

M.O., 2013-24**Order number V-1.1-2013-24 of the Minister of Finance and the Economy dated 6 December 2013**

Securities Act
(chapter V-1.1)

CONCERNING concordant regulations to Regulation 81-106 respecting investment fund continuous disclosure

WHEREAS subparagraphs 1, 8, 14, 16, 19 and 34 of section 331.1 of the Securities Act (chapter V-1.1) provide that the *Autorité des marchés financiers* may make regulations concerning the matters referred to in those paragraphs;

WHEREAS the third and fourth paragraphs of section 331.2 of the said Act provide that a draft regulation shall be published in the *Bulletin de l'Autorité des marchés financiers*, accompanied with the notice required under section 10 of the Regulations Act (chapter R-18.1) and may not be submitted for approval or be made before 30 days have elapsed since its publication;

WHEREAS the first and fifth paragraphs of the said section provide that every regulation made under section 331.1 must be approved, with or without amendment, by the Minister of Finance and comes into force on the date of its publication in the *Gazette officielle du Québec* or on any later date specified in the regulation;

WHEREAS the following regulations have been made by the *Autorité des marchés financiers* or approved by the minister of Finances :

— Regulation 41-101 respecting General Prospectus Requirements, approved by ministerial order no. 2008-05 dated March 4, 2008 (2008, *G.O.* 2, 810A);

— Regulation 81-101 respecting Mutual Fund Prospectus Disclosure by decision no. 2001-C-0283 dated June 12, 2001;

— Regulation 81-102 respecting Mutual Funds by decision no. 2001-C-0209 dated May 22, 2001;

— Regulation 81-104 respecting Commodity Pools by decision no. 2003-C-0075 dated March 3, 2003;

WHEREAS there is cause to amend those regulations;

WHEREAS the following draft regulations were published in the *Bulletin de l'Autorité des marchés financiers*, volume 7, no. 10 of March 12, 2010 :

— Regulation to amend Regulation 41-101 respecting General Prospectus Requirements;

— Regulation to amend Regulation 81-101 respecting Mutual Fund Prospectus Disclosure;

— Regulation 81-102 respecting Mutual Funds;

— Regulation 81-104 respecting Commodity Pools;

WHEREAS those draft regulations were made by the *Autorité des marchés financiers* by decision no. 2013-PDG-0188 dated November 13, 2013;

WHEREAS there is cause to approve those regulations without amendment;

CONSEQUENTLY, the Minister of Finance and the Economy approves without amendment the following regulations appended hereto :

— Regulation to amend Regulation 41-101 respecting General Prospectus Requirements;

— Regulation to amend Regulation 81-101 respecting Mutual Fund Prospectus Disclosure;

— Regulation to amend Regulation 81-102 respecting Mutual Funds

— Regulation to amend Regulation 81-104 respecting Commodity Pools.

December 6, 2013

NICOLAS MARCEAU,
Minister of Finance and the Economy

REGULATION TO AMEND REGULATION 41-101 RESPECTING GENERAL PROSPECTUS REQUIREMENTS

Securities Act

(R.S.Q., c. V-1.1, s. 331.1, par. (1))

1. Form 41-101F2 of Regulation 41-101 respecting General Prospectus Requirements (chapter V-1.1, r.14) is amended:

(1) by deleting, in instruction (3), the sentence “*This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.*”;

(2) by replacing, in the French text of instruction (8), the words “*à la valeur de consolidation*” with the words “*selon la méthode de la mise en équivalence*”;

(3) by deleting, in item 1.5, the word “reporting”;

(4) by replacing, in item 1.15, the words “interim financial statements” with the words “interim financial report”;

(5) by replacing, in the French text of the instructions of item 3.5, the words “*à base de titres*” with the words “*fondée sur des titres*”;

(6) by replacing, in paragraph (4) of item 3.6, the two paragraphs under the table with the following:

““MER” means management expense ratio based on management fees and operating expenses (excluding commissions and other portfolio transaction costs) expressed as an annualized percentage of daily average net asset value.

““TER” means trading expense ratio and represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value.”;

(7) by replacing, in item 11.1, the two paragraphs under the table with the following:

““MER” means management expense ratio based on management fees and operating expenses (excluding commissions and other portfolio transaction costs) expressed as an annualized percentage of daily average net asset value.

