclosure. Accordingly, the scholarship plan prospectus is comprised of the Plan Summary and the Detailed Plan Disclosure.

Incorporation by reference

The Final Amendments permit the incorporation by reference into the prospectus of the most recently filed annual financial statements, any interim financial statements filed after the annual financial statements and the most recently filed annual management reports of fund performance.

Delivery

The Final Amendments contemplate delivery of the prospectus, which consists of the Plan Summary (Part A) and the Detailed Plan Disclosure (Parts B, C and D). Delivery must occur as currently required under applicable securities legislation, which is within two days of the purchase. We understand that the current practice for delivering the scholarship plan prospectus continues to be before or at the point of sale.

Transition

Subject to Ministerial approval requirements, the Final Amendments will come into force on **May 31, 2013**.

Accordingly, an existing scholarship plan will have approximately five months from the date of publication of this Notice to make any changes to compliance and operational systems necessary to produce the new scholarship plan prospectus form. A new scholarship plan that files a preliminary prospectus after the date the Final Amendments come into force must comply with the New Form.

Alternatives Considered

The 2010 Proposal outlined the alternatives we considered in developing the new prospectus disclosure form for scholarship plans. You can find the publication of the 2010 Proposal on the websites of members of the CSA.

Anticipated Costs and Benefits

The 2010 Proposal outlined some of the anticipated costs and benefits of implementation of a new prospectus disclosure form for scholarship plans. We consider these costs and benefits to still be valid. Overall, we continue to believe that the potential benefits of the changes in the disclosure regime for

scholarship plans as contemplated by the Final Amendments are proportionate to the costs of making them.

Local Rule Amendments

Elements of local securities legislation may need to be amended in conjunction with the implementation of the Final Amendments. The provincial and territorial securities regulatory authorities may publish these proposed local changes separately in their jurisdictions. These local changes may be to rules/regulations or to statutes. If statutory amendments are necessary in a jurisdiction, these changes will be initiated and published by the local provincial government.

Proposed consequential amendments to rules or regulations in a particular jurisdiction or publication requirements of a particular jurisdiction are in this Notice published in that particular jurisdiction.

Some jurisdictions may need to modify the application of the Final Amendments using a local implementing regulation. Jurisdictions that must do so will separately publish the implementing regulation.

Questions

Please refer your questions to any of the following CSA staff:

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[NTD: Date to be inserted], 2012

The text of the Final Amendments and related materials is contained in the following appendices to this Notice and is available on the websites of members of the CSA. Certain jurisdictions may include additional local information in Annex I.

Appendix A Summary of Key Changes
Appendix B Summary of Comments and Responses on the 2011 Proposal
Appendix C Sample Plan Summary

APPENDIX A

SUMMARY OF KEY CHANGES

This Appendix describes the key changes we made to the 2011 Proposal. Many of the amendments were made in response to comments about the need for greater clarity on what information can be added or altered depending on the type of scholarship plan, and concerning staff's expectations for the content of disclosure.

General Instructions

- For ease of reference, we amended the general instructions to refer to Parts B, C and D of the prospectus collectively as, the "Detailed Plan Disclosure". Accordingly, a scholarship plan prospectus is comprised of two main parts: (1) the Plan Summary and (2) the Detailed Plan Disclosure. References throughout the Form have been updated to reflect this change.
- Specifically, Items 4, 6, 7, and 8 of Part A of the Form now have separate disclosure requirements for group scholarship plans versus individual or family plans in recognition of the differences in the rules, features and structure of each type of plan.

Part A - Plan Summary for a Scholarship Plan

General

- We amended various disclosure requirements in Part A of the Form to require more customized disclosure in the Plan Summary for group scholarship plans versus individual or family plans.

Item 3 – Description of the Scholarship Plan

- We added wording to the first paragraph in subsection (1) to clarify that after a plan is opened, there is the additional step of applying to the Canada Revenue Agency to register the plan as an RESP.
- We amended the third paragraph of subsection (1) to add that loss of grant contribution room is also a possible outcome if certain events occur.
- We amended the prescribed wording in the third paragraph of subsection(1) to clarify that a child must enrol in a school or program that qualifies under the scholarship plan's rules to be eligible for an EAP.

Item 5 – The Plan's Investments

- We amended Item 5 to remove the prescribed wording about a plan's investments and to instead require the plan to provide a general description of its primary investments. This will give plans more flexibility to accurately describe their investment portfolios.

Item 6 - Contributions

- We added disclosure in the new subsection (1) to highlight for investors that further information on the different contribution options available under a group scholarship plan is provided in the Detailed Plan Disclosure or available from their sales representative.
- We added the requirement in new subsection (3) to state the minimum total investment and minimum amount per contribution permitted under the scholarship plan's rules.

Item 7 - Payments

- We changed the title of Item 7 from "How do the payments work" to "What can I expect to receive from the plan?".
- We added language in the new subsection (2) to highlight that in a group scholarship plan, the beneficiary must show proof that he or she is enrolled in a school and program that qualifies for EAPs under the plan's rules, for each year they wish to receive an EAP.
- We also added new Instructions to Item 7 that clarify our expectations around the disclosure in subsections (2) and (3) of Item 7.

Item 8 - Risks

- We amended Risk 4 of subsection (2) to require a group scholarship plan to state, if applicable, that under its rules fewer programs will qualify for an EAP than under the government's rules for RESPs.
- We added disclosure in the new subsection (4) which directs investors to speak with the plan provider or their sales representative to better understand their risk of loss.

Item 9 – Cancellation Rate

- The sidebar that was previously subsection (2) of Item 8 is now Item 9 in Part A and has been renamed "Cancellation Rate".
- We also amended the prescribed disclosure in this Item to better clarify the disclosure required about group scholarship plan cancellation rates.

Item 10 - Costs

- We added prescribed wording under Item 10(1) to highlight where applicable, that the fees and expenses of the relevant scholarship plan are different to those of other plans offered by the same plan provider.
- We added a new subsection (2) to require in a sidebar, disclosure of the number of months it will take an investor in a group scholarship plan to pay off the sales charge

based on monthly contributions. This is similar to the sidebar disclosure required by subsection 14.2(2) of Part C of the Form. The sidebar in Item 10(2) also mandates disclosure explaining the percentage of an investor's contributions that will be invested in the plan during the same time.

- We added a column to both tables in this Item titled “Who the fee is paid to” to require disclosure of who each fee described in the table is payable to.
- We removed much of the prescribed wording in both tables and have instead provided more direction in the Instructions on how to provide the required disclosure.
- We added a new Instruction (5) to require a group scholarship plan or other plan that calculates its sales charge as a fixed dollar amount per unit (or other measure of the level of contribution to the plan), to also express the sales charge as a percentage of the cost of a unit. Where the cost of a unit varies (as in most group scholarship plans), this must be expressed as a range of percentages based on the contribution options that resulted in the highest and lowest unit cost.

Part B – Detailed Plan Disclosure – General Disclosure

Item 2.2 – No Social Insurance Number

- We revised Item 2.2 to allow for disclosure stating that a beneficiary's social insurance number can be provided after the plan is opened. New wording now supplements the previous disclosure in this Item to clarify that if the beneficiary's social insurance number is not provided within a specified period of the application date, the investor should not enrol or make contributions to the plan.
- We added a new Instruction (2) to further clarify staff's expectations concerning the disclosure in Item 2.2.

Item 2.3 – Payments Not Guaranteed

- We amended that prescribed disclosure in subsection (1) to include a reference to “discretionary payments” from the plan.

Item 4.1 – Introduction and Documents Incorporated by Reference

- New Item 4.1(3) has been added to now require a description of each of the documents referred to in subsection 4.1(1) which are incorporated by reference into the prospectus and an explanation of their importance.

Item 4.2 – Terms Used in the Prospectus

- We added prescribed wording to the definition of “Educational assistance payments” that is specific to group scholarship plans.

- We amended the definition of “Grant” to now read as “Government Grant” and for greater clarity, provided examples of the type of government grants contemplated by the definition e.g. Canada Learning Bond.
- We added a new Instruction (3) to Item 4.2 to clarify that the prospectus should only include defined terms applicable to a plan included in the prospectus.

Item 6.7 – Fees and Expenses

- We added wording to the end of Item. 6.7(1) to require disclosure of the fact that fees and expenses reduce the plan’s returns which ultimately reduces the amount available for EAPs.

Item 6.8 – Eligible Studies

- We added new prescribed wording to Item 6.8 to highlight that each plan has its own criteria for what programs qualify as eligible studies for receiving EAPs. The new wording recommends that investors carefully read the applicable section of the Detailed Plan Disclosure to better understand the differences among the plans.

Item 6.9 – Payments from the Scholarship Plan

- We added a second paragraph to subsection (2) of Item 6.9 to now require disclosure of any restrictions under the *Income Tax Act* (Canada) on the amount of EAP that can be paid at a time.

Part C – Detailed Plan Disclosure – Plan Specific Information

Item 3.1 – Plan Description

- We removed subsection (c) of Item 3.1 which previously required disclosure of the nature of the securities offered by the prospectus.

Item 5.1 Beneficiary Group

- We amended the Instructions to Item 5.1 to better clarify how to complete the required table.

Item 6.1 – Summary of Eligible Studies

- We added new wording to the end of the second paragraph of Item 6.1 to require that a current list of qualifying institutions and programs be made available to an investor

on request. This new wording also mandates that the list be made available on the plan's website.

Item 6.3 – Description of Ineligible Programs

- We added a new subsection (2) to Item 6.3 that requires disclosure on whether the plan has different rules concerning what are eligible studies for receiving an EAP than the rules under the Income Tax Act (Canada). If the plan has different eligibility rules than under the Income Tax Act (Canada), it must also describe how its rules are different.

Item 14.2 – Fees Payable by Subscriber from Contributions

- We added a new column titled “Who the fee is paid to” to the table to mandate disclosure of who the fee is payable to.
- We added a new subsection (3) to require a statement of whether any of the fees listed in the table in subsection (1) may be increased without subscriber approval.
- We added a new Instruction (3) to clarify our expectations around how the Sales Charge must be disclosed e.g. as a fixed amount per unit, as a percentage of the cost of a unit, or as a range where appropriate. This is similar to the changes made to the instructions to Item 10 of Part A of the Form.
- We added a new Instruction (8) to allow the disclosure required by subsection 14.2(2) to be provided in a text box following the table in section 14.2(1) rather than as a sidebar.

Item 14.3 – Fees Payable by the Scholarship Plan

- We added a new column titled. “Who the fee is paid to” to the table to mandate disclosure of who the fee is payable to.
- We added a new subsection (2) to require disclosure of whether any of the fees in the table can be increased without subscriber approval.

Item 14.6 – Refund of Sales Charges and Other Fees

- We added new subparagraphs (f) to (i) to Item 14.6(2) to mandate disclosure of additional details concerning fee refunds that may be payable to the subscriber, such as whether the refund paid includes interest, what form it takes (e.g. cash or credit to the plan), and how it is treated for tax purposes.

Item 19.3 – Amount of EAPs

- We added a new subsection (3) of Item 19.3 to require disclosure of any restrictions under the *Income Tax Act* (Canada) or the plans rules on the amount of EAP that can be paid for each year of eligible studies.

Item 22.2 – Pre-Maturity Attrition

- We added a new subsection (2) to Item 22.2 to permit disclosure where applicable, that a group scholarship plan permits a subscriber to receive an AIP on the earnings from their government grants.

Part D – Detailed Plan Disclosure – Information About the Organization

Item 1.1 – Legal Structure

- We removed the reference to “shareholders” from subsection 1.1(2).
- We added a new Instruction that permits the disclosure required by Item 1.1 to be presented in table format.

Item 2.1 - Directors, Officers and Trustees of the Plan

- We moved the disclosure requirements regarding directors and officers of the plan to new Item 2.1 – Directors and Officers of the Plan. Disclosure about the trustees of the plan is now required in Item 2.3 – Trustee.

Item 2.2 – Investment Fund Manager

- We removed the requirement in Item 2.2(2) (previously Item 2.1(2)) to provide particulars of any unique overall investment strategy or approach used by the investment fund manager in connection with the scholarship plans.

Item 2.6 – Other Groups

- We moved the disclosure regarding “Other Groups” from subsection (3) of Item 4 to a separate subsection in new Item 2.6. This Item permits disclosure of any body or group not already described in the prospectus that has any responsibility for governance or performs any kind of oversight role with respect to the plan.

APPENDIX B

SUMMARY OF COMMENTS ON THE REGULATION

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Part I – Background
Summary of Comments
<p>On November 25, 2011, the Canadian Securities Administrators (CSA) published a notice (the Notice) seeking comment on a revised version (the 2011 Proposal) of proposed amendments to <i>Regulation 41-101 respecting General Prospectus Requirements</i> (Regulation 41-101) and Form 41-101F2 <i>Information Required in an Investment Fund Prospectus</i> (Form 41-101F2), which included a proposed Form 41-101F3 <i>Information Required in an Investment Fund Prospectus</i> (the Form) and related amendments (the Proposed Amendments). The Notice also included proposed amendments to <i>Policy Statement to Regulation 41-101 respecting General Prospectus Requirements</i> (the Proposed Policy Statement Amendments). We refer below to the Proposed Amendments and Proposed Policy Statement Amendments as the Regulation. These amendments were published for first comment on March 26, 2010 (the 2010 Proposal). The second comment period for the Regulation expired January 24, 2012. We received submissions from seven commenters who are listed in Part IV. We have considered all comments received and thank all the commenters. In addition to the comments received in respect of the Regulation, many of the commenters also provided comments regarding the regulation of</p>

scholarship plans generally. The comments we received and the CSA’s responses are summarized below under Parts II, III and IV. The more general comments on scholarship plan regulation are listed under “Other Comments” in Part V below. Changes to the Regulation as a result of comments provided on the 2011 Proposal are reflected in the “Final Amendments” as referred to in the CSA Notice. The Final Amendments will come into force on **May 31, 2013**.

