

M.D., 2013-17

Order number V-1.1-2013-17 of the Minister of Finance and the Economy, August 15, 2013

Securities Act
(chapter V-1.1, s. 331.1, subpars. 1, 3, 4.1, 8, 11, 14 and 34)

CONCERNING the Regulation to amend Regulation 81-101 respecting mutual fund prospectus disclosure and the Regulation to amend Regulation 81-102 respecting mutual funds

WHEREAS subparagraphs 1, 3, 4.1, 8, 11, 14 and 34 of section 331.1 of the Securities Act (chapter V-1.1) stipulate 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 stipulate that a draft regulation shall be published in the Bulletin of the Authority, 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 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 any later date specified in the regulation;

WHEREAS Regulation 81-101 respecting mutual fund prospectus disclosure was made by the decision no. 2001-C-0283 on June 12, 2001 (Supplément au Bulletin de la Commission des valeurs mobilières du Québec, volume 32, no. 26 of June 29, 2001);

WHEREAS Regulation 81-102 respecting mutual funds was made by the decision no. 2001-C-0209 on May 22, 2001 (Bulletin of the *Commission des valeurs mobilières du Québec*, volume 32, no. 22, of June 1, 2001);

WHEREAS there is cause to amend those regulations;

WHEREAS the draft Regulation to amend Regulation 81-101 respecting mutual fund prospectus disclosure and the draft Regulation to amend Regulation 81-102 respecting mutual funds were published for a first time in the Bulletin de l'Autorité des marchés financiers, volume 8, no. 32 of August 12, 2011 and a second time in the Bulletin de l'Autorité des marchés financiers, volume 9, no. 25 of June 21, 2012;

WHEREAS the *Autorité des marchés financiers* made, on July 11, 2013, by the decision no. 2013-PDG-0130, Regulation to amend Regulation 81-101 respecting mutual fund prospectus disclosure and by the decision no. 2013-PDG-0131, Regulation to amend Regulation 81-102 respecting mutual funds;

WHEREAS there is cause to approve those regulations without amendment;

CONSEQUENTLY, the Minister of Finance and the Economy approves without amendment the Regulation to amend Regulation 81-101 respecting mutual fund prospectus disclosure and the Regulation to amend Regulation 81-102 respecting mutual funds appended hereto.

August 15, 2013

NICOLAS MARCEAU,
Minister of Finance and the Economy,

Regulation to amend Regulation 81-101 respecting mutual fund prospectus disclosure

Securities Act
(R.S.Q., c. V-1.1, s. 331.1, par. (1), (3), (4.1), (8), (11), (14) and (34))

1. Section 1.1 of Regulation 81-101 respecting Mutual Fund Prospectus Disclosure is amended by inserting, after the definition of the expression “single SP”, the following:

““statutory right of action” means,

- (a) in Alberta, paragraph 206(a) of the Securities Act;
- (b) in British Columbia, section 135 of the Securities Act;
- (c) in Manitoba, section 141.2 of the Securities Act;
- (d) in New Brunswick, section 155 of the Securities Act;
- (e) in Northwest Territories, section 116 of the Securities Act;
- (f) in Nunavut, section 116 of the Securities Act;
- (g) in Saskatchewan, section 141(2) of The Securities Act, 1988; and

(h) in Yukon, section 116 of the Securities Act;

““statutory right of withdrawal” means,

(a) in Alberta, subsection 130(1) of the Securities Act;

(b) in British Columbia, subsections 83(3) and (5) of the Securities Act;

(c) in Manitoba, sections 1.2 and 1.5 of Local Rule 41-502 Prospectus Delivery Requirement;

(d) in New Brunswick, subsection 88(2) of the Securities Act;

(e) in Northwest Territories, section 101(2) of the Securities Act;

(f) in Nunavut, subsection 101(2) of the Securities Act;

(g) in Saskatchewan, section 79(3) of The Securities Act, 1988; and

(h) in Yukon, subsection 101(2) of the Securities Act.”.

2. Section 2.5 of the Regulation is amended, in the French text of paragraph (6), by deleting the words “ou l’acquéreur” and by replacing the words “ou tout achat effectué” with the word “effectuée”.

3. Section 2.8 of the Regulation is amended by deleting, in the French text, the words “ou à l’acquéreur”.

4. Section 3.2 of the Regulation is amended:

(1) by deleting, in the French text of paragraph (1), the words “ou d’envoyer”;

(2) by replacing paragraph (2) with the following:

“(2) If a prospectus is required under securities legislation to be delivered or sent to a person, the fund facts document most recently filed under this Regulation for the applicable class or series of securities must be delivered or sent to the person at the same time and in the same manner as otherwise required for the prospectus.

“(2.1) The requirement under securities legislation to deliver or send a prospectus does not apply if a fund facts document is delivered or sent under subsection (2).

“(2.2) In Nova Scotia, a fund facts document is a disclosure document prescribed under subsection 76(1A) of the Securities Act.