““TER” means trading expense ratio and represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value.”;

(8) by replacing paragraph (2) of item 37.1 with the following:

“2. Any interim financial report of the investment fund filed after those annual financial statements.”;

(9) by replacing, in paragraph (4) of item 38.1, the words “opening balance sheet” with the words “opening statement of financial position”;

(10) by replacing, in the title of item 38.2, the word “**Statements**” with the word “**Reports**”;

2. This Regulation comes into force on January 1, 2014.

REGULATION TO AMEND REGULATION 81-101 RESPECTING MUTUAL FUND PROSPECTUS DISCLOSURE

Securities Act

(chapter V-1.1, s. 331.1, par. (1), (14), (19) and (34))

1. Section 1.1 of Regulation 81-101 respecting Mutual Fund Prospectus Disclosure (chapter V-1.1, r.38) is amended by adding, after the definition of the expression “executive officer”, the following:

““financial statements” includes interim financial reports;”.

2. Section 2.3 of the Regulation is amended:

(1) in subparagraph (b) of paragraph (1):

(a) in subparagraph (i):

(i) by replacing, in subparagraph (A), the words “draft opening balance sheet” with the words “draft opening statement of financial position”;

(ii) by replacing, in the French text of subparagraph (B), the word “vérifiés” with the word “audités”;

(b) by replacing, in the French text of subparagraph (iii), the words “de vérification” with the words “d’audit” and the words “le vérificateur” with the words “l’auditeur”;

(2) in subparagraph (ii) of subparagraph (a) of paragraph (3), by replacing the words “audited balance sheet” with the words “audited statement of financial position”.

3. Section 3.1 of the Regulation is amended:

(1) by replacing paragraphs (1.2) and (1.3) with the following:

“(1.2) If the mutual fund has not yet filed comparative annual financial statements of the mutual fund, the most recently filed interim financial report of the mutual fund that were filed before or after the date of the simplified prospectus.

“(1.3) If the mutual fund has not yet filed interim financial report or comparative annual financial statements of the mutual fund, the audited statement of financial position that was filed with the simplified prospectus.”;

(2) by replacing, in the French text of paragraph (2), the words “rapport des vérificateurs” with the words “rapport d’audit”;

(3) by replacing paragraph (3) with the following:

“(3) The most recently filed interim financial report of the mutual fund that were filed before or after the date of the simplified prospectus and that pertain to a period after the period to which the annual financial statements then incorporated by reference in the simplified prospectus pertain.”.

4. Section 3.1.1 of the Regulation is replaced with the following:

“3.1.1. Audit of Financial Statements

Any financial statements, other than interim financial reports, incorporated by reference in a simplified prospectus must meet the audit requirements in Part 2 of Regulation 81-106 respecting Investment Fund Continuous Disclosure (chapter V-1.1, r.42).”.

5. Form 81-101F1 of the Regulation is amended:

(1) in part A:

(a) by replacing, in item 3.1 and 3.2, the words “interim financial statements” with the words “interim financial report”;

(b) by replacing, in the French text of paragraph (1) of item 5, the words “le vérificateur” with the words “l’auditeur”;

(c) in the French text of item 8.1:

(i) by replacing paragraph (3.1) with the following:

“3.1) Sous la rubrique « Charges opérationnelles » du tableau, décrire les frais et charges payables à l’égard du comité d’examen indépendant.”;

(ii) by replacing, in the table of paragraph (6), the words “Frais payables par l’OPC” with the words “Frais et charges payables par l’OPC”, the words “Frais d’exploitation” with the words “Charges opérationnelles”, the words “tous les frais d’exploitation” with the words “toutes les charges opérationnelles”, the words “Frais directement payables par vous” with the words “Frais et charges directement payables par vous”, and the words “Autres frais” with the words “Autres frais et charges”;

(iii) in the instructions:

(A) by replacing, wherever they occur in instruction (2), the words “*frais d’exploitation*” with the words “*charges opérationnelles*”;

(B) by replacing instruction (3) with the following:

“3) *Sous le titre « Charges opérationnelles », indiquer si l’OPC paie la totalité de ses charges opérationnelles et donner la liste des principales composantes de ces charges. Si l’OPC paie seulement certaines charges opérationnelles et n’est pas responsable du paiement de la totalité de ces charges, modifier la déclaration figurant dans le tableau pour tenir compte de la responsabilité contractuelle de l’OPC à cet égard.*”;

(2) in the French text of part B:

(a) by replacing, in paragraph (1) of item 4, the words “le vérificateur” with the words “l’auditeur”;

(b) by replacing, in subparagraph (ii) of paragraph (f) of item 5, the words “frais d’exploitation versés” with the words “charges opérationnelles payées”;

(c) by replacing, in paragraph (1) of the instructions of item 6, the words “*titres de participation*” with the words “*titres de capitaux propres*”.