Part II - General Comments on Proposals

<u>Issue</u>	<u>Sub-Issue</u>	<u>Comments</u>	<u>Responses</u>
Support for the initiative	<i>Improvement over prior version of the Form</i>	Two industry commenters reiterated their support for the CSA initiative to provide investors with access to clear and concise information about their scholarship plan investments. The commenters noted that the revised form was an improvement over the prior draft and recognized the CSA’s efforts in addressing a number of the concerns raised on the prior version.	We appreciate the support for this initiative. We also believe the changes we have made will result in improved disclosure for investors.
	<i>Support for concise, plain language document</i>	Investor advocate commenters also stated their support for the concept of a concise, meaningful, plain language document that highlights the key information consumers need to make informed decisions, and that they believe the Plan Summary will provide information regarding the benefits, risks and costs of investing in a group scholarship plan.	We appreciate the support for the Plan Summary. We agree with the commenters that the Plan Summary will provide meaningful, concise and key information that will assist investors in determining whether to invest in a scholarship plan.
Delivery of the Plan Summary	<i>Mandate Point of Sale delivery</i>	Two investor advocate commenters recommended that we mandate physical	No change at this time. The Plan Summary is part of the

		<p>delivery of the Plan Summary at or before the point of sale, as it would increase an investor’s understanding about the plan and result in a more informed investment decision for investors.</p>	<p>prospectus to which the delivery requirement attaches. We have been informed by industry participants that they currently deliver the prospectus before or at the point of sale. Mandating delivery of the Plan Summary on its own at the point of sale, is outside the scope of this project. We refer the commenters to our previous response to similar comments published with the 2011 Proposal on the same issue.</p>
Prescribed Terminology	<i>Use of the term “scholarship plan”</i>	<p>Two industry commenters urged the CSA to reconsider the use of the term “scholarship plan” to refer to the securities provided to subscribers.</p> <p>One of these commenters noted that the term was commonly used back in the 1960’s when a number of providers first started business, but that term is no longer in common use by plan providers in their promotional materials. This commenter added that the term is not appropriate since the plans no longer pay “scholarships” which have a different meaning under tax law than educational assistance payments. This commenter would prefer that we adopt the term “group education savings plan” for group plans, or “individual” or “family” education savings plan for other types</p>	<p>We have not made this change. We view the term “scholarship plan” to be plain language and widely understood. Our view is that use of this term clearly distinguishes this product from other types of investments that may be held in an RESP. The Form allows for disclosure in appropriate places concerning family, individual and group scholarship plans.</p> <p>We refer the commenters to our previous response to similar comments published with the 2011 Proposal on the same issue.</p>

		<p>of plans as this would be more understandable for investors, and notes that it is the terminology used by the federal government in describing these products.</p> <p>The second commenter proposed that we use the term “registered education savings plans” as it is most commonly known by investors.</p> <p>The first commenter also disagreed that the term “scholarship plan” was still necessary to distinguish these products from other types of registered education savings plans (RESPs). The commenter noted that the term “scholarship plan” is not defined under securities regulation the way other types of funds are defined and that as a result, regulation would not need to be amended. Instead, the commenter asked that its members be permitted to use terminology that is already in use.</p>	
	<p><i>Other mandatory terminology</i></p>	<p>Two commenters also expressed concern that certain other mandatory terminology required in the Form may not be accurate as well. The commenters noted the following:</p> <ul style="list-style-type: none"> • The prescribed term “grants” may not be accurate in reference to monies available for RESPs from federal and provincial governments, as only some of these monies are referred to as grants – others are termed incentives or bonds. The commenters suggested using the term “government 	<p>The mandatory terminology prescribed by the Form is intended to promote greater comparability between plans for investors. As such, we have not changed the prescribed references to “sales charge” or “restrictions” as we believe these references convey the true meaning of the required disclosure. We agree with the commenter, however, that the</p>

		<p>incentive” instead.</p> <ul style="list-style-type: none"> • The prescribed term “sales charge” is not the term used by its members. The commenters noted that the term “enrolment fee” or “membership fee” is the one used by its members and would like the flexibility to continue to do so. The commenters added that there appeared to be no regulatory reason to require this term be used. • The use of the term “restrictions” in reference to the terms and conditions of a plan was unduly negative. The commenters noted that the term “conditions” would be more neutral and accurate. 	<p>references to “grants” should be changed to highlight that these monies are sourced by the government. Accordingly, we have changed all references in the Form where applicable, to “government grants”.</p>
<p>Overall Length and Complexity</p>	<p><i>Prospectus will still be complex and difficult to understand</i></p>	<p>Three industry commenters told us that despite our efforts to simplify the Form from the 2010 Proposal, they believe the prospectus will still be too long, complex and difficult for investors to read and understand and therefore will be of little use to investors.</p>	<p>We refer the commenters to our previous response to similar comments published with the 2011 Proposal. We note that between 2010 Proposal and the Regulation, changes were made to the Form to enable the disclosure to be presented in a more streamlined manner that would reduce the length of the prospectus. We continue to believe that the Form represents the first step in providing full, true and plain disclosure to investors about a complex product.</p>

<p>Overall Tone</p>	<p><i>Negative tone to the Form</i></p>	<p>Two commenters told us that despite the revisions to the 2010 Proposal, they felt that the overall tone of the Form is unduly negative and that more neutral language should be used. The commenter noted that the Plan Summary seems to emphasize perceived risks of the group plans, without reinforcement of the benefits of the plans and that the document is written more as a consumer education warning piece than a regulatory disclosure document.</p> <p>Some commenters also felt that the overall tone of the prescribed language reflects a negative bias against the product class. This commenter compared the mandated language of the Plan Summary against the Fund Facts for mutual funds document, and noted several places where the language written for scholarship plans is more negative than for mutual funds.</p>	<p>We disagree with the commenters. We consider the disclosure required by the Form to be commensurate with the complexity of the product. This approach is consistent with other investment fund products where staff has required textboxes and other highlighted disclosure to draw investor attention to certain risks associated with the product (e.g. textboxes concerning warrant disclosure, prepaid forward disclosure, etc.).</p>
	<p><i>Lack of disclosure of benefits</i></p>	<p>One industry commenter told us that the prescribed disclosure is one-sided and doesn't include sufficient discussion of plan benefits. This commenter noted, for example that with the disclosure, investors will not understand:</p> <ul style="list-style-type: none"> • The advantages of the plan's investment strategies geared to principal protection and professional money management; • The ability to enter into a plan with low contribution amounts, or the benefits of a disciplined savings regime; • The benefits that can accrue to beneficiaries 	<p>We disagree with the commenter. We believe the Form permits appropriate disclosure of product benefits, in addition to disclosure of risks and other key information about a plan. This approach is consistent with prospectus disclosure provided by other types of investment funds in their prospectus documents.</p>

		<p>in a group plan, such as attrition income, non-discretionary group plan “bonuses”; discretionary donations and refund of sales charge mechanisms, not found in other investment products; or</p> <ul style="list-style-type: none"> • The flexibility to make changes to a plan if a family’s circumstances change. <p>This commenter told us that while this information is found in the prospectus, it tends to be buried or overshadowed by cautionary language and does not allow this information to be considered in the context of the costs and risks associated with the product.</p>	
<p>Excessive Prescription</p>		<p>Three commenters told us that the high degree of prescription in the Form, particularly for the Plan Summary was excessive and unwarranted. The commenters asked that we pull back from much of the mandated wording in the Form for various disclosure requirements in order to give the plans greater flexibility to more accurately describe their products and to provide more balanced nuanced disclosure about their products.</p> <p>Two of these commenters expressed concern that plan providers would have difficulty in using this prescribed wording in describing their operations as it may not always fit, and may lead to difficulties for directors and senior executives who will be required to certify the content of the prospectus.</p>	<p>The prescribed wording and headings in the Form are intended to facilitate greater comparability between plans for investors. In response to comments provided, however, we have provided more clarity in the Form between disclosure requirements applicable to group scholarship plans versus individual or family plans, in recognition of the structural differences between the types of plans.</p> <p>Also, the General Instructions to the Form clarify that modifications can be made</p>

		<p>Another commenter agreed that there is an advantage to investors in having greater comparability across the scholarship plan industry and supports a move to more prescribed language and disclosure, as it provides greater clarity to issuers in terms of what is required in the Form and more comparability. The commenter added, however, that it believes the prescriptive nature of the language can create challenges, particularly where industry participants have product features or structures that do not fit the prescribed language. It noted that features can vary and where this occurs, a high degree of prescription can make it difficult for an issuer to provide full, true and plain disclosure.</p>	<p>where certain disclosure is not applicable or accurate in respect of a particular plan.</p>
<p>Lack of Coordination with other regulatory initiatives</p>	<p><i>Combine Plan Summary with relationship disclosure requirements under Regulation 31-103</i></p>	<p>Industry commenters told us that we should coordinate our efforts to reduce duplication with the relationship disclosure requirements of <i>Regulation 31-103 respecting Registration Requirements</i> (Regulation 31-103). The commenters noted that the Plan Summary disclosure will have considerable overlap with the relationship disclosure requirements of Regulation 31-103. They suggested combining all of these requirements into an expanded plan summary that would also serve as the relationship disclosure document required under Regulation 31-103, which can better ensure that investors will read this information.</p>	<p>We did not seek to harmonize the contents of the Form with the requirements in Regulation 31-103 given that the purpose of the Form is different to that of the relationship disclosure mandated by Regulation 31-103.</p> <p>The requirements in Regulation 31-103 are tied to account opening, whereas the Form is a disclosure document focused on providing investors with information to assist them in</p>

		One of the commenters added that this makes sense particularly since scholarship plan dealers generally only distribute one plan providers' product.	their decision to invest or not invest in a scholarship plan. Accordingly, each document must stand on its own in a manner consistent with the approach taken to other investment products such as mutual funds.
	<i>Lack of coordination with CRA requirements</i>	Two commenters told us that there are a number of places in the Form where the mandated disclosure is at odds with what its members have been told by officials at the Canada Revenue Agency (the CRA) regarding disclosure of various terms and features of group plans.	The commenters did not provide examples of the conflict referred to between disclosure required by the Form and CRA requirements. Accordingly, it is not clear how the Form prevents compliance with CRA requirements. We consider that the duty of formal and informal advisers to the plans is to ensure that the prospectus disclosure is factually correct.
Organization of the Prospectus Document	<i>Four-part prospectus document</i>	Three commenters told us that they are opposed to the four-part prospectus proposed in the Regulation, with the Plan Summary and the three-part prospectus each being required to be delivered to investors. These commenters believe that this format is better suited to mutual funds, and is not warranted for scholarship plans, which do not have multiple distinct products within the same prospectus. They also told us that the plan summary for	We do not propose to change the format of the prospectus. We continue to hold the view that all four parts of the prospectus are necessary to give appropriate disclosure to investors about the product. We remind the commenters that the Form was significantly

		each plan will be virtually identical, thereby masking the differences between plans. They suggested we instead allow for disclosure to be provided collectively for the plans of a provider and to only highlight the differences between plans.	amended between the 2010 Proposal and the 2011 Proposal to reduce duplication and to more clearly delineate the disclosure requirements for the different parts of the prospectus. The changes to the final Form represent a similar focus.
	<i>Order of items</i>	Two commenters proposed that we re-order the items in the Plan Summary and Prospectus Form to better reflect a plan’s life cycle.	We propose no change as we are satisfied that the current order of items in the Plan Summary and the Detailed Plan Disclosure properly reflect a plan’s life cycle and provide full, true and plain disclosure in a standardized format.
Lack of clarity on what is the “Prospectus”		Two commenters asked that we clarify which documents are collectively the “prospectus” for a scholarship plan under applicable securities law. We were told that is not clear from the Regulation that the plan summary and the three-part prospectus document are collectively the “prospectus” and which attracts statutory liability. The commenters were also unclear as to whether these documents are expected to all be delivered within the prescribe prospectus delivery timelines. One of the commenters suggested giving the second, longer document a distinct name to	Both the Form and Regulation 41-101 specify that the scholarship plan prospectus is comprised of Parts A, B, C and D of the Form. However, noting the comment and to avoid any confusion, the Form continues to refer to Part A as the Plan Summary and we have amended the Form to refer to Parts B, C and D collectively as the Detailed Plan Disclosure. The scholarship plan prospectus is therefore

		differentiate it from other documents being delivered to investors.	comprised of both the Plan Summary and the Detailed Plan Disclosure.
Lack of Flexibility for disclosure standards		Industry commenters also noted that while there is some flexibility to change wording using substantially similar wording, the Form does not allow for the inclusion of additional information that is not specifically referenced, nor is it clear whether inaccurate text can be excluded, and expressed concerns about this given the statutory liability associated with the document. The commenters suggested that plan providers be permitted to both add information in areas of mandated disclosure to more accurately reflect the product offering, and to remove inaccurate disclosure, to address this concern.	We refer the commenters to our response provided above under “Excessive Prescription”.
Transition	<i>Appropriate transition period</i>	<p>Three commenters noted that the proposals do not specify a transition period. We were told that given the extensive revision and system upgrades required to comply with the Form appropriate transition time would be 2014, given CSA rule-making timelines.</p> <p>They added that the CSA should mandate that all scholarship plan providers be required to transition to the new prospectus form in the same calendar year.</p>	In response to the commenters, the Final Amendments mandate full compliance with the Form by May 31, 2013. Accordingly, all plan providers will be required to comply with the new Form requirements as of their first applicable prospectus renewal date in 2013. In view of the 2010 and 2011 Proposals, we consider this transition period to give sufficient time for plan providers to confirm their

			familiarity with the requirements of the Form and to make the appropriate adjustments. All scholarship plans will be required to comply with the new requirements in the same calendar year.
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Part III - Comments on Consequential Amendments to Regulation 41-101			
<u>Issue</u>	<u>Sub-Issue</u>	<u>Comments</u>	<u>Responses</u>
Part 3A – Scholarship plan prospectus requirements	<i>Section 3A.4 – plan summary</i>	Two commenters told us that we should permit the plan summary to be combined with the relationship disclosure requirements of Regulation 31-103 into a single document, and if not, a plan provider should have the option to bind the plan summary with the relationship disclosure documents if they choose.	We propose no change and refer the commenters to our response above under <i>Combine Plan Summary with relationship disclosure requirements under Regulation 31-103</i> .

