

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

Securities Act

(chapter V-1.1, s. 331.1, par. (1), (3), (6), (6.1), (6.2), (8) and (14))

1. Section 2.1 of Regulation 81-101 respecting Mutual Fund Prospectus Disclosure (chapter V-1.1, r. 38) is amended:

(1) by adding, after subparagraph (e) of paragraph (1), the following:

“(f) that files a fund facts document without a simplified prospectus must file the fund facts document in the form of a fund facts document prepared in accordance with Form 81-101F3 for each class or series of securities of the mutual fund.”;

(2) by repealing paragraph (2).

2. Section 2.2 of the Regulation is amended:

(1) par replacing paragraph (1) with the following:

“(1) An amendment to a simplified prospectus must be an amended and restated simplified prospectus.”;

(2) by repealing paragraph (2);

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

“(3) An amendment to a simplified prospectus must be identified and dated as follows:

“Amended and Restated [identify document] dated [insert date of amendment], amending and restating [identify document] dated [insert date of document being amended].”.

3. Section 2.3 of the Regulation is amended:

(1) by deleting, in subparagraph (i) of subparagraph (b) of paragraph (4), the words “if the amendment to the simplified prospectus is in the form of an amended and restated simplified prospectus,”;

(2) by inserting, after paragraph 5.1, the following:

“(5.2) A mutual fund that files a fund facts document without a preliminary, pro forma or simplified prospectus must

(a) file, with a fund facts document for each class or series of securities of the mutual fund, the following documents if there is a material change to the mutual fund in respect of the disclosure in the most recently filed fund facts document:

(i) an amendment to the corresponding simplified prospectus, certified in accordance with Part 5.1;

(ii) a copy of any material contract, and any amendment to a material contract that have not previously been filed, and

(b) at the time a fund facts document for each class or series of securities of the mutual fund is filed, deliver or send to the securities regulatory authority

(i) a copy of the fund facts document for each class or series of securities of the mutual fund, blacklined to show changes, including the text of deletions, from the most recently filed fund facts document, and

(ii) if there is a material change to the mutual fund in respect of the disclosure in the most recently filed fund facts document,

(A) if an amendment to the simplified prospectus is filed, a copy of the simplified prospectus blacklined to show changes, including the text of deletions, from the most recently filed simplified prospectus, and

(B) details of any changes to the personal information required to be delivered under subparagraph (1)(b)(ii), (2)(b)(iv) or (3)(b)(iii), in the form of the personal information form and authorization, since the delivery of that information in connection with the filing of the simplified prospectus of the mutual fund or another mutual fund managed by the manager.”.

4. Section 2.5 of the Regulation is replaced with the following:

“2.5. Lapse Date

(1) In this section, “lapse date” means, with reference to the distribution of a security that has been qualified under a simplified prospectus, the date that is 24 months after the date of the most recent simplified prospectus relating to the security.

(2) A mutual fund must not continue the distribution of a security to which the prospectus requirement applies after the lapse date unless the mutual fund files a new simplified prospectus that complies with securities legislation and a receipt for that new simplified prospectus is issued by the regulator or, in Québec, the securities regulatory authority.

(3) Despite subsection (2), a distribution may be continued for a further 24 months after a lapse date if

(a) the mutual fund files a fund facts document for each class or series of securities of the mutual fund no earlier than 13 months and no later than 12 months before the lapse date of the previous simplified prospectus,

(b) the mutual fund delivers a pro forma simplified prospectus not less than 30 days before the lapse date of the previous simplified prospectus,

(c) the mutual fund files a new final simplified prospectus not later than 10 days after the lapse date of the previous simplified prospectus, and

(d) a receipt for the new final simplified prospectus is issued by the regulator or, in Québec, the securities regulatory authority within 20 days after the lapse date of the previous simplified prospectus.

(4) The continued distribution of securities after the lapse date does not contravene subsection (2) unless and until any of the conditions of subsection (3) are not complied with.

(5) Subject to any extension granted under subsection (6), if a condition in subsection (3) is not complied with, a purchaser may cancel a purchase made in a distribution after the lapse date in reliance on subsection (3) within 90 days after the purchaser first became aware of the failure to comply with the condition.

(6) The regulator or, in Québec, the securities regulatory authority may, on an application of a mutual fund, extend, subject to such terms and conditions as it may impose, the times provided by subsection (3) where in its opinion it would not be prejudicial to the public interest to do so.”.

5. The Regulation is amended by inserting, after section 2.5, the following:

“2.5.1. Lapse Date – Ontario

In Ontario, the lapse date prescribed by securities legislation for a receipt issued for a simplified prospectus is extended to the date 24 months from the date of issuance of the receipt in accordance with section 2.5.”.

6. This Regulation comes into force on (*indicate here the date of coming into force of this Regulation*).