

## **Draft Regulation**

Securities Act  
(chapter V-1.1, s. 331.1, pars. (4.1), (11) and (34), and s. 331.2)

### **Regulation to amend Regulation 41-101 respecting General Prospectus Requirements**

Notice is hereby given by the *Autorité des marchés financiers* (the "Authority") that, in accordance with the *Regulations Act*, chapter R-18.1 and section 331.2 of the *Securities Act*, chapter V-1.1, the following draft Regulation, the text of which is published hereunder, may be made by the Authority and subsequently submitted to the Minister of Finance for approval, with or without amendment, after 30 days have elapsed since its publication in the Bulletin of the Authority:

- *Regulation to amend Regulation 41-101 respecting General Prospectus Requirements*

## **Background**

In accordance with the *Regulations Act*, the Authority is publishing for comment a draft regulation that includes an exemption from the requirement to deliver EFT facts documents for all switches of securities of a trailing-commission series or class of an ETF to a no-trailing-commission series or class of the same ETF ("no-trailing-commission switches") held in client accounts administered by dealers who are not required to make suitability determinations.

This draft regulation is part of the regulatory amendments to prohibit the payment of trailing commissions in connection with mutual fund securities in cases where a suitability determination is not required, as published by the Canadian Securities Administrators (the "CSA") in section 6.2.2 of this Bulletin on September 17, 2020 (the "OEO trailing commission ban").

The purpose of the proposed draft regulation is to facilitate the implementation of the OEO trailing commission ban by allowing market participants to benefit from such an exemption where applicable. It should be noted that the amendments to Regulation 81-101 respecting Mutual Fund Prospectus Disclosure, published in the Bulletin on September 17, 2020, provide for a similar exemption from the Fund Facts delivery requirement for no-trailing-commission switches involving mutual funds. These amendments have an effective date of December 31, 2020.

## **Request for comment**

Comments regarding the above may be made in writing by **January 9, 2021**, to the following:

Me Philippe Lebel  
Corporate Secretary and Executive Director, Legal Affairs  
*Autorité des marchés financiers*  
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Unless otherwise noted, comments will be posted on the Authority's website at [www.lautorite.qc.ca](http://www.lautorite.qc.ca). Therefore, you should not include personal information directly in comments to be published. It is important that you state on whose behalf you are making the submission.

## **Further information**

Further information is available from:

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**December 10, 2020**