Part IV – Comments on Form 41-101F3			
<u>Issue</u>	<u>Sub-Issue</u>	<u>Comments</u>	<u>Responses</u>
General instructions to Form 41-101F3	<i>General Instruction (4) – the prospectus can only include permitted or mandated disclosure</i>	One commenter told us that the instruction is too restrictive in that there are a number of instances in which specific attributes of a Plan, which are relevant to investors are not included in the Plan Summary or the prospectus.	We disagree with the commenter. We consider it appropriate for General Instruction (4) to mandate compliance with the disclosure requirements of the Form. This

			<p>is intended to assist with comparability across plans offered by the same or different issuers. We do not consider it appropriate for information not prescribed by the Form to be added.</p> <p>We note that General Instruction (10) permits modification of prescribed wording to more accurately reflect a plan’s features, where appropriate.</p> <p>In view of the comment, however, we have revised the Form to better distinguish disclosure requirements that are applicable only to group plans or to individual or family plans.</p>
	<p><i>General Instructions (9) & (10) – flexibility to not reference inapplicable items or to amend prescribed disclosure</i></p>	<p>Two commenters told us that the flexibility provided in these instructions to not refer to inapplicable items or amend prescribed disclosure is not sufficient as it believes there is much prescribed disclosure in the form that would need to be modified. These commenters also expressed concern that the flexibility in these instructions does not extend to adding or deleting prescribed disclosure that is not accurate.</p>	<p>We do not propose to change the substantive wording of General Instructions (9) or (10) as we consider them to give sufficient flexibility to modify the prescribed disclosure in the Form as may be necessary for a specific plan. We note that the substance particularly of General Instruction (9) is not unique to the Form given that it</p>

			also currently applies to Form 41-101F2 (under General Instruction (6) to Form 41-101F2).
	General Instruction (16)(a) use of the phrase “investing in a scholarship plan”	One commenter told us that this instruction should more properly refer to investing in <u>the</u> scholarship plan, given that the Plan Summary is about a particular group plan and not group plans generally.	We do not propose to make this change.
	General Instruction 18(a) and (c) – multiple prospectus to have one plan summary per plan, and one part C section per plan	One commenter told us that it has three plans: a group plan, an individual plan and a family plan and that the latter two are very similar in terms of features and benefits, except for minor differences required under federal statute (i.e. number of beneficiaries permitted). This commenter believes it should not be necessary to produce a separate plan summary or separate Part C sections for its individual and family plan, given the significant similarities between them. This commenter proposed a new section be added to Part A and Part C to describe the differences between a family plan and an individual plan, which in its case, would be the number of beneficiaries named.	We do not propose to make this change. The approach taken in the Plan Summary and Part C of the Form is similar to that taken for mutual funds which, despite any similarities, must prepare separate fund facts for each mutual fund and each series of the mutual fund. It is appropriate that any differences between the plans be highlighted in separate documents.
Comments on Part A – Plan Summary			
General comments			
	Plan Summary should have a cover page and a	Two commenters told us that they strongly recommend that the Plan Summary for a	We have not made this change. Similar to fund facts for mutual

	<i>back page</i>	group of group plans be given a cover page with a simple statement describing the booklet’s content as well as a back page which can include the contact information, as well as including the “cancellation” information in larger font. This commenter told us that this will help investors better understand what to do with the booklet and will give it greater prominence to the investor.	funds which also don’t have a cover page or a back page, we consider it appropriate for the Plan Summary to be presented without a cover page.
	<i>Disclosure of alternatives to group scholarship plans</i>	An industry advocate commenter noted the change in the current Proposals that removed references to other products in the Plan Summary. This commenter noted that scholarship plans are associated with aggressive marketing and are sold to many individuals with low incomes who may not be aware of other available alternatives. This commenter suggested that we include text that references the fact that there are alternative products to a scholarship plan that also attract grants.	We consider that the inclusion of references to alternative products would be inappropriate because it would likely impose an implicit obligation on scholarship plan dealers to be equipped to provide advice on alternative RESP products which they may not be authorized to provide. As scholarship plan dealers are permitted to sell only plans associated with their plan provider, we do not think it would be appropriate to include the reference suggested by the commenter. Accordingly, we have not made this change.
	<i>Disclosure of conflicts of interest</i>	One commenter told us that the Plan Summary should disclose any existing conflict of interest that gives the salesperson or distributor a financial incentive to sell	In response to the comment, we have added wording to Item 10 – <i>How Much Does it Cost</i> of the Plan Summary to highlight that

		<p>group scholarship plans over other alternatives. This commenter suggested this disclosure should include a description of any payments made or incentives provided by the group scholarship plan trust and/or distributor to the salesperson for having investors join the plan and should include a statement that these incentives create a conflict of interest in that they influence representatives to recommend one plan over another, or over other investment products. The commenter suggested that the details could be included in the prospectus, with a reference to this disclosure in the Plan Summary.</p>	<p>fees and costs differ across the plans offered by the issuer. We do not agree, however, that conflicts of interest automatically exist solely because certain incentives attach to the sale of group scholarship plans. Accordingly, we have not made the change suggested by the commenter.</p>
	<p><i>Highlight certain key cautions</i></p>	<p>One commenter felt that certain key cautions regarding the plan should be printed in bold red to draw particular attention to them, such as the impact of failing to qualify for an eligible school or program.</p>	<p>We believe the Form adequately highlights the key risks associated with the product. Accordingly, we have not made the suggested change. Further, we do not propose to require that the Plan Summary be produced in colour.</p>
	<p><i>New section about features and benefits</i></p>	<p>An industry commenter suggested that plans be permitted to include in the Plan Summary an objective description of the benefits of the plans (such as, reimbursement of the enrolment fees upon maturity; you don't have to make the investment decisions for the plan, a portfolio manager does it for you; regular contributions can help build good savings habits).</p>	<p>We have not made this change. We believe that disclosure of the benefits of the plans would be promotional in nature and have determined not to include it in the Plan Summary. The Plan Summary is intended to describe how the scholarship plan works and to highlight the</p>

			factors an investor should keep in mind when making an investment decision.
Item 2 - Withdrawal and Cancellation Rights	<i>Opening statement</i>	<p>Industry commenters noted that unlike the Fund Facts, the wording in the Plan Summary suggests that reading the Plan Summary alone will not be sufficient without any further explanation, nor does it explain why it may not contain all the information a subscriber will need. We were told that this seems an odd concept given the CSA’s objectives of having a shorter document that subscribers will be encouraged to read and that it should be sufficient for the subscriber to make an informed decision from reading only this document. The commenters added that they are concerned that subscribers will be alarmed by that statement and that it doesn’t indicate that subscribers will also receive the more detailed information along with the Plan Summary. It was suggested that we re-word the statement to clarify this.</p> <p>Investor advocate commenters suggested that we change the wording in the opening paragraph to more clearly encourage investors to read the prospectus. They suggested for example, making the wording more clear that the Plan Summary “does not” contain all the information you “need” instead of saying it “may not contain all the information you want”, and adding that investors should read</p>	<p>We agree with the commenters. We have revised Item 2 to highlight that the Plan Summary is only a summary document and that the prospectus investors should read the entire prospectus, including the Detailed Plan Disclosure, carefully before deciding to invest in a scholarship plan.</p>

		“and understand” the prospectus before deciding to invest, rather than only suggesting they read it.	
	<i>Location of statement of withdrawal rights in the Plan summary</i>	Industry commenters told us that they still believe that it is inappropriate for the plan summary to tell investors how to get out of the investment before they know what the product is. However, these commenters recognized the importance of the 60 day withdrawal right, and recommended that the Plan Summary have a cover page and back page and that this statement be put on the back page, where it believes it more properly belongs, and in a larger font to give it more prominence. They also suggested providing the language at the end of each Plan Summary under the heading “How can I cancel the plan?”.	We do not propose to move this disclosure. We continue to believe it is important for investors to understand their cancellation rights, particularly since the effect of cancelling within 60 days can be very different than cancelling after 60 days, especially in the early years of an investment in a plan. Accordingly, we continue to believe that this disclosure requires a prominent place in the Plan Summary where it will not be overlooked.
	<i>Terminology used</i>	Two commenters suggested rephrasing the wording in the second paragraph to make use of terminology that its members use. For example, “grants” would be replaced with “government incentives” and “sales charges” would be replaced with “enrolment fees”. The commenter also suggested removing the word “much” in reference to the last sentence, since it considers that word unnecessarily	We have changed current references to “grants” to “government grants”. We propose no change to the use of the term “sales charge” as we consider this term to be appropriate and widely understood. We do not propose to make this change. We have, however, added the word “could” in the

		inflammatory.	last sentence to highlight the possibility, not the absolute certainty, that an investor could end up with much less than they first put in.
Item 3 – Description of the Scholarship Plan	<i>Make the required heading less generic</i>	Three commenters suggested that we change the required heading to “what is <u>the</u> [insert name of the plan]” which is less generic. The commenters believe that it is vital that the reader be given an explanation of the Plan itself rather than a generic “consumer education” type of explanation that the subscriber may gloss over because they consider it irrelevant to their investment decision.	<p>We agree with the commenters and have made the suggested change.</p> <p>We continue to note, however, that the goal of the section is provide a generic description to educate investors about what a group, individual or family plan is. This is similar to the requirements of Item 4 of Part A to Form 81-101F1 which requires a brief explanation of what a mutual fund is in substance, not the particulars of any specific mutual fund referenced in the simplified prospectus.</p>
	<i>Need to better explain how a plan becomes an RESP</i>	We were also told it is necessary to explain that the investor enters into an education savings plan which is later registered and that they do not believe that our wording reflects that. The commenters recommended changes to the wording that they believe better reflects this.	We have revised Item 3 to include wording stating that the plan will or must be registered as an RESP after it is opened. This is intended to clarify that after an investor enrolls or starts to contribute to the plan, there is another positive step that must

			be taken for the plan to become an RESP.
	<i>Disclosure of how to avoid negative outcomes</i>	One commenter suggested that the discussion in this Item about the exceptions in which a beneficiary will not receive educational assistance payments (EAPs) should include a discussion of how to avoid these outcomes.	We have not made this change. The Plan Summary does provide for some disclosure of how to avoid negative outcomes. The Plan Summary, however, is intended to be a summary document that highlights these issues. Accordingly, the information it contains will not be as detailed as in the rest of the prospectus (i.e. the Detailed Plan Disclosure) where more specific information on how to avoid negative outcomes is further discussed.
	<i>Disclosure of eligibility for payments from the plan</i>	One investor advocate commenter told us that we should make it clear in this section that a beneficiary will not receive EAPs and will lose the earnings and grants if they do not enrol in a school or program that qualifies under the terms, conditions or criteria of the plan, which may be different or more restrictive than the government eligibility rules for RESPs. This commenter feels the present wording suggests that it is the government rules that are applicable, not the plan's rules.	We agree with the commenter and have added wording to this section to specify that a beneficiary will not receive EAPs if they don't enrol in a school or program that qualifies under the rules of the plan. We have also added wording to Item 8 that will require a plan to clarify if its EAP eligibility requirements are more restrictive than those of the government.

	<i>Bold warning language</i>	One commenter suggested that we add disclosure to the bold warning language at the end of this Item clarifying that investors who leave the plan early will also lose grants and grant contribution room.	We have added wording to this section to clarify that investors who leave the plan early will also lose grant contribution room along with earnings and government grants.
Item 4 – Suitability			
	<i>Opening Sentence</i>	<p>Two commenters suggested the first sentence should be made specific to the plan rather than generic.</p> <p>Another commenter suggested that the first sentence acknowledge carrying time horizons on a scholarship plan investment and that the wording should more reflect that investor’s <u>plan</u> to save for future post-secondary education.</p> <p>Two investor advocate commenters suggested that we provide greater clarity in reference to the type of investment by stating that the scholarship “is” a long-term commitment</p>	<p>We consider it appropriate to maintain the first sentence as presented. We have, however, amended this section to specifically contemplate group, individual or family plans, and to allow for the insertion of disclosure which speaks to the same three points specified for group scholarship plans (i.e. timing of contributions, maturity, eligibility).</p> <p>We have made this change and added wording to reflect the investor’s ‘plan’ to save for future post-secondary education.</p> <p>We do not propose to make this change given there is no standard definition of what “long-term” means in every</p>

		rather than stating it “can” be a long-term commitment.	circumstance and since not all scholarship plan investors will necessarily be long-term investors. The participation of the investor is dependent on the age of the beneficiary when the subscriber opens the plan.
	<i>Suitability for plans not adequately described</i>	One commenter told us that it believes the points in this Item do not fully describe who should be investing in a scholarship plan. This commenter noted, for example, that there is no reference to suitability for investors (a) with low tolerance to investment risk, or (b) who do not wish to actively manage their investment, and suggested adding wording to this effect.	We do not propose to make this change.
	<i>Greater clarity on suitability</i>	One investor advocate commenter suggested we use more precise language around suitability by stating that investors must be “certain” rather than “fairly sure” they can meet the prescribed criteria.	We have not made the change suggested by the commenter. We do not think it appropriate to expect an investor to have absolute certainty about such matters. We consider the reference to “fairly sure” to be more appropriate.
	<i>“Can make all contributions on time”</i>	One commenter told us that this is not an accurate reflection of the flexibility that exists in a plan, both in terms of choice of contribution schedules or the ability to change schedules down the line. They proposed that this be replaced with a statement reflecting a	We disagree with the commenter. The ability of an investor to make contributions “on time” is a fundamental feature of group scholarship plans and it is appropriate to

		commitment to a regular savings program until their child is ready to attend post-secondary education.	highlight this feature in this section. Accordingly, no change has been made.
	<i>“They will stay in the plan until it matures”</i>	One commenter suggested this point effectively restates the prior point, is redundant, and should be eliminated.	We have not made this change. The bullets required by the section speak to different separate subject matters (i.e. ability to meet a contribution schedule versus commitment to stay in the plan until it matures) and are appropriate to maintain as presented.
	<i>“Their child will attend a qualifying school or program”</i>	<p>Three commenters told us that the third bullet point suggests that a subscriber can be “fairly sure” that their child (possibly a newborn) will attend a qualifying school or program, which is not possible.</p> <p>Two of the commenters suggested that the wording should reflect the investor’s <u>plan</u> to save for future post-secondary education.</p> <p>One of the commenters also suggested amending the wording to instead refer to the benefits of the plan, namely tax-deferred growth and government incentives.</p>	<p>We disagree with the commenter and have not made this change. We consider this format of warning language to strike the right balance between encouraging appropriate consideration, but not requiring, however, absolute certainty.</p> <p>We acknowledge this comment and have made the appropriate change.</p> <p>We have not made the proposed change given that the primary purpose of the Plan Summary and the Detailed Plan Disclosure is to provide relevant product information to an</p>

