

REGULATION TO AMEND REGULATION 81-107 RESPECTING INDEPENDENT REVIEW COMMITTEE FOR INVESTMENT FUNDS

Securities Act

(chapter V-1.1, s. 331.1, par. (1), (2), (3), (8), (11), (16) and (34))

1. Regulation 81-107 respecting Independent Review Committee for Investment Funds (chapter V-1.1, r. 43) is amended by inserting, after section 2.4, the following:

“2.5. Manager to prepare report on related party transactions

(1) The manager must prepare, for each financial year of the investment fund and no later than the date the investment fund files its annual financial statements, a report that includes, under the heading “Manager’s Report on Related Party Transactions”, all of the following:

(a) a list containing the following information regarding any report filed by the investment fund with the securities regulatory authority or, except in Quebec, the regulator in the most recent financial year that pertains to any transaction involving an entity related to the manager or any other related party to the investment fund:

(i) the title of the report;

(ii) a brief description of the types of transactions to which the report pertains;

(iii) the date of the report;

(b) a statement that any report referred to in paragraph (a) is available at www.sedarplus.com;

(c) for any transaction entered into by the investment fund with an entity related to the manager or any other related party of the investment fund that is not identified in any report referred to in paragraph (a), the following information:

(i) a brief description of the type of transaction;

(ii) for each transaction identified in subparagraph (i), a brief description of any provision in securities legislation or any order made under securities legislation that imposes a requirement to do any of the following:

(A) provide disclosure about the transaction;

(B) keep a record in respect of the transaction.

(2) For the purposes of preparing a report under subsection (1), a related party to the investment fund includes, for greater certainty, all of the following

- (a) the manager;
- (b) an affiliate of the manager;
- (c) the portfolio adviser;
- (d) an affiliate of the portfolio adviser;
- (e) a dealer that is related to the investment fund;
- (f) a dealer that is related to the manager;

(g) a dealer that is related to the portfolio adviser;

(h) another investment fund that is managed by the manager or an affiliate of that manager.”.

2. Section 4.4 of the Regulation is amended by adding, in paragraph (1) and after subparagraph (i), the following:

“(j) in an appendix, the report prepared by the manager under subsection 2.5(1).”.

3. Section 6.2 of the Regulation is amended:

(1) by adding, in paragraph (2) and after “securities regulatory authority”, “in a report prepared in accordance with Form 81-107A”;

(2) by adding, after paragraph (4), the following:

“(5) The investment fund conflict of interest reporting requirements do not apply to an investment fund that files a report under subsection (2).

“(6) For the purpose of subsection (5), “investment fund conflict of interest reporting requirements” has the meaning ascribed to that term in Regulation 81-102 respecting Investment Funds.”.

4. Section 6.3 of the Regulation is amended:

(1) by adding, in paragraph (3) and after “securities regulatory authority”, “in a report prepared in accordance with Form 81-107A”;

(2) by adding, after paragraph (5), the following:

“(6) The investment fund conflict of interest reporting requirements do not apply to an investment fund that prepares and files the report referred to in subsection (3).

“(7) For the purpose of subsection (6), “investment fund conflict of interest reporting requirements” has the meaning ascribed to that term in Regulation 81-102 respecting Investment Funds.”.

5. Section 6.4 of the Regulation is amended:

(1) by adding, in paragraph (2) and after “securities regulatory authority”, “in a report prepared in accordance with Form 81-107A”;

(2) by adding, after paragraph (4), the following:

“(5) The investment fund conflict of interest reporting requirements do not apply to an investment fund that prepares and files the report referred to in subsection (2).

“(6) For the purpose of subsection (5), “investment fund conflict of interest reporting requirements” has the meaning ascribed to that term in Regulation 81-102 respecting Investment Funds.”.

6. The Regulation is amended by adding, after Appendix B, the following:

**“FORM 81-107A
CONFLICT REPORTING FORM FOR RELATED ISSUER PURCHASES**

GENERAL INSTRUCTIONS

Form

(1) *A report prepared in accordance with this Form must include the disclosure required in*

this Form. Instructions for providing this disclosure are in italic type.

