

## REGULATION TO AMEND REGULATION 81-102 RESPECTING INVESTMENT FUNDS

Securities Act

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

1. Section 5.3 of Regulation 81-102 respecting Investment Funds (chapter V-1.1, r. 39) is amended by replacing, in the French text of subparagraph (ii) of subparagraph (b) of paragraph (2), « Loi de l'impôt sur le revenu (L.R.C. 1985, c. 1 (5<sup>e</sup> suppl)) » with « LIR ».

2. Section 5.4 of the Regulation is amended by inserting, in paragraph (2) and after the words “by a statement”, the words “in an information circular”.

3. Section 5.6 of the Regulation is amended, in paragraph (1):

(1) by replacing subparagraph (ii) of subparagraph (a) with the following:

“(ii) either of the following apply:

(A) a reasonable person would consider to have substantially similar fundamental investment objectives, valuation procedures and fee structure as the investment fund;

(B) has differences in fundamental investment objectives, valuation procedures, or fee structure, but the meeting materials required by paragraph (f) include disclosure of these differences and explain the investment fund manager’s belief that the transaction is in the best interests of security holders despite the differences.”;

(2) by replacing subparagraph (b) with the following:

“(b) either of the following apply:

(i) the transaction is a “qualifying exchange” within the meaning of section 132.2 of the ITA or is a tax-deferred transaction under subsection 85(1), 85.1(1), 86(1) or 87(1) of the ITA;

(ii) meeting materials required by paragraph (f)

(A) disclose that the transaction is neither a “qualifying exchange” within the meaning of section 132.2 of the ITA nor a tax-deferred transaction under subsection 85(1), 85.1(1), 86(1) or 87(1) of the ITA,

(B) disclose why the transaction is not structured so that subparagraph (i) applies, and

(C) explain the investment fund manager’s belief that the transaction is in the best interests of security holders despite the tax treatment of the transaction.”.

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