		<p>An investor advocate commenter suggested that it should be made clear that the beneficiary has to attend a school and program that meets the scholarship plan’s qualification criteria, which may be more restrictive than the government’s rules. The commenter noted for example that under many plans, part-time studies, co-op studies or apprenticeships do not qualify.</p>	<p>investor, not for marketing purposes. In any event, the benefits referenced by the commenter are applicable to RESPs generally, and accordingly, are not benefits specific to a scholarship plan.</p> <p>We have amended this section to highlight that the beneficiary must attend a school and a program that meets the scholarship plan’s specific qualification criteria.</p>
	<p><i>Disclosure about other plans</i></p>	<p>One commenter suggested that the disclosure about the ability to transfer to other plans should be factual and make reference to specific plans offered by the plan provider.</p> <p>Another commenter suggested amending the last sentence to account for plan providers that do not have a family and/or individual plan.</p> <p>An investor advocate commenter suggested</p>	<p>We have amended the section to include wording that specifically directs investors to read the Detailed Plan Disclosure for details about other types of plans offered by the same plan provider and about suitability.</p> <p>We have made this change.</p> <p>We do not propose to make this</p>

		that this disclosure also include reference to other investment products that also attract RESP government incentives as many prospective investors may not even be aware of this.	change. The Plan Summary is a disclosure document about the specific plan not RESPs generally. Accordingly, we do not believe it is appropriate to mandate discussion about other investment products in the Plan Summary. Also, we note that sales representatives are currently only permitted and authorized to sell the specific plans of the issuer they are registered to sell.
Item 5 – The Plan’s Investment	<i>Investment restrictions</i>	Industry commenters told us that it is important that potential subscribers understand that the investments of a group plan are restricted by securities regulation, and the prescribed disclosure should reflect this.	We do not propose to make this change as we don’t consider this additional disclosure to be necessary or relevant in the Plan Summary.
	<i>Disclosure of investment risk</i>	<p>One commenter told us that the prescribed wording in this Item requires plans to disclose that there is “investment risk” without defining what this risk is (i.e. low, medium or high). The commenter suggested that we delete that sentence, as the reference that returns will vary from year to year will be accurate and will give a subscriber an accurate picture of what to expect.</p> <p>Another commenter suggested that the Plan Summary adopt the risk rating scale used in</p>	<p>The reference to “some risk” is intended only to highlight that an investment in a scholarship plan is not a risk free investment and that the returns on such investment are not guaranteed. Accordingly, we have not made the suggested change.</p> <p>We do not propose to make the suggested change. We do not</p>

		the Fund Facts for mutual funds, and that the wording about a plan carrying investment risk be amended to more closely resemble the wording in the Fund Facts document.	believe the risk scale used for mutual funds is appropriate for scholarship plans which all have essentially the same risk profile. Accordingly, the risk rating scale would have little comparative value amongst scholarship plans.
Item 6 – Contributions	<i>“You buy one or more units of the plan”</i>	One commenter told us that the first sentence is not accurate and should refer to investors “subscribing” for units – a subscriber does not “buy” units, but instead subscribes for units which are linked to the contribution schedule, as scholarship plans are not unitized like mutual funds.	The reference to “buy units” is plain language and we do not believe its use will cause confusion for investors.
	<i>“You may pay for them....”</i>	<p>One commenter told us that this sentence should be revised to make it clear that deposits or contributions to a plan are not payment for units, but are contributions to a savings plan. This commenter added that the references to “payments” or “amount you pay” in reference to deposits or contributions should be changed to reflect this.</p> <p>The commenter also suggested that it is important that subscribers understand the implications of the different contribution schedules and recommended that we amend the wording to direct subscribers to speak with their representative or to look at the contribution schedules in the prospectus.</p>	<p>Similar to the above, we propose no change. We consider the current wording to reflect the plain language meaning that is intended.</p> <p>We have revised the section to include disclosure that directs the investor to speak with his/her representative or to look at the contribution schedule in the Detailed Plan Disclosure for more information.</p>

<p>Item 7 – Payments</p>	<p><i>Confusing title</i></p>	<p>One commenter suggested we change the title of this Item since it is not clear what “payments” are being referred to. The commenter also recommended the prescribed heading be changed to “What can I expect to receive?”</p> <p>This commenter told us that the instructions should clarify that plans that pay EAPs at different times than in the prescribed wording be permitted to modify that wording as appropriate.</p>	<p>We have made the change suggested by the commenter.</p> <p>We agree and have amended this and other appropriate sections of the Plan Summary and the Detailed Plan Disclosure to allow for greater flexibility in describing when EAPs are paid. We also note that the General Instructions permit some modification of the prescribed wording where necessary to make the wording accurate.</p>
	<p><i>Cross-reference to prospectus disclosure</i></p>	<p>One commenter suggested we include a cross-reference to the section of the prospectus where it is possible to find out about fees, in respect of the statement regarding investors getting back their contributions “less fees”.</p>	<p>We note that the Plan Summary currently contains a description of the key fees and expenses applicable to the plan and to investors. We also note that there is a cross reference to the Detailed Plan Disclosure for any other fees not referenced in the Plan Summary.</p>
	<p><i>Disclosure of how to collect maximum EAPs</i></p>	<p>One commenter suggested that we include disclosure clearly stating that beneficiaries</p>	<p>We have amended the prescribed wording to make it</p>

		will not collect maximum EAPs if they do not enrol in a program of sufficient length, and that this disclosure should also indicate what the necessary program duration for collecting maximum EAPs is.	clear that the beneficiary of a group plan must qualify each year for each EAP received under the plan.
	<i>Taxation of EAPs</i>	Two commenters suggested that we delete the last sentence in this Item, so that the statement only refers to EAPs being taxable in the hands of the child.	We agree with the commenter and have made the suggested change.
Item 8 – Risks			
8(1) – What are the risks?	<i>Disclosure of risk of insolvency and Lack of Contingency Fund</i>	One commenter told us that the risk disclosure in the plan summary should make clear that there is a risk of insolvency of the dealer or the group scholarship plan trust, and that there is no industry-sponsored contingency fund in the event of insolvency.	We note that the risk of insolvency is not a risk that is referenced in prospectus disclosure for other investment products and accordingly, we do not plan to require this for scholarship plans. However, we note that Item 11 <i>Are there any guarantees?</i> does require disclosure stating that investments in a plan are not protected by government or industry insurance such as the CDIC for bank accounts. Accordingly, we have not made the suggested change.
	<i>Include disclosure of risk of unusual events</i>	One commenter suggested that the risk disclosure in this Item also refer to risk of loss from unusual events, such as a child falling ill and missing a significant portion of the school	The Plan Summary is intended to be a summary document and accordingly cannot discuss all risks associated with a

		year, or the risk that the plan may not generate sufficient returns after fees are deducted, especially for fixed income securities in a low interest rate environment.	scholarship plan investment. The focus of the risk disclosure is on those risks that we believe are most important for helping an investor make a decision to invest or not invest in a scholarship plan. Accordingly, no change made.
	<i>Disclosure of risk of fee increase</i>	One commenter suggested there should be disclosure of the risk of certain fees increasing over the life of the investment since there is no guarantee that a plan will not increase fees over time, thereby reducing the investor's investment return.	We do not consider this to be a material risk of investing in a plan for the purposes of the Plan Summary disclosure. We note, however, that we have amended Item 14.3 <i>Fees Payable by the Scholarship Plan</i> in Part C to require disclosure of whether any of the fees listed in the table may be increased without approval by investors. We consider disclosure of this type to be more appropriate since scholarship plans are not subject to the mandatory voting requirements set out in Part 5 of Regulation 81-102 which attach to fee changes.
	<i>Cross reference to prospectus disclosure</i>	One commenter suggested adding cross references to the specific disclosure about fees and restrictions in connection with the different risks described in this Item.	We do not propose to make this change given that the Plan Summary is a summary document and is part of the full

			prospectus along with the Detailed Plan Disclosure enclosing more specific disclosure about fees and restrictions. General Instruction (16) specifies the nature of information that may be found in each part of the Form and Item 2 of the Plan Summary specifically encourages investors to read the Plan Summary and the Detailed Plan Prospectus for further information on the plan.
	<i>Disclosure of risk of forfeiting your investment</i>	One commenter told us that it was inaccurate to state that you could lose some or all of your investment, since that would only occur if a plan is cancelled within the first months of opening the plan. This commenter suggested modifying the prescribed wording to reflect this.	We believe the current wording is plain language and requires no further clarification.
	<i>1. You leave the plan before the maturity date</i>	One commenter felt the use of the word “leave” was too benign and that the wording should instead refer to “cancelling the plan”. Two commenters also felt that the first two sentences under this part are not appropriate for a disclosure document, as its members are not comfortable asserting these statements as	We have not made this change as we consider the current reference to reflect the plain language meaning of what was intended. The statements presented are factual and the example is sufficiently generic. We are comfortable that the statements

		<p>fact in a prospectus document.</p> <p>One of the commenters also expressed concern with the reference to the plan being “cancelled” by the plan provider, as it makes it appear as though plan providers have the right to simply cancel a plan at any time. This commenter noted that providers can only terminate a plan for non-compliance under specific conditions. The commenter asked that these words be deleted.</p>	<p>are not inaccurate and have not made this change.</p> <p>The reference was intended to simply reflect that plans can be terminated by the investor or by the plan provider and that the same outcome arises in either case. That said, we have amended the wording to be more neutral and to simply refer to the plan being “cancelled” instead of stating by whom it may be cancelled.</p>
	<p>2. <i>You miss contributions</i></p>	<p>Three commenters told us that the statement “this could be costly” should be deleted as there is no empirical evidence to support it and it is inflammatory.</p> <p>Two of the commenters suggested that the wording in this part simply reflect that its members offer different options for making up missed contributions.</p> <p>The other commenter told us that the Plan Summary should not be promoting other products, so the reference to transferring to other RESPs should be removed and replaced by a reference to the option of transferring to</p>	<p>We do not agree that this statement is inflammatory and do not propose to make this change.</p> <p>The wording presented is intended to highlight that there are consequences for missing payments. We consider the current wording to appropriately highlight this fact and do not propose to make this change.</p> <p>We have modified the wording to clarify that “transferring” to another RESP means that one can transfer to another RESP offered by the <i>same</i> plan</p>

		other plans offered by the provider, where applicable.	provider or to an RESP offered by a different plan provider.
	<i>4. Your child doesn't go to a qualifying school or program</i>	Two commenters were not clear about the reference in this part to transferring to another RESP. These commenters noted that its members are not in the business of promoting competing products and suggested the wording be changed to refer only to options available through that plan provider.	We refer the commenter to the changes made as discussed above.
	<i>5. Your child doesn't complete their program.</i>	<p>Two commenters asked us to remove the reference to losing some or all of an EAP if a beneficiary takes time off from studies, since its members all offer options to accommodate time off from studies. These commenters felt the prescribed statement is inaccurate.</p> <p>These same commenters added that the statement that “deferrals at our discretion” may not be accurate for all plans and wanted to ensure the plans have the flexibility to correctly describe their programs.</p>	<p>We are satisfied that the wording is accurate and that the concerns raised by the commenters are mitigated by the reference to the possibility, not certainty, of deferral. Accordingly, we have not made this change.</p> <p>We do not propose to make this change but we have amended the section to require this disclosure only if applicable.</p> <p>We have also added wording to encourage an investor to speak with his/her representative to better understand their options to reduce their risk of loss.</p>
	<i>Encourage subscribers to speak with their</i>	One commenter also asked that we allow the plans to add a statement at the end of this Item	We have made this change and refer the commenter to our

	<i>representative</i>	encouraging subscribers to speak with their representative about the options available if they have trouble keeping up with their contributions.	response above.
8(2) – Plans that did not reach maturity	<i>Calculation methodology</i>	<p>Industry commenters appreciated that we sought input from the industry on how best to describe cancellation experiences for plans, and noted that the proposed disclosure is a considerable improvement. However, they suggested that the use of the term “maturity date” is not accurate here as it implies that the plans all mature on the same date – they suggested “maturity year” is a more accurate term in this instance.</p> <p>The commenters also recommended that plans transferred to another plan by the same sponsor be excluded from the calculations, since in that case the investor still has a plan in good standing with the provider and could still transfer back to the group plan before maturity.</p>	<p>We note the comment but maintain that the reference to “maturity date” is appropriate as it is the point at which an investor’s plan matures.</p> <p>We do not propose to make this change. The purpose of this subsection is to reflect the experience of investors in the group plan, specifically the proportion of investors who enrol in the group plan and stay until their plan matures. If the investor transfers to an individual or family plan with the same provider, they are still no longer part of the group plan and the calculation methodology reflects this.</p>
	<i>Retain drop-out rate disclosure</i>	Two commenters recommended that we reinstate the drop-out rate disclosure from the	We have renamed the sidebar to “Cancellation Rate” to better

		<p>2010 Proposal, as the proposed “plans that did not reach maturity” disclosure is more difficult for investors to comprehend.</p> <p>One of the commenters also suggested that the disclosure should be expressed as a ratio as well as a percentage.</p>	<p>reflect the substance of the required disclosure. We are confident that investors will understand percentages and the addition of ratios is not necessary.</p>
	<i>Retain “Lost EAP” disclosure</i>	<p>A commenter also suggested retaining the sidebar from the 2010 Proposal that indicated the percentage of beneficiaries who did not collect all of their EAPs, for plans that matured or closed. Although there is similar disclosure in the prospectus under Item 22 of Part C, the commenter believes that for it to be meaningful, it must be in the Plan Summary.</p>	<p>We have not added this disclosure to the Plan Summary as it is intended to be a summary document. The detailed information on this point in Part C would be too lengthy and complex for the Plan Summary.</p>
Item 9 – Costs			
General	<i>Location of Item</i>	<p>One commenter told us that disclosure of costs is vitally important to investors, given the impact of costs on the ability to accumulate savings. This commenter recommended that this disclosure be moved directly after the section titled “Who is this plan for” at Item 4, in order for it to be more prominently displayed in the Plan Summary.</p>	<p>We consider the location of this section (now Item 10) to be appropriate and have not made the suggested change.</p>
9(1) – How much does it cost?	<i>Opening statement</i>	<p>One commenter suggested we rephrase the first sentence to read more plainly and simply.</p>	<p>We view the current wording to be plain language and do not proposed to revise the wording.</p>
	<i>Disclosure of who fees are</i>	<p>One commenter told us the tables should</p>	<p>We agree with the commenter</p>

	<i>payable to</i>	specify who the fees are payable to as it would give a more accurate picture of why they are paying fees and to whom.	and have amended the table to include a column requiring disclosure on who the fees are payable to.
	<i>Disclosure of impact of fees on contributions</i>	One commenter recommended that the disclosure in the fees tables be presented in a way that is more meaningful to investors. This commenter suggested adding a sentence to state, in plain wording, an example of the dollar amount of fees that would be paid on contributions made in the first year, as this would better reflect the manner in which certain fees are collected, like the sales charge, which is primarily collected from early contributions.	In response to the comment, we have added new wording to this Item (now Item 10) to require disclosure of the number of months it will take an investor to pay off any applicable sales charge based on monthly contributions. This additional disclosure requirement also mandates disclosure of the percentage of contributions that will be invested in the plan during the same time. We expect this additional disclosure to give investors a clear picture of the impact of sales charges on contributions.
	<i>Disclosure of GST/HST</i>	One commenter recommended that the Plan Summary make it clear that GST/HST is an integral part of the cost of investing in a plan.	No change. The reference to GST/HST is currently referenced in Instruction 4 of Item 10 of the Plan Summary which concerns fees and expenses associated with the plan. We consider it unnecessary to require its repetition elsewhere in the Plan Summary.