(2) Terms used and not defined in this Form that are defined or interpreted in Regulation 81-101 respecting Mutual Fund Prospectus Disclosure (chapter V-1.1, r. 38), Regulation 81-102 respecting Investment Funds (chapter V-1.1, r. 39), Regulation 81-105 respecting Mutual Fund Sales Practices (chapter V-1.1, r. 41), Regulation 81-106 respecting Investment Fund Continuous Disclosure (chapter V-1.1, r. 42), and the Regulation have the same meanings as in those regulations.

Responses

(3) A report prepared in accordance with this Form must state the required information concisely and in plain language.

(4) Responses must be as simple and direct as is reasonably possible and include only as much information as is necessary for readers to understand the matters for which disclosure is being provided.

(5) A report prepared in accordance with this Form must contain only the information that is required or permitted under this Form.

(6) All applicable items in this Form must be responded to.

(7) Omit from items answers that are not applicable or respond to them with the words “not applicable”, unless otherwise required under this Form.

(8) Prepare a report prepared in accordance with this Form in respect of one or more investment funds. If the report combines information in respect of more than one investment fund, the information under Item 4 must be presented in the form of a single table, ordered alphabetically by name of each applicable investment fund and, for each applicable investment fund, ordered chronologically by the date of purchase by the investment fund.

Presentation

(9) A report prepared in accordance with this Form must be prepared in a font that is legible and on letter-size paper. If a report is made available online, the information in the report must be presented in a way that enables that information to be printed in a readable format.

(10) Each Item in a report prepared in accordance with this Form must be presented in the order and under the heading or sub-heading stipulated in this Form.

(11) If a report prepared in accordance with this Form contains design elements including, for greater certainty, graphics, photos or artwork, the elements must not detract from the information disclosed in the document.

Item 1 Fund Details

(1) Provide the name of each investment fund to which this report pertains.

(2) Provide the name of the investment fund manager for each investment fund identified in subsection (1).

Item 2 Securities Legislation and Exemptive Relief

Identify the provisions of securities legislation under which this report is being prepared.

Item 3 Report Date and Period Covered

(1) Provide the date on which this report was prepared.

(2) Identify the period to which this report pertains.

Item 4 Related Issuer Investments

In the form of a table, provide the following information, as applicable, for each type of investment referred to in sections 6.2, 6.3 and 6.4 of the Regulation during the period covered by this report:

- (a) the name of the investment fund to which this report relates;
- (b) the date of the investment;
- (c) the name of the issuer of the security in which the investment was made;
- (d) the class or series of the security in which the investment was made;
- (e) the coupon rate and maturity date of the security in which the investment was made;
- (f) the number of securities purchased in the investment;
- (g) the price per security purchased in the investment;
- (h) in the case of an investment in a debt security, each source of any independent quote or independent pricing used to determine the price per security in which the investment was made;
- (i) the settlement amount of the investment;
- (j) the name of any related person that has received, or will receive, a fee in respect of the investment made;
- (k) the name of any dealer used to execute the investment;
- (l) whether the investment was made in the primary market or the secondary market.”.

Transition

7. Before (*indicate here the date of coming into force of the Regulation + 9 months*), if an investment fund complies with parts 4 to 7 of Regulation 81-106 respecting Investment Fund Continuous Disclosure as they were in force on (*indicate here the date preceding the date of coming into force of the Regulation*) and parts 2 and 4 of the Regulation as they were in force on (*indicate here the date preceding the date of coming into force of the Regulation*), parts 2 and 4 of the Regulation as amended by this Regulation do not apply to the investment fund.

8. Before (*indicate here the date of coming into force of the Regulation + 9 months*), if an investment fund complies with part 6 of the Regulation as it was in force on (*indicate here the date preceding the date of coming into force of the Regulation*), the investment fund is not required to comply with part 6 of the Regulation as amended by this Regulation.

Effective Date

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

(2) In Saskatchewan, despite paragraph (1), if this Regulation is filed with the Registrar of Regulations after (*indicate here the date of coming into force of this Regulation*), this Regulation comes into force on the day on which it is filed with the Registrar of Regulations.