6. Form 41-101F2 of the Regulation is amended, in the French text:

(1) by replacing, in paragraph (1) of item 22, the words “rapport des vérificateurs” with the words “rapport d’audit”;

(2) by replacing, wherever they occur, the word “vérificateur” with the word “auditeur” and the word “vérifiés” with the word “audités”, and making the necessary changes;

(3) by replacing, wherever they occur, the words “titres de participation” with the words “titres de capitaux propres”, and making the necessary changes.

7. The Regulation is amended by replacing, wherever they occur in the French text of sections 2.6 and 3.1.2, the word “vérification” with the word “audit”, the word “vérificateur” with the word “auditeur” and the word “vérifiés” with the word “audités”, and making the necessary changes.

8. This Regulation comes into force on January 1, 2014.

REGULATION TO AMEND REGULATION 81-102 RESPECTING MUTUAL FUNDS

Securities Act

(chapter V-1.1, s. 331.1, par. (1), (8), (16) and (34))

1. Section 1.1 of Regulation 81-102 respecting Mutual Funds (chapter V-1.1, r.39) is amended:

(1) by replacing, in the French text of subparagraph (3) of paragraph (b) of the definition of the expression “sales communication”, the words “les notes afférentes et le rapport des vérificateurs” with the words “les notes et le rapport d’audit”;

(2) by replacing, in the definition of the expression “report to securityholders”, the words “annual or interim financial statements” with the words “annual financial statements or interim financial reports”;

(3) by replacing the definition of the expression “net asset value” with the following:

““net asset value” means the value of the total assets of the investment fund less the value of the total liabilities, other than net assets attributable to securityholders, of the investment fund, as at a specific date, determined in accordance with Part 14 of Regulation 81-106 respecting Investment Fund Continuous Disclosure;”.

2. Section 5.6 of the Regulation is amended:

(1) by replacing, in subparagraph (iii) of subparagraph (f) of paragraph (1), the words “annual and interim financial statements” with the words “annual financial statements and interim financial reports”;

(2) by replacing, in paragraph (2), the words “contains a reservation” with the words “contains a modified opinion”.

3. Sections 6.2 and 6.3 of the Regulation are amended by replacing, wherever they occur, the words “shareholders’ equity” with the word “equity”.

4. Sections 6.9 and 15.5 of the Regulation are amended by replacing, wherever they occur in the French text, the words “frais d’exploitation” with the words “charges opérationnelles”.

5. Section 15.8 of the Regulation is amended by replacing, in subparagraph (b) of paragraph (3), the words “balance sheet” with the words “statement of financial position”.
6. Appendix B-1 of the Regulation is amended by replacing “We conducted our audit in accordance with the standards for assurance engagements established by The Canadian Institute of Chartered Accountants.” with “We conducted our audit in accordance with standards for assurance engagements set out in the CICA Handbook – Assurance.” and “In our opinion, the Fund’s report presents fairly, in all material respects, the Fund’s compliance for the year ended [insert date]” with “In our opinion, the Fund’s statement of compliance for the year ended [insert date] complies, in all material respects,”.
7. Appendix B-2 and Appendix B-3 of the Regulation are amended by replacing “We conducted our audit in accordance with the standards for assurance engagements established by The Canadian Institute of Chartered Accountants.” with “We conducted our audit in accordance with standards for assurance engagements set out in the CICA Handbook – Assurance.” and “In our opinion, the Company’s report presents fairly, in all material respects, the Company’s compliance for the year ended [insert date]” with “In our opinion, the Company’s statement of compliance for the year ended [insert date] complies, in all material respects,”.
8. Sections 5.3.1, 6.8, 6.8.1, 11.2, 11.4 and 12.1 of the Regulation are amended by replacing, wherever they occur in the French text, the words “vérificateur”, “vérifié”, “vérifiés” and “vérification” with, respectively, the words “auditeur”, “audité”, “audités” and “audit” and making the necessary changes.
9. This Regulation comes into force on January 1, 2014.

REGULATION TO AMEND REGULATION 81-104 RESPECTING COMMODITY POOLS

Securities Act
(chapter V-1.1, s. 331.1, par. (19))

1. Section 8.5 of Regulation 81-104 respecting Commodity Pools (chapter V-1.1, r. 40) is amended:

(1) by replacing, in paragraph (1), the words “interim financial statements” with the words “interim financial reports”;

(2) by replacing the French text of paragraph (2) with the following:

“2) L’information demandée au paragraphe 1 peut être donnée dans le texte ou dans les notes des états financiers.”.

2. This Regulation comes into force on January 1, 2014.