	<i>“Fees the plan pays” table</i>	One commenter suggested the title of the table be renamed “Ongoing plan fees you pay” for this table as it better reflects the nature in which the fees listed are paid by the plan. The commenter added that the current title does not necessarily reflect that investors indirectly pay these fees through reduced earnings or returns on their investment.	The title used is consistent with the title used in the simplified prospectus for mutual funds. We view the use of a consistent title to be appropriate and plain language. Accordingly, we have not made this change.
	<i>Display fees as a percentage</i>	This commenter also suggested that all fees be displayed as a percentage, as well as in dollar amounts, so as to be comparable to the disclosure of management expense ratios (MERs) for mutual funds or other investment funds.	The Form requires fees to be disclosed in the manner in which they are assessed. However, we have added a requirement that group plans or other plans that calculate sales charges as a fixed dollar amount of the cost of a unit also express this charge as a percentage of the cost of a unit. This will allow for greater comparability between plans.
	<i>Disclosure of impact of plan cancellation</i>	One commenter told us it believes that a clear description of what investors will pay if they have to withdraw from the plan is required. This commenter recommending providing a table that shows the result of withdrawing at different stages, based on a \$1000 investment. For example, the table would show the impact of withdrawing: <ul style="list-style-type: none"> • Before 60 days • After 60 days, but at a still early stage 	We do not propose to add the proposed disclosure. The numerous variables that would factor into providing this disclosure in a meaningful way would cause such disclosure to be too lengthy and complex for a summary document such as the Plan Summary.

		<ul style="list-style-type: none"> • A later stage • Maturity <p>The table could show fees charges (including fees charges for transfers to another institution), loss of grants, investment income and any other changes that will affect the amount of contributions returned to the investor.</p>	
	<i>Use of the term “sales charge”</i>	<p>Industry commenters told us they prefer the term “enrolment fee” or “membership fee” over sales charge as this is the terminology they presently use, and they believe these terms are more accurate and understandable. They noted that the table will already make it clear that some of these fees are used to pay for sales commissions for the dealer representatives.</p>	<p>We have not made this change. We consider the current reference to “sales charge” to be clear, plain language and reflective of the nature of the fee.</p>
	<i>Explanation of sales charge</i>	<p>Industry commenters also told us that they believe the prescribed explanation of “sales charge” under “what the fee is for” is misleading because it fails to acknowledge the enrolment fee refund mechanism that its members have. The commenters recommend amending this part to state the fee is used to cover the costs of marketing and distributing the plan and pay a sales commission to the representatives, with the rest going to the dealer. The commenters also wanted this part to include a reference to the ability to have at least some of this amount refunded after maturity.</p>	<p>The purpose of the disclosure is to simply state the purpose of the fee. Whether the fee is eligible to be refunded is not consistent with the purpose of the table. We note that fee refunds can be discussed in the Detailed Plan Disclosure under Item 14.6 of Part C of the Form.</p> <p>In response to the comments, however, we have amended the Form requirements to provide greater flexibility in explaining</p>

			the purpose of each fee.
	<i>Use of the term “processing fee”</i>	<p>Some industry commenters suggested the reference to “processing fee” was not accurate as it implies a charge for processing a single transaction. These commenters felt that the term “account maintenance fee” more accurately describes that fee. We were also told that the description of this fee should explain that it is used to cover administrative expenses incurred with the ongoing administration of a subscriber’s plan.</p> <p>Another commenter asked us to specify what we mean by “processing fee”.</p>	<p>We agree with the comments provided and have made the suggested change to “Account Maintenance Fee”.</p> <p>We refer the commenter to our response above.</p>
	<i>Disclosure of optional insurance</i>	Industry commenters also told us that fees for optional insurance should be permitted to be included in this table. They believe that this is necessary for full, true and plain disclosure.	The disclosure in this Item is intended to reflect mandatory fees. Accordingly, insurance fee disclosure is only permitted where the insurance is mandatory. Accordingly, we have not made the suggested change.
Item 10 – Guarantees	<i>Reference to bank accounts and GICs</i>	<p>One commenter questioned why group plans should have to include references to “unlike bank accounts and GICs” in this part. The commenter believes this is extraneous and not relevant to the product and does not belong in a prospectus document.</p> <p>Two other commenters suggested this Item</p>	We have not made the suggested change. We consider inclusion of the reference to be appropriate as it highlights that investments in scholarship plans are not guaranteed. We note that mutual funds are similarly required to provide this

		inappropriately compares a security to a deposit by a deposit-taking institution, and does not believe that the Plan Summary should reference other products when it is specific to a particular plan. This commenter suggested we amend the wording to no longer refer to bank accounts or GICs.	disclosure in their simplified prospectus under Item 4(3) of Part A to Form 81-101F1. As such, we consider this disclosure to be appropriate for the Form.
	<i>Disclosure of risk of insolvency and lack of Contingency Fund</i>	One commenter told us that the disclosure in this part should also make reference to the lack of an industry contingency fund for scholarship plan dealers, unlike those for RESPs offered by banks or investment dealers.	As noted above, the disclosure is consistent with that required by mutual funds and we consider it appropriate for the Plan Summary. Considerations related to the absence of a contingency fund for scholarship plan dealers is beyond the scope of this project.
	<i>“We cannot tell you in advance if your child will qualify for payments”</i>	Two commenters suggested that this statement implies that there is an onus on the plan provider to ensure a child qualifies for EAPs. Another commenter asked that we modify this wording to reflect that EAPs will be made if a beneficiary meets the conditions of the plan, rather than a more general statement about “payments”. An investor advocate commenter suggested that we should be more clear in stating that it	We disagree with the commenters and have not made the suggested change. We consider the wording presented to be appropriate and plain language. We believe the wording is clear and do not proposed to make this change. We believe the wording is clear and do not proposed to make

		cannot be guaranteed that an investor will receive any payment from the plan, including the amount of EAP or contributions that will be returned.	this change.
	<i>Refund of net contributions</i>	One commenter told us the disclosure in this Item must include a reference to a subscriber getting their contributions back or it will be misleading. This commenter added that the amount of government incentives are known and will be paid, and the disclosure should account for this.	We disagree with the commenter. The disclosure refers to payments from plan contributions as simply a return of a subscriber's own money. As well, government grants are only paid if a beneficiary qualifies for an EAP, so we are confident that this wording is accurate and do not propose to make this change.
	<i>Purpose of the disclosure</i>	One commenter suggested that the purpose of the disclosure in this Item is to point out that the payments are not legally guaranteed and suggested alternate wording that they believe better conveys this point.	We agree with the commenter's view of the purpose of the disclosure but as noted above, we do not propose to amend this section.
Item 11 – For more information	<i>Specific reference to the prospectus</i>	One commenter suggested this Item include a specific reference to the more detailed prospectus in order to better link the two documents. One commenter suggested that this section be presented on the back cover of the plan	In response to the comment, wording has been added to encourage an investor to speak to his/her sales representative and to look further to the Detailed Plan Disclosure for more information about a plan. We do not propose to make this change. The Plan Summary will

		summary.	not have a cover page or a back page.
Comments on Part B - General Disclosure			
General comments	<i>Flow and organization of Part B</i>	Two commenters urged that we consider the flow of this part to ensure logical disclosure. They also suggested we re-examine the instructions for headings and sub-headings to determine if they are all necessary.	We have reviewed the Form and made changes to the headings, sub-headings and instructions where appropriate in response to this and other comments received.
	<i>Additional disclosure for Part B</i>	Industry commenters suggested we include the following disclosure items in Part B (or in Part C if the disclosure would be plan-specific): <ul style="list-style-type: none"> • Insurance coverage • How a subscriber can make additional contributions • <i>Income Tax Act</i> (Canada) (Tax Act) restrictions on the EAP amounts that can be paid • Enrolment fee refund mechanism • Ability to transfer between plans 	We note that most of these items mentioned are currently referenced elsewhere in the Form. We have amended Item 6.9(2) of Part B of the Form, however, to require disclosure of information on the Tax Act restrictions on EAPs as applicable. A new Instruction guides this disclosure. Similar disclosure must now also be provided under s. 19.3 <i>Amount of EAPs</i> of Part C.
Item 1 – Cover page disclosure	<i>Reference to the Plan Summary</i>	Two commenters believe it is necessary to include a statement on the cover page linking the plan summary to the rest of the prospectus and clarifying that a subscriber will receive both documents as required by	We agree and have amended General Instruction (16) of the Form and Item 4.1 of Part B of the Form to clarify that the Plan Summary is part of the

		law.	prospectus which is ultimately composed of two parts i.e. the Plan Summary, which is Part A of the Form, and the Detailed Plan Disclosure which is comprised of Parts B, C and D.
Item 2 – Inside cover page			
2.2 – No Social Insurance Number	<i>Description of social insurance number (SIN) requirement</i>	<p>Two commenters suggested we amend the title of the heading in this part to be less colloquial.</p> <p>We were also told that the prescribed disclosure should be amended to make it clear that the <u>subscriber</u> must have a SIN before entering into a scholarship plan agreement, since that is a requirement of the plans.</p> <p>Another commenter recommended that the subheading “No social insurance number = No grants, no tax benefits” be replaced by “Why is the social insurance number necessary?” as it takes a more positive tone.</p>	<p>We propose no change in response to this comment.</p> <p>We agree and have revised this section to specify that the subscriber’s social insurance number must be provided in order for the plan to be entered into. We’ve also added a new Instruction (2) to this Item to clarify our expectations around this disclosure.</p> <p>Other than changing the reference in the title to “government” grants, we propose no change to the subheading as we consider the current wording to be plain language and sufficiently clear to highlight the impact of having a scholarship plan without providing required social insurance numbers.</p>

	<i>Treatment of moneys in unregistered education savings accounts</i>	Two commenters recommended that the required disclosure in this Item about unregistered education savings plans, should also acknowledge that some plans treat moneys in these accounts the same as if it were an RESP, in that the contributions are invested and may earn income. These commenters expressed concern that the disclosure suggests that this money is simply placed in an account and fees are deducted. The commenters also want the disclosure in this part to recognize that income earned in these unregistered education savings accounts could have tax implications for the subscriber. They emphasized that the disclosure requirement should be flexible enough to allow the plan providers to accurately describe their plans.	<p>We consider the required disclosure on the treatment of moneys in unregistered education savings accounts to be accurate and have not made the suggested change.</p> <p>The purpose of the disclosure is to highlight the importance of having a beneficiary’s social insurance number, by stressing that unregistered plans still pay the same fees and expenses as registered plans, but without any of the tax and government grant benefits that come with being an RESP. We consider it appropriate to require disclosure on this point to better inform investors.</p>
	<i>Cancelling the plan</i>	One commenter felt the wording around cancelling the plans, particularly the reference to ending up “with much less than you put in” was unfair and not accurate.	We refer the commenter to our response above under <i>Terminology Used</i> and consider the current wording accurate and consistent with the risk to an investor of keeping monies in an unregistered savings account.
2.3 – Payments not guaranteed	<i>Title of heading</i>	One commenter told us that the title of this Item implies that plan investments are not	No change. The title accurately highlights the reality that EAP

		<p>guaranteed and that the investments are riskier than other products available to investors. This commenter noted that plan assets are available at maturity, but that EAPs are only available to those who qualify under the plan's terms. The commenter recommended that we amend the title to reflect that an investor must meet the plan's requirements to collect an EAP.</p>	<p>payments are not guaranteed for the variety of reasons specified in the prospectus.</p>
	<p><i>Item 2.3(2) – payments from group plans depend on several factors</i></p>	<p>One commenter told us the tone of the wording in this part is negative. This commenter pointed out that its participation rate is in excess of 90% and that over time, attrition is becoming less of an influence on the value of payments from the plan and suggested we amend the wording in this part to be more neutral.</p>	<p>We believe that the prescribed disclosure is accurate and applicable to all group plans despite variations in their attrition rates. We propose no change.</p>
	<p><i>Item 2.3(3) – discretionary payments are not guaranteed.</i></p>	<p>One commenter suggested that further explanation for discretionary payments is necessary since at this point in the prospectus there won't have been a description of discretionary payments.</p>	<p>We agree and have revised section 2.3(1) of Part B to permit references to discretionary payments, along with EAPs.</p>
	<p><i>Item 2.3(4) – Understand the risks</i></p>	<p>One commenter questioned why the wording in this part suggests than an investor refer to the risk disclosure in the Plan Summary, rather than the more detailed risk disclosure in the prospectus. The commenter also expressed concern with the disclosure suggesting an investor could lose some or all of their money.</p>	<p>We agree with the first comment and have removed the reference to the Plan Summary.</p> <p>However, we consider the latter reference to the possibility of loss of some or all money in the circumstances described to be</p>

		<p>Another commenter was unclear why this Item requires a plan to reiterate the risks, in contrast to the Fund Facts for mutual funds, which prompts investors to read the prospectus. This commenter suggested we amend the wording to be less focused on risks.</p>	<p>accurate. For greater clarity, we amended the reference to highlight that an investor “could” lose some or all of their money in circumstances, instead being “likely” to do so.</p> <p>We do not agree that this section requires a plan to reiterate risk. It is intended to encourage an investor to become aware of the risks of investing in a plan by reading the risk disclosure provided elsewhere in the prospectus. We consider the prescribed disclosure to be appropriate and have made no change.</p>
<p>2.4 – Withdrawal and Cancellation Rights</p>	<p><i>Terminology and language used</i></p>	<p>Two commenters suggested rephrasing the wording in the second paragraph to make use of terminology that its members use. For example “grants” would be replaced with “government incentives”, “sales charges” would be replaced with “enrolment fees”.</p> <p>One of these commenters also suggested</p>	<p>Similar to our comments above under <i>Other mandatory terminology</i> concerning the Plan Summary, for greater clarity, we have changed the references to grants to “government grants” in this section and elsewhere in the prospectus. We have, however, maintained the requirement to use the generic, plain language term “sales charge”.</p> <p>We do not propose to make this</p>

		removing the word “much” in reference to the last sentence, since it considers that word unnecessarily inflammatory.	change as we consider the current wording to be accurate as presented. We have, however, added the word “could” to denote that the substantial loss of contributions is a possibility, not a certainty.
Item 4 – Introduction and Glossary			
4.1 – Introduction and Documents incorporated by reference	<i>Additional disclosure</i>	One commenter noted that this Item does not include the additional information that the scholarship plans prospectuses are now required to provide in connection with exemptive relief granted to certain plans to incorporate certain documents by reference into the prospectus. This commenter added that we should also add wording to this part that deals more clearly with the status of the Plan Summary.	New subsection 4.1(3) has been added to require a description of each of the documents incorporated by reference into the prospectus and to explain their importance. We have also added wording to subsection 4.1(1) that clarifies that the prospectus is comprised of the Plan Summary and the Detailed Plan Disclosure.
4.2 – Terms used in the Prospectus	<i>Too prescriptive</i>	Industry commenters told us that the Form is too prescriptive in mandating that all scholarship plan organizations use exactly the same terms and define them the same way. This commenter is concerned that this will impede plans from having the flexibility to change its terminology as circumstances or government regulation changes.	We view the need for consistency in terms of use to be paramount across all plan prospectuses. Should government regulation change applicable terminology, the use of certain terms can be revisited. We have reviewed the Glossary and made changes

