

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

Securities Act

(chapter V-1.1, s. 331.1, par. (3), (8), (16) and (26))

1. Section 6.1 of Regulation 81-101 respecting Mutual Fund Prospectus Disclosure (chapter V-1.1, r. 38) is amended by inserting, in paragraph (3) and after the words “Except in”, the words “Alberta and”.

2. Form 81-101F1 of the Regulation is amended, in Part A:

(1) in item 8.1:

(a) by replacing, in the table and opposite “Sales Charges”, “[specify percentage, as a percentage of]” with “[See Instruction (6)]”;

(b) by adding, after instructions (5), the following:

“(6) Under “Sales Charges”, state that the dealer may, in connection with the investor’s purchase of securities of the mutual fund, charge the investor a sales charge or transaction fee which the investor may negotiate with the dealer.”;

(2) by repealing item 8.2;

(3) by deleting, in instructions (2) under item 9.1, the following sentences:

“For example, if the manager of the mutual fund pays an up-front sales commission to participating dealers, so state and include the range of commissions paid. If the manager permits participating dealers to retain the sales commissions paid by investors as compensation, so state and include the range of commissions that can be retained.”;

(4) in item 9.2:

(a) by deleting, in instructions (2), the words “sales and”;

(b) by repealing instructions (3).

3. Form 81-101F3 of the Regulation is amended, in Part II:

(1) by replacing item 1.2 with the following:

“1.2. Sales Charges

(1) Under the sub-heading “Sales charges”, provide a brief overview of any sales charges that investors may have to pay when they purchase securities of the mutual fund and how the sales charges work including:

- whether the amount payable is negotiable;
- whether the amount payable is to be paid directly by the investor or deducted from the amount paid at the time of purchase;
- who pays and who receives the amount payable.

(2) If no sales charges apply to purchases of securities of the mutual fund, state that no sales charges apply.”;

(2) in item 1.3:

(a) by deleting, in the wording provided under paragraph (6), the sentence “The rate depends on the sales charge option you choose.”;

(b) by replacing paragraph (7) with the following:

“(7) If applicable, disclose the range of the rate of the trailing commission.”;

(3) by replacing, in instructions (8), the words “*rates of trailing commissions for each sales charge option*” with the words “*the rate of the trailing commission*”.

4. (1) This Regulation comes into force on *(365 days from the date of publication)*.

(2) Despite paragraph (1), section 1 of this Regulation comes into force on *(90 days from the date of publication)*.