			<p>to definitions where appropriate to make them more accurate.</p> <p>We note that new Instruction (3) has been added to clarify that only terms in the Glossary that are applicable to at least one of the plans in the prospectus can be included.</p>
	<p><i>Some terms inaccurate</i></p>	<p>They also told us that they believe some terms may be inaccurate, not permitted by the CRA, or have definitions that include extraneous, unnecessary or inaccurate information. These commenters cited number of examples:</p> <ul style="list-style-type: none"> • The definition of “Contributions” does not accurately reflect the definition of that term in the Tax Act. This commenter also noted that the definition includes the concept that fees are deducted from contributions and felt this would be confusing to investors. This commenter instead suggested introducing the term “principal” to refer to contributions less fees; • The definition of “accumulated income payments” does not accurately reflect the definition in the Tax Act; • The definition of “educational assistance payments” in the Form is not correct in respect of their plan. The only funds in 	<p>As noted above, we have reviewed the Glossary and made changes to definitions where appropriate to make them more accurate. Upon further review, we are satisfied with how the terms therein are defined. We note that the terms are to be defined in plain language to facilitate ease of understanding. As such, they may not necessarily use the same wording in the Tax Act even if they have essentially the same meaning.</p>

		<p>the EAP account for its plan are the income earned on contributions. This plan defines EAP as comprising income earned on principal, income from attrition, and payment of a group plan bonus from its general fund. The commenter asked that the definition of EAP be broadened to include any non-discretionary payments to accommodate its product design;</p> <ul style="list-style-type: none"> • The definition of “eligible studies” should reference both the terms of the plan and the Tax Act requirements; • A commenter noted that the term “Grant contribution room” is not used in the Form; • We were told it was more correct to say “you purchase units when you open a plan” rather than being assigned units; • We were also informed that the reference to the year of eligibility being after the maturity date is not correct in other types of plans – it is simply the year a beneficiary begins post-secondary studies. This commenter noted for example that its individual and family plans do not have maturity dates. The commenter asked that we allow the flexibility to properly describe the term in the context of their product. 	
	<p><i>Instructions – glossary limited to the terms</i></p>	<p>Two commenters expressed concerns with the instructions that prohibit the addition of</p>	<p>The Glossary is intended to promote consistency and to</p>

	<i>provided</i>	<p>new terms to the glossary, since the prospectus is a liability document. The commenters believe that flexibility is necessary to avoid the prospectus becoming unwieldy with numerous cross-references or lengthy explanations of terminology.</p> <p>Another commenter recommended that we allow for the inclusion of plan-specific definitions in the Glossary to provide investors with a clear understanding of terminology used and to eliminate unnecessary descriptions.</p>	enable investors to make comparisons across plans offered by different plan providers. We do not consider it appropriate for terms to be added to the Glossary and we do not believe that limiting the use of defined terms will be problematic for investors.
Item 5 – Overview of scholarship plans			
5.2. – Description of Scholarship Plans	<i>Disclosure of sales charge refunds</i>	Two commenters told us that the prescribed wording should allow for group plans to include disclosure around enrolment fee refunds, as it is material information about the plan.	We have not made this change. The disclosure in this Item is intended to provide general information about the scholarship plan. Plan-specific disclosure on fee refunds is permitted under Item 14.6 of Part C of the Form.
	<i>Disclosure of key product benefits</i>	Another commenter told us the Form does not include disclosure of key product benefits, and therefore does not provide an investor the opportunity to weigh the risks against plan benefits. This commenter suggested a new heading be added where key product benefits can be disclosed, such as:	We have not made the suggested change. We note that all of the referenced disclosure of benefits mentioned is already provided in the Form. We do not see the need for a separate section reiterating this

		<ul style="list-style-type: none"> • potential for enrolment fee refunds; • ability to change beneficiaries within a family; • ability to transfer to other plans and back to the group plan; • potential to receive enhanced payments, such as attrition, in addition to investment yield, as well as non-discretionary group plan bonuses and discretionary donations by the Foundation; and • access to government incentives. 	disclosure.
	<i>Disclosure of ability to transfer plans</i>	This commenter also suggested adding a new heading in this Item in which there will be disclosure about the option to move out of a group plan to its individual or family plan if a subscriber determines it is no longer suitable.	We have not made this change. Disclosure concerning the ability to transfer between plans is currently provided in Item 16.1 of Part C. As noted above under <i>You miss contributions</i> , we have also amended the Plan Summary to clarify that investors have the option to transfer between plans offered by the same issuer where appropriate or to another RESP provider altogether.
Item 6 – General Information about Scholarship Plan Life Cycle			
General	<i>Support for disclosure of scholarship plan</i>	One commenter supports the introduction of a requirement to provide a description of the	We thank the commenter for their support and believe that

	<i>investment lifecycle</i>	key stages in the lifecycle of a scholarship plan investment.	this requirement will enhance product disclosure of the plans.
6.7 – Fees and Expenses	<i>Disclosure that fees reduce returns</i>	One commenter suggested we require disclosure in this part stating that fees and expenses reduce the plan’s returns, thereby reducing the investor’s returns.	We agree with the commenter and have amended this Item to include wording suggested by the commenter.
6.8 – Eligible Studies	<i>Removal of table listing all eligible studies</i>	Two investor advocate commenters disagreed with our decision to remove the requirement to provide a table detailing all of the eligible studies under the plans, which had been part of the 2010 Proposal. They added that this information is important to any investor contemplating a scholarship plan investment and should be included, so that it is known beforehand rather than being discovered at plan maturity.	<p>We propose no change. Item 6 of Part C currently mandates summary disclosure of eligible post-secondary programs that qualify for EAPs under a plan. We expect this disclosure to be fulsome and informative to investors. We do not believe it would be beneficial to investors to require in the prospectus a detailed list of programs and institutions that qualify for EAPs. Such a list could change over time and could be quite lengthy.</p> <p>As noted below, we have amended Item 6.1 of Part C to require plan providers to provide investors, on demand, with a list of eligible programs and to post this list on their websites.</p> <p>Should investors seek additional</p>

			<p>information on the list of eligible studies under a plan, we would expect the dealer or the plan provider to make this information available to investors on demand.</p> <p>To provide greater clarity, however, we have added wording to Item 6.8 of Part B to highlight where applicable, that the programs eligible for an EAP are different for each plan offered under the prospectus.</p>
6.9 – Payments from the Scholarship Plan	<i>Disclosure of benefits</i>	One commenter suggested we allow group plans to disclose the benefits of investing in a group plan - specifically income from attrition as well as discretionary payments in this part.	The disclosure required by this Item is intended to be general. We refer the commenter to our responses above which speak to disclosure on the benefits of investing in a group plan. We propose no change in response to the comment.
	<i>Item 6.9(2) – Educational Assistance Payments</i>	One commenter told us the prescribed language in this part is inaccurate for its plans, as the amount of EAP is based on the number of units held in the plan. Also, the commenter noted that the prescribed language excludes other components this commenter considers part of its EAPs, and also fails to mention the potential for a discretionary top-up payment offered under	The required disclosure is intended to be a general statement about how EAPs are calculated and includes all factors that contribute to an EAP (as defined in the Glossary). We are satisfied that the description is accurate. Specifics around discretionary

		its plans and the potential for an enrolment fee refund. The commenter suggested amended wording that would include language around these additional amounts.	payments and other features of the plan are permitted to be disclosed in other parts of the prospectus. We propose no change.
Item 8 – Scholarship Plans with Same Investment Strategies			
8.1 – Investment Strategies	<i>Item 8.1(4) – temporary departure from investment objectives in adverse market conditions</i>	One industry commenter asked for clarification on what this means.	This disclosure is currently a requirement in Item 6.1(4) of Form 41-101F2 which is the form scholarship plans currently use. Accordingly, we do not believe that further clarification is necessary.
Item 9 – Scholarship Plans with Same Investment Restrictions			
9.1 – Investment Restrictions	<i>Item 9.1(2) - investment restrictions beyond those required under applicable legislation</i>	One commenter considered the disclosure requirement to be odd in the context of group RESPs, particularly because of the reference in paragraph (2) to disclosure of any restrictions beyond what is required under securities regulation. This commenter also believes a fundamental point is missing, i.e. that investments are greatly restricted by securities regulation, and that this is not well understood by investors.	The requirement in Item 9.1(2) of Part B of the Form currently exists in Item 8.1 of Form 41-101F2 which is the current form used by scholarship plans. Accordingly, we do not believe that there should be any confusion about this requirement. We propose no change.
Item 10 – Risks of			

Investing in a Scholarship Plan			
10.1 – Risks of Investing in a Scholarship Plan	<i>Item 10.1(2) – investment risks</i>	One commenter asked that we remove the reference to “bank accounts and GICs” from the prescribed wording in this part, as they believe it is not appropriate to require scholarship plans to reference other products in their prospectus.	We have not made this change. We refer the commenter to our response above concerning the Plan Summary under <i>Reference to bank accounts and GICs</i> re: Item 10 – Guarantees.
Item 12 – Organization and Management Details of the Scholarship Plan			
12.1 – Organization and Management Details	<i>Item 12.1(2)(h) – description of the oversight of the fund manager by the independent review committee(IRC)</i>	One commenter suggested this disclosure item is inaccurate as it relates to the role of the IRC under <i>Regulation 81-107 respecting Independent Review Committee for Investment Funds</i> (Regulation 81-107). This commenter suggested that this Item only refer to the oversight of the IRC of conflicts of interest. The commenter added that the IRC does not have a municipal address, so this requirement should be removed.	We propose no change. The role of the Independent Review Committee is governed by Regulation 81-107 and is to oversee the manager’s handling of conflict of interest matters. This requirement in the Form is simply to mandate disclosure about the IRC’s role. We note, however, that we have amended Item 12.1(3) of Part B of the Form to indicate that a municipal address should only be provided as applicable for the entities listed in Item 12.1(2).
Item 13 – Statement of Rights			
13.1 – Statement of Rights	<i>Prescribed statement</i>	One commenter suggested the first paragraph	We have amended the wording

		in the statement reads awkwardly and suggested we amend it. The commenter also suggested we add disclosure clarifying that subscribers get all their money back, including any fees paid, and that government incentives will be repaid to the government.	in this Item to provide greater clarity.
<i>Comments on Part C – Plan-Specific Information</i>			
General comments	<i>Order of Items</i>	Industry commenters suggested we re-order items in Part C to, in their view, be more consistent with the life cycle of a plan. In particular, under this commenter’s suggestion, the items which discuss making contributions to a plan, making changes, transfers, and receiving payments from a plan would occur sooner in Part C.	We are satisfied with the order of the Items in Part C and do not propose to reorder them.
Item 3 – Plan Description			
3.1 – Plan Description	<i>Item 3.1(c) Nature of the securities offered by the prospectus</i>	Industry commenters were unclear as to what is to be disclosed as the “legal nature of the securities”.	We have removed this requirement.
Item 5 – Beneficiary Group			
5.1 Beneficiary Group	<i>Usefulness of Beneficiary group table</i>	Two commenters told us that there is no need for the “beneficiary group” table being proposed in Item 5.1(3) of Part C as they believe this can be easily determined without reference to a table and will just add unnecessary length to the prospectus. One of the commenters believes the table	We disagree with the commenters. We believe the beneficiary group table will assist investors in determining how the specifics of the group plan apply to their individual beneficiaries. We propose no change. We believe that the disclosure

		<p>will be confusing for subscribers given that a beneficiary is assigned to a particular group based on the subscriber's selected contribution schedule and other details determined at the time of enrolment. This commenter also believes the table will be confusing because it does not appear to be linked to anything else in the prospectus, so a subscriber will not understand what they are supposed to do with this information. Finally, the commenter noted that beneficiary groups can be changed, so if the table is retained, this should be noted in this Item.</p> <p>Another commenter suggested that most of the disclosure in this Item will be irrelevant to a potential investor as it suggests that investors can choose their beneficiary group, which is not correct – beneficiary groups are assigned based on age, and the table itself will be out of date by the lapse date of the prospectus. This commenter suggested the disclosure in this Item should focus on how maturity dates and year of eligibility is determined.</p>	<p>required by Items 5.1(2) and 5.1(3) provide appropriate context on how the table is to be read and presented. No change.</p> <p>For the reasons mentioned above, we disagree with the commenter and do not propose to make the suggested change.</p>
Item 6 – Eligible Studies			
6.3 – Description of Ineligible Studies	6.3(1) – <i>what's not eligible</i>	<p>One commenter told us they supported the requirement to include disclosure concerning plans that have more restrictions on eligible studies than the government rules on RESPs. However, this commenter</p>	<p>We do not consider a detailed list of ineligible schools and programs to be necessary. Item 6.2 of Part C of the Form requires more specific disclosure</p>

		<p>believes the disclosure should be more specific and should include a detailed list of school and programs that are ineligible, and this criteria should also be included in the Plan Summary.</p>	<p>regarding the types of programs eligible for EAPs.</p> <p>We have, however, amended Item 6.3 to require clear and specific disclosure of differences between the types of programs eligible for payment of an EAP under the Tax Act versus those recognized as eligible under the plan.</p> <p>Item 6.1 of Part C also now requires plan providers to post a list of qualifying institutions and programs to their websites. The amended Instructions to Item 6 of Part C specify that the list must be available on a publicly available website and must be in a format that facilitates comprehension by the investor.</p>
	<p><i>Item 6.3(3) – prescribed statement</i></p>	<p>Industry commenters told us that they think the first sentence in this statement should be deleted since a subscriber will not know the type of programs their beneficiary will be interested in at the time of enrolment.</p>	<p>With reference to our response immediately above, we do not propose the change suggested by the commenter. We would expect the information to be provided on eligible programs to assist an investor in determining which program their beneficiary should enrol in at the appropriate time.</p>

		One of the commenters also suggested that the disclosure in this statement be restricted to discussing whether the plan permits more or fewer eligible programs than the Tax Act or other plans offered by the provider.	We have modified the prescribed disclosure now required by Item 6.3(4) to require specific disclosure on eligible programs when the plan does not recognize the same post-secondary programs that would qualify for an EAP under the Tax Act.
Item 10 Plan-Specific Risks			
10.1 – Plan Risks	<i>Negative Tone</i>	One commenter felt the mandatory disclosure was unduly negative and should be re-worded. The commenter particularly felt that the reference to a subscriber losing “some or all of their EAPs” was not accurate.	We are satisfied that the prescribed wording is accurate and not unduly negative as it highlights only the possibility of the investors loss of some or all of their EAPs. No change.
	<i>Disclosure of the risk of unusual events</i>	One commenter suggested that the risk disclosure in this Item also refer to risk of loss from unusual events, such as a child falling ill and missing a significant portion of the school year, or the risk that the plan may not generate sufficient returns after fees are deducted, especially for fixed income securities in a low interest rate environment.	We refer the commenter to our response under <i>Include disclosure of risk of unusual events</i> in respect of Item 8(1) of the Plan Summary. No change.
	<i>Disclosure of the risk of fee increase</i>	One commenter suggested there should be disclosure of the risk of certain fees increasing over the life of the investment since there is no guarantee that a plan will	We have added disclosure to the fees tables in Item 14 <i>Fees and Expenses</i> in Part C to require plans to state whether the fees

		not increase fees over time, thereby reducing the investor’s investment return.	can be increased without investor approval. We consider disclosure of this type to be more appropriate since scholarship plans are not subject to the mandatory voting requirements set out in Part 5 of Regulation 81-102 which attach to fee changes.
Item 11 – Annual Returns			
11.1 Annual Returns	<i>Disclosure of 1,3,5,10 year returns</i>	Industry commenters told us that they believe that disclosure of returns from the past 1,3,5 and 10 year periods, would be more useful to subscribers, than the period proposed in the form, given the long term nature of the plans.	The annual return disclosure required by this section is consistent with the current Form requirements in Form 41-101F2. We propose no change.
Item 12 – Contributions			
12.1 – Making Contributions	<i>Reference to “buying units”</i>	One commenter told us that it is not correct to say that subscribers “buy” units. In the commenter’s view, a subscriber does not “buy” units. This commenter said the disclosure should reflect instead that subscribers “subscribe” for units which are linked to the contribution schedule.	We propose no change. We consider that the current wording reflects the intended plain language meaning.
	<i>Contribution tables</i>	One commenter told us they believe it would be more valuable to know whether or not the contribution schedule was certified by an actuary, than to simply disclose who prepared the table. This commenter	We do not propose to make this change. Since there are no regulatory standards for actuarial certification of a scholarship plan, we are concerned that

		suggested we also require both.	adding the suggested disclosure could be misleading to investors. Such an initiative is currently beyond the scope of this project but may be considered for future amendments to the Form.
12.2 – Missing Contributions	<i>Instructions</i>	<p>Industry commenters did not understand Instruction (2) that required disclosure of the interest rate used for calculating make up contributions. We were told that it would be challenging to predetermine an interest rate for this calculation, and that it is not clear why this information is being requested.</p> <p>One of the commenters suggested that we either remove the requirement or allow a statement clarifying that the interest rate charge cannot be predicted in advance and that investors should contact their plan provider to find out the amount owed.</p>	<p>We have amended Instruction (2) to this section to clarify our expectation that the “current rate” of interest be disclosed. We would expect plan providers to have this information as a matter of course.</p> <p>We propose no change.</p>
Item 13 – Withdrawing Contributions			
13.1 – Withdrawing Contributions	<i>Item 13.1(3) – disclosure of losses for withdrawal</i>	Two commenters asked for clarification that the disclosure of “losses” to a subscriber for withdrawing contributions can be general, since any specific amounts of fees or losses would be particular to each subscriber.	In response to the comment, we have amended this Item to clarify that only a general description of the losses is required.
Item 14 – Fees and Expenses			

<p>14.2 – Fees payable by Subscriber from Contributions</p>	<p><i>Item 14.2(2) – prescribed disclosure</i></p>	<p>One commenter told us that the prescribed wording in paragraph (2) should permit the plans to use their own terminology, such as “enrolment fee” or “membership fee” instead of “sales charge”. This commenter also suggested we allow for a reference to the possibility of a sales charge refund, with a cross-reference to more detailed disclosure at Item 14.6.</p> <p>Another commenter told us that they are unable to provide the exact amount of the commission paid to the representatives as they may vary from one representative to another. However, they could provide an average amount of commission paid.</p>	<p>We refer the commenter to our responses above on the same point under, for example, <i>Use of the term “sales charge”, or Other Mandatory Terminology.</i></p> <p>The disclosure requirement here is intended to apply globally, not to individual representatives of the plan provider. No change required.</p>
	<p><i>Item 14.2(2) – use of text box</i></p>	<p>This commenter also expressed concern with whether the required disclosure will fit in a sidebar and asked that we clarify whether its members can instead disclose it in boxed text under the table.</p>	<p>We agree with the commenter and have amended the instructions to this Item to provide the option of using a textbox to meet the disclosure requirement.</p>
<p>14.3 – Fees payable by the scholarship plan</p>	<p><i>Disclosure of impact of ongoing expenses</i></p>	<p>Two commenters suggested we reinstate the summary of the impact of ongoing fees on a \$2500 annual investment in the plan, which was in the 2010 Proposal.</p>	<p>We have not made this change.</p> <p>The purpose of the table is to highlight up front costs of the plan and we consider it to meet this purpose as presented. A number of variables would impact the summary differently than for mutual funds, such that</p>

			the summary would have less value for a scholarship plan than it would for a mutual fund.
14.4 – Transaction Fees	<i>Disclosure of fees to transfer to another RESP</i>	One commenter told us that disclosure of fees must make it clear that there are fees and penalties for items such as account transfers.	No change. The tables in Item 14 are intended to disclose all fees that are applicable to a particular plan.
14.5 – Fees for Additional Services	<i>Optional insurance</i>	One commenter told us that it considers fees payable in respect of optional insurance to be material and therefore should be disclosed in the table required in this Item.	We note that the Instructions to this Item contemplate disclosure of insurance fees.
14.6 – Refund of Sales Charges	<i>Disclosure of treatment of enrolment fee refunds</i>	Two investor advocate commenters told us that the disclosure around refunding of sales charges by the plan should also state that these amounts do not earn interest, do not count as a contribution and do not form part of the investment, and that these amounts will be return in deflated dollars, due to inflation.	We agree with the commenters and have amended this Item accordingly to include disclosure of the suggested items.
Item 19 – Payments from the Scholarship Plan			
19.2 – Payments to Beneficiaries	<i>Item 19.2(2)(c) – percentage of maximum total amount of educational assistance payments (EAPs) payable at each payment date</i>	Two commenters questioned the plans’ ability to provide the disclosure required under this Item, as they each use different methodologies for calculating EAPs. These commenters are concerned that it may require disclosure of actuarial methodologies, which may be confusing to investors.	The requirement is to disclose how and when EAPs are paid. The requirement does not mandate disclosure of methodologies.

		<p>Another commenter told us that while they do not offer EAP options tailored to shorter programs, their plan would permit a beneficiary to enrol in, for example, four short programs that meet minimum Tax Act requirements. The wording in the instructions suggests that it would be required to state that beneficiaries enrolling in ineligible studies of a shorter duration would not qualify for maximum EAPs under the plan, which they consider to be inaccurate.</p>	<p>We are confident that the statement is accurate and propose no change.</p>
19.3 – Amount of EAPs	<i>Description of EAP components</i>	<p>One commenter told us that the requirements of this section to list the components of an EAP and how they are allocated will not be accurate for its plans because the proposed definition of EAP in the Form is not consistent with the definition it uses, and in particular, does not include different components it considers part of its EAP, such as a non-discretionary group bonus amount.</p>	<p>We expect the disclosure provided to be consistent with the definition of EAP provided in the Form, which reflects the amounts a beneficiary is entitled to under a plan. We propose no change.</p>
	<i>Disclosure of EAPs required under Item 19.3(3)</i>	<p>Two commenters told us that some plans do not presently calculate the information required under paragraphs (b), (c) and (d) of this part. They are concerned that the costs of making the necessary systems changes will far outweigh the utility to investors in having this information.</p>	<p>We would expect plan providers to have the information required by new Item 19.3(4). We have amended the section, however, to indicate that a description of the items specified in paragraphs (a) to (e) is required.</p>

<p>19.4 – Payments from the EAP Account.</p>	<p><i>Terminology</i></p>	<p>One commenter suggested it would be more plain language to use the term “EAP Payments” rather than to refer to payments from the EAP Account, as they believe it will not be clear what this term means, since it is not defined in the Glossary.</p>	<p>No change. EAP Account is a defined term in the Glossary and its contents are segregated from other funds i.e. principal or discretionary payments.</p>
	<p><i>Title of rows in the table</i></p>	<p>One commenter believes the bottom row in the table titled “Past breakdown of income in the EAP account” should be listed as “Total EAP Amount”, not “Total EAP Account”.</p>	<p>We have revised this reference to read “EAP account Total” for greater clarity.</p>
	<p><i>“Past breakdown of Income in the EAP Account” table</i></p>	<p>Industry commenters told us that some of them would not be able to provide the information required in the “Past breakdown of Income in the EAP account” table as they do not presently calculate this information, that they would have to incur significant costs to do so (actuary fees), and questioned the value of this information, given the cost.</p> <p>One commenter added that providing the disclosure in this table would also be difficult because the definition of EAP in the Form is different than the one they use and excludes elements such as non-discretionary group plan bonuses. These amounts are not allocated until the time of payments so they would not be able to provide a percentage amount of the total payment for this amount.</p>	<p>We would expect plan providers to have this information. We consider it appropriate for such information to be provided to investors to help them understand their investment.</p> <p>We propose no change. We expect plan providers to have the appropriate information required to complete the disclosure in this table.</p>

	<i>“Past payments from the EAP Account” table</i>	<p>Industry commenters suggested that some of them cannot provide the information required in this table because they do not calculate this information presently and do not manage their plans in the way these table suggest.</p> <p>Another commenter added that its systems currently generate only the sum of discretionary and non-discretionary amounts – these payments are not calculated separately at present either on a per unit basis or by beneficiary group. This commenter does note however, that the information is available in aggregate by year of payment, which is what is currently provided.</p>	In response to these commenters, we propose no change. Similar to the above, it is unclear to us why plan providers would not have this information available to disclose.
Item 21 – Discretionary Payments to Beneficiaries			
21.2 – Historical Amount of Discretionary Payments	<i>Disclosure of payments by beneficiary group</i>	One commenter told us that it will not be able to provide the information in this table because discretionary payments made to the group plan are not tracked by beneficiary group.	We refer the commenter to our responses above.
Item 22 - Attrition			
22.2 – Pre-Maturity Attrition	<i>22.2(1) pre-maturity attrition</i>	One industry commenter told us the prescribed language with respect to the funds received on cancellation is inaccurate and proposed that we amend the wording to state that if a plan is cancelled, investors	We have amended this Item to allow plan providers to add wording to indicate, if applicable, that an investor in a group plan may also get back his/her

		will get back their contributions, less fees, plus earnings on their government incentives, but not earnings on their contributions.	government incentives as an accumulated income payment.
	<i>Ability to provide information in the required tables</i>	<p>Industry commenters told us that some of them would not be able to provide the information required in the “Income from cancelled units” table as they do not presently calculate this information, that they would have to incur significant costs to do so. This commenter requested that they reconsider the utility of these tables.</p> <p>One commenter told us that they would be unable to provide us with attrition calculations based on how their group plans are structured. They would have to incur significant costs to do so.</p> <p>One of the commenters added that it wasn’t clear to them why this information would be relevant to an investor since the percentage amounts will vary each year.</p>	No change. We believe this is useful information for investors to have. We would expect plan providers to have this information in the normal course and to be able to provide it in table format.
22.3 – Post-Maturity Attrition	<i>Disclosure for the tables</i>	One industry commenter told us that for its plans, the information required in the tables would be incomplete, because beneficiaries have until the expiry of the currently defined beneficiary period to collect their EAPs. The commenter asked for clarification that the use of the expression “matured and closed” means that there is no	We have amended Instruction (1) of this Item to clarify that the intended meaning refers to no further opportunity to collect EAPs.

		<p>further opportunity to collect EAPs, and added that for this information to be a useful indicator of attrition, they believe it is necessary to wait until the defined benefit period has expired for each beneficiary group and had asked for instructions to clarify this.</p>	
<p>Items 19-22 Collectively</p>	<p><i>Information required for prescribed tables</i></p>	<p>One commenter suggested we re-examine all of the tables required under Items 19-22 of Part C, as much of the information is detailed and complex and for some of its members will be difficult and costly to calculate. This commenter suggested we consider whether some of this information can be provided in a more simplified format to make it easier for investors to understand. This commenter also suggested we consider whether some of these contemplated tables might be better suited for the management report of fund performance (MRFP).</p> <p>Another commenter told us that major amendments would need to be brought to their structure to provide the required data for each table. Further, we were told that the required information is too complex and incomprehensible for subscribers.</p>	<p>We are confident that plan providers can provide the necessary information for the tables required by Items 19 – 22, and believe the tables belong in the prospectus. We recognize that some of the disclosure is detailed but believe that investors will see the value in the disclosure.</p> <p>We recognize that the Form may impose additional requirements on plan providers to provide specific disclosure. We consider such disclosure to be in the interests of investors and compliant with the obligation to provide full, true and plain disclosure of all material facts in the prospectus.</p>

<i>Comments on Part D – Information about the Organization</i>			
General comments	<i>Transition from Part C</i>	One commenter asked how the different Part C’s will be transitioned to Part D, as the form contains no instructions in that regard.	We believe that appropriate guidance on this point is provided in the General Instructions to the Form and that additional clarification is not necessary.
Item 1 – Legal structure of the Scholarship Plan			
1.1 – Legal structure	<i>1.1(2) – reference to shareholders</i>	An industry commenter didn’t understand the reference to “shareholders”, as the scholarship plans themselves, do not have directors, officers or shareholders, since they are structured as trusts.	We agree and have removed the reference to shareholders in this Item.
Item 2 – Organization and management details			
2.1 – Investment fund manager	<i>Item 2.1(2) – disclosure of unique overall investment strategy or approach used by the investment fund manager</i>	<p>One commenter questioned the utility of this disclosure requirement and suggested its members would have little to disclose here.</p> <p>Another commenter would like to have more information as to the meaning of “unique overall investment strategy or approach”. The commenter wants to know what information we expect to see there.</p>	We agree with the commenter and have removed this requirement.

<p>2.3 – The Foundation</p>	<p><i>Disclosure of other committees that play a role in operations</i></p>	<p>One commenter told us that it believes it is important for investors to understand what recourse and appeals mechanisms may be available if they have circumstances not contemplated under the agreement. This commenter noted for example that it has an arms length committee chaired by its trustee, which has power arising from the contractual agreement with investors and believes there should be disclosure of this group or others like it that may perform similar roles.</p>	<p>We note the comment and have added new Item 2.6 to mandate disclosure of the role other committees play in operations or the governance of the plans.</p>
<p>2.8 - Dealer compensation</p>	<p><i>Item 2.8(1)(b) Disclosure of incentives to sales representatives</i></p>	<p>One commenter asked that we clarify that its members can interpret the disclosure required under Item 2.8(1)(b) in the same manner contemplated for mutual funds under <i>Regulation 81-105 respecting Mutual Fund Sales Practices</i> (Regulation 81-105).</p>	<p>We confirm that former Item 2.8(1)(b) (now Item 2.10(1)(b)) can be interpreted in the same manner as that contemplated for mutual funds under Regulation 81-105.</p>
	<p><i>Item 2.8(2) - Disclosure of compensation from management fees</i></p>	<p>Industry commenters suggested that this disclosure does not fit in the context of group scholarship plans that are distributed through one affiliated dealer, where the sales and distributions costs are paid through the fees paid by subscribers. This commenter suggested there may be some residual amounts paid from management or administration fees but that these would be nominal</p>	<p>We disagree with the commenters. The disclosure required by this Item (now Item 2.10(2)) is not unique to scholarship plans, but is required for other investment products such as mutual funds, some of which are also distributed through an affiliated dealer. We believe it appropriate for plans to provide this disclosure if applicable. We propose no change.</p>

		One of the commenters added that the calculations contemplated in this section are overly complex and that the information is currently provided in its prospectus based upon cash flows received.	The disclosure required can be adapted to reflect the operations of the plan. Plan providers should simply state that which applies.
Item 6 – Conflicts of interest			
Item 6.1 Conflicts of Interest	<i>Disclosure already provided elsewhere</i>	One commenter reminded us that similar disclosure is already disclosed in a plan’s MRFP, which is available both on SEDAR and on the plan’s website. In addition, under Regulation 31-103, the plans are required to provide a written description of any conflicts of interest. The commenter suggested that adding this information in Part D of the Form would be duplicative.	No change. This is an existing requirement from Form 41-101F2 (the form scholarship plans currently use) and we do not see any basis to remove it from the new Form.
Item 9 - Certificates	<i>Reference to the Plan Summary</i>	One commenter asked whether the certificates should make specific reference to the Plan Summary.	We do not see the need to refer to the Plan Summary separately in the certificates since it is part of the entire prospectus.
Part V - Other Comments			
General Industry Regulation	<i>Disclosure alone is not sufficient</i>	Investor advocates commented that while they welcomed the CSA’s effort to improve disclosure around scholarship plans, they also cautioned that disclosure alone is not sufficient and that other measures must be taken to address concerns about the scholarship plan industry.	The comments below are noted and will be considered in the context of future policy developments concerning scholarship plans.

		<p>One commenter in particular expressed this concern in light of the fact that sales representatives for these products are not held to a fiduciary standard and are only required to meet the lowest proficiency standard of investment industry licensing in the country.</p> <p>This commenter added that with the introduction of RESPs by the government, education savings is something that can be done easily at a bank, trust company, credit union, Caisse Populaire, Alberta Treasury Branch, mutual fund dealer or investment dealer, so it is not clear to them what the advantage of specific scholarship investment funds sold by commissioned sales representatives is in practice.</p> <p>This commenter added that they question the fairness of an investment product where, if an investor stops paying their subscription, the net asset value of the investment is actually reduced. This commenter questioned whether a product such as scholarship plans, sold in the manner they are currently sold, by representatives with minimal licensing standards would even be permitted by the CSA if it were a new product, and suggested that if this is not the case, then it may be time to phase them out.</p>	
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	<i>Corporate Governance</i>	One commenter recommended that we mandate adequate standards of corporate governance of group scholarship plans including requiring that a majority of the directors of the scholarship plan trust or foundation be independent.	The comment is noted and will be considered in the context of future policy developments concerning scholarship plans.
	<i>Cap on Fees</i>	One commenter recommended that the CSA substantively regulate fees charged for scholarship plans and set a maximum cap of 10% or less of annual contributions can be allocated to pay fees. This commenter noted that the current fee structure can be punitive to investors in the early years.	The comment is noted and will be considered in the context of future policy developments concerning scholarship plans.
	<i>Require membership in an SRO with an industry-sponsored contingency fund</i>	One commenter recommended that we require scholarship plan dealers to join a self-regulatory organization (SRO) with an industry-sponsored contingency fund. This commenter suggested this would be best accomplished by having scholarship plan dealers join an existing SRO, such as IIROC or the MFDA, rather than creating their own.	The comment is noted and will be considered in the context of future policy developments concerning scholarship plans.
	<i>Require membership in OBSI</i>	Further to the comment above, this same commenter also believes that scholarship plan dealers should be required to join OBSI, much like mutual fund and investment dealers. The commenter noted that while members of the RESP Dealers association of Canada (RESPDAC) are	The comment is noted and will be considered in the context of future policy developments concerning scholarship plans.

		members of OBSI, if any of them leaves RESPDAC, they are no longer required to maintain their membership in OBSI.	
	<i>Require plans to have the same eligibility rules as government</i>	One commenter recommended that we require scholarship plans to have the same program eligibility requirements as are permitted under the government's rules for RESPs as it believes having different rules is contrary to the purpose behind RESPs.	The comment is noted and will be considered in the context of future policy developments concerning scholarship plans.
	<i>Regulation of sales representatives</i>	<p>One commenter suggested that there be the following additional regulation for sales representatives:</p> <ul style="list-style-type: none"> • written conflicts of interest disclosure by the sales representative, including a description of the nature of the conflict; • no misleading job titles; • review of the RESPDAC salesperson licensing program to ensure it is adequate to protect investors; and • a requirement that representatives sign a standardized acknowledgement form confirming that they have explained key information in the prospectus and that the investor understand and is making an informed consent to purchase. 	The comment is noted and will be considered in the context of future policy developments concerning scholarship plans.

<p>Education on Scholarship Plans</p>	<p><i>More consumer-focused investor education materials</i></p>	<p>Two industry commenters recommended the education arms of the different CSA jurisdictions update their consumer education materials on scholarship plans and make them more robust. These commenters believe regulators should be doing as much as they can to provide information to investors about scholarship plans from an independent, unbiased perspective.</p>	<p>The comment is noted and will be considered in the context of future policy developments concerning scholarship plans.</p>
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<p>Part VI – List of commenters</p>
<p style="text-align: center;"><u>Commenters</u></p> <ul style="list-style-type: none"> • Borden Ladner Gervais LLP • The Canadian Advocacy Council for Canadian CFA Institute Societies • Canadian Foundation for Advancement of Investment Rights • C.ST. Consultants Inc. • Kenmar Associates • RESP Dealers Association of Canada • Universitas Foundation of Canada

Appendix C Sample Plan Summary

Plan summary ABC Scholarship Plan

Type of Plan: Group scholarship plan

Investment Fund Manager: ABC Education Savings Plans Inc.

June 30, 201X

This summary tells you some key things about investing in the plan. You should read this Plan Summary and the Detailed Plan Disclosure carefully before you decide to invest.

If you change your mind

You have up to 60 days after signing your contract to withdraw from your plan and get back all of your money.

If you (or we) cancel your plan after 60 days, you'll get back your contributions, less sales charges and fees. You will lose the earnings on your money. Your government grants will be returned to the government. **Keep in mind that you pay sales charges up front. If you cancel your plan in the first few years, you could end up with much less than you put in.**

What is the ABC scholarship plan?

The ABC scholarship plan is a group scholarship plan designed to help you save for a child's post-secondary education. When you open your ABC plan, we will apply to the Canada Revenue Agency to register the plan as a Registered Education Savings Plan (RESP). This allows your savings to grow tax-free until the child named as the beneficiary of your plan enrolls in their studies. The Government of Canada and some provincial governments offer government grants to help you save even more. To register your plan as an RESP, we need social insurance numbers for yourself and the child you name in the plan.

In a group scholarship plan, you are part of a group of investors. Everyone's contributions are invested together. When the plan matures, each child in the group shares in the earnings on that money. Your share of those earnings, plus your government grant money is paid to your child as educational assistance payments (EAPs).

There are two main exceptions. Your child will not receive EAPs, and you could lose your earnings, government grants and grant contribution room if:

- your child does not enrol in a school or program that qualifies under this plan, or
- you leave the plan before it matures

If you leave the plan, your earnings go to the remaining members of the group. However, if you stay in the plan until it matures, you might share in the earnings of those who left early.

Who is this plan for?

A group scholarship plan can be a long-term commitment. It is for investors who are planning to save for a child's post-secondary education and are fairly sure that:

- they can make all of their contributions on time
- they will stay in the plan until it matures
- their child will attend a qualifying school and program under the plan

If this doesn't describe you, you should consider another type of plan. For example, an individual or family plan has fewer restrictions. See the Plan Summaries for our individual and family plans or pages • of the Detailed Plan Disclosure for more information.

What does the plan

The plan invests mainly in fixed income securities, such as government treasury bills, guaranteed

invest in? investment certificates (GICs), mortgages and bonds. The plan's investments have some risk. Returns will vary from year to year.

How do I make contributions? With your contributions, you buy one or more "units" of the plan. These units represent your share of the plan. You can pay for them all at once, or you can make annual or monthly contributions.

You may change the amount of your contribution as long as you make the minimum contribution permitted under the plan. You may also change your contribution schedule after you've opened the plan. A fee applies. All of the different contribution options for this plan are described in the Detailed Plan Disclosure, or you can ask your sales representative for more information.

This plan requires a minimum total investment of one unit, and you can contribute as little as \$● at a time.

What can I expect to receive from the plan? In your child's first year of college or university, you'll get back your contributions, less fees. You can have this money paid to you or directly to your child.

Your child will be eligible for EAPs in their second, third and fourth years of post-secondary education. For each year, your child must show proof they are enrolled in a school or program that qualifies under this plan to get an EAP.

EAPs are taxed in the child's hands.

What are the risks? If you do not meet the terms of the plan, you could lose some or all of your investment. Your child may not receive their EAPs.

You should be aware of five things that could result in a loss:

Cancellation Rate

Of the last five beneficiary groups of the ABC scholarship plan to reach maturity, an average of ●% of the plans in each group were cancelled before their maturity date.

1. **You leave the plan before the maturity date.** People leave the plan for many reasons. For example, if their financial situation changes and they can't afford the contributions. If your plan is cancelled more than 60 days after signing your contract, you'll lose part of your contributions to sales charges and fees. You'll also lose the earnings on your investment. Your government grants will be returned to the government.

2. **You miss contributions.** If you want to stay in the plan, you'll have to make up the contributions. You'll also have to make up what the contributions would have earned if you had made them on time. This can be costly.

If you have difficulty making contributions, you have options. You can reduce or suspend your contributions, transfer to another of our plans to an RESP offered by a different provider, or cancel your plan. Restrictions and fees apply. Some options will result in a loss of earnings and government grants. If you miss a contribution and don't take any action within 24 months, we may cancel your plan.

3. **You or your child misses a deadline.** This can limit your options later on. You could also lose the earnings on your investment. Two of the key deadlines for this plan are:

- **Maturity date - the deadline for making changes to your plan**

You have until the maturity date to make changes to your plan. This includes switching the plan to a different child, changing the maturity date if your child wants to start their program sooner or later than expected, and transferring to another RESP. Restrictions and fees apply.

- **August 1 - the EAP application deadline**

If your child qualifies for an EAP, he or she must apply by August 1 before each year of eligible studies to receive a payment for that year. Otherwise, your child may lose this money.

4. **Your child doesn't go to a qualifying school or program.** For example, apprenticeships, part-time studies and co-operative studies don't qualify under this plan. Under this plan, fewer programs will qualify for an EAP that would otherwise qualify under the government's rules for RESPs. See the Detailed Plan Disclosure for more information. If your child will not be going to a school or program that qualifies for EAP under this plan's rules, you have the options to name another child as beneficiary, transfer to another of our plans or to an RESP offered by a different provider, or cancel your plan. Restrictions and fees apply. Some options can result in a loss of earnings and government grants.

5. **Your child doesn't complete their program.** Your child may lose some or all of their EAPs if he or she takes time off from their studies, doesn't complete all required courses in a year or changes programs. In

some cases, your child may be able to defer an EAP for a year. Deferrals are at our discretion.

If any of these situations arise with your plan, contact us or speak with your sales representative to better understand your options to reduce your risk of loss.

How much does it cost?

There are costs for joining and participating in the plan. The following tables show the fees and expenses of the plan. The fees and expenses of this plan are different than the other plans we offer.

Fees you pay

These fees are deducted from the money you put in the plan. They reduce the amount that gets invested in your plan, which will reduce the amount available for EAPs.

Paying off the sales charge

If, for example, you buy one unit of the plan on behalf of your newborn child, and you commit to paying for that unit by making monthly contributions until your plan's maturity date, then, based on how the sales charge is deducted from your contributions, it will take ● months to pay off the sales charge. During this time, ●% of your contributions will be invested in the plan.

Fee	What you pay	What the fee is for	Who the fee is paid to
Sales charge	<ul style="list-style-type: none"> \$100 per unit This can be between ●% and ●% of the cost of a unit, depending on the contribution option you select for your plan and how old your beneficiary is at the time you open your plan 	<ul style="list-style-type: none"> This is a commission for selling you the plan. It is paid to your sales representative and the company they work for. All of your contributions go toward this fee until ½ of it has been paid off, and then ½ half of each of your contributions afterwards goes toward this fee until it has been paid in full. 	The investment fund manager
Account maintenance fee	<ul style="list-style-type: none"> \$● each year for a one-time contribution \$● each year for annual contributions \$● each year for monthly contributions 	This is for processing your contributions and for maintaining your plan	The investment fund manager
Insurance premium	<ul style="list-style-type: none"> ● cents for every \$● you contribute to the plan until you turn 65 unless you pay for all of your units up front 	<ul style="list-style-type: none"> This is for insurance that makes sure your contributions continue if you die or become totally disabled We require all subscribers to buy this insurance except those in Quebec. 	XYZ Insurance co.

Fees the plan pays

You don't pay these fees directly. They're paid from the plan's earnings. These fees affect you because they reduce the plan's returns, which reduces the amount available for EAPs.

Other fees

Other fees apply if you make changes to your plan. See page ● of the Detailed Plan Disclosure for details.

Fee	What the plan pays	What the fee is for	Who the fee is paid to
Administrative fee	●% per year	This is for operating your plan	The investment fund manager
Portfolio management fee	●% per year	This is for managing the plan's investments	The plan's portfolio managers
Custodian fee	●% per year	This is for holding the plan's investments in trust	The plan's custodian
Independent review committee	\$●, in 201X	This is for the services of the plan's independent review committee. The committee reviews conflict of interest matters between the investment fund manager and the plan	The independent review committee

Are there any guarantees?

We cannot tell you in advance if your child will qualify to receive any payments from the plan or how much your child will receive. We do not guarantee the amount of any payments or that the payments will cover the full cost of your child's post-secondary education.

Unlike bank accounts or GICs, investments in scholarship plans are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

For more information

The Detailed Plan Disclosure delivered with this Plan Summary contains further information about this plan, and we recommend you read it. You may also contact ABC Education Savings Plans Inc. or your sales representative for more information about this plan.

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