“(2.3) In Ontario, a fund facts document is a disclosure document prescribed under subsection 71(1.1) of the Securities Act.”;

(3) by deleting, in the French text of subparagraph (a) of paragraph (3), the words “ou acquéreur” and “ou à acquérir”.

5. The Regulation is amended by inserting, after section 3.2, the following:

“3.2.1. Fund facts document – purchaser’s right of withdrawal

(1) A purchaser has a right of withdrawal in respect of a fund facts document that was delivered or sent under subsection 3.2(2), as the purchaser would otherwise have when a prospectus is required to be delivered or sent under securities legislation and, for that purpose, a fund facts document is a prescribed document under the statutory right of withdrawal.

(2) In Nova Scotia, instead of subsection (1), subsection 76(2) of the Securities Act applies.

(3) In Ontario, instead of subsection (1), subsection 71(2) of the Securities Act applies.

(4) In Québec, instead of subsection (1), section 30 of the Securities Act applies.

“3.2.2. Fund facts document – purchaser’s right of action for failure to deliver or send

(1) A purchaser has a right of action if a fund facts document is not delivered or sent as required by subsection 3.2(2) as the purchaser would otherwise have when a prospectus is not delivered or sent as required under securities legislation and, for that purpose, a fund facts document is a prescribed document under the statutory right of action.

(2) In Nova Scotia, instead of subsection (1), subsection 141(1) of the Securities Act applies.

(3) In Ontario, instead of subsection (1), section 133 of the Securities Act applies.

(4) In Québec, instead of subsection (1), section 214 of the Securities Act applies.”.

6. Section 3.5 of the Regulation is amended by replacing the word “must” with the word “may”.

7. Section 4.1 of the Regulation is amended by replacing, in paragraph (1), the words “in a format” with the words “be in a format”.

8. Section 5.1 of the Regulation is amended by deleting paragraph (3).

9. The Regulation is amended by replacing section 5.2 with the following:

“5.2. Combinations of Fund Facts Documents for Delivery Purposes

(1) A fund facts document delivered or sent under section 3.2 must not be attached to or bound with any other materials or documents, except that it may be attached to or bound with one or more of the following:

1. A general front cover pertaining to the package of attached or bound materials and documents.

2. A trade confirmation which discloses the purchase of securities of the mutual fund.

3. A fund facts document of another mutual fund if that fund facts document is being delivered or sent under section 3.2.

4. A simplified prospectus or a multiple SP of the mutual fund.

5. Any document incorporated by reference into the simplified prospectus or the multiple SP.

6. Account application documents.

7. Registered tax plan applications and documents.

(2) If a trade confirmation referred to in subsection (1) is attached to or bound with a fund facts document, any other disclosure document required to be delivered or sent to satisfy a regulatory requirement for purchases listed in the trade confirmation may be attached to or bound with the fund facts document.

(3) If a fund facts document is attached to or bound with any of the materials or documents referred to in subsection (1), a table of contents specifying all documents must be attached to or bound with the fund facts document, except when the only other documents attached to or bound with the fund facts document are the general front cover or the trade confirmation.

(4) If one or more fund facts documents are attached to or bound with any of the materials or documents referred to in subsection (1), only the general front cover, the table of contents and the trade confirmation may be placed in front of those fund facts documents.”

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

(1) in the French text of the general instructions:

(a) by replacing, in paragraph (13), the words “joints” and “joint” with, respectively, the words “attachés” and “attaché”;

(b) by deleting, in paragraph (19), the words “ou d’envoyer”;

(2) in part A:

(a) by adding, after paragraph (6) of item 1.1, the following:

“INSTRUCTION

Complete the bracketed information in subsection (3) above by

(a) inserting the name of each jurisdiction of Canada in which the mutual fund intends to offer securities under the prospectus;

(b) stating that the filing has been made in each of the provinces of Canada or each of the provinces and territories of Canada; or

(c) identifying the filing jurisdictions of Canada by exception (i.e. every province of Canada or every province and territory of Canada, except [excluded jurisdictions]).”;

(b) by adding, after paragraph (6) of item 1.2, the following:

“INSTRUCTION

Complete the bracketed information in subsection (3) above by

(a) inserting the name of each jurisdiction of Canada in which the mutual fund intends to offer securities under the prospectus;

(b) stating that the filing has been made in each of the provinces of Canada or each of the provinces and territories of Canada; or

(c) *identifying the filing jurisdictions of Canada by exception (i.e. every province of Canada or every province and territory of Canada, except [excluded jurisdictions]).*”;

(c) by replacing, in the French text of paragraph (3) of item 4, the words “fonds commun de placement” with the words “organisme de placement collectif”;

(d) in the French text of item 6:

(i) by replacing, in the title, “Achats, substitutions” with “Souscriptions, échanges”;

(ii) by replacing, in paragraph (1), “Achats, substitutions” with “Souscriptions, échanges” and the words “d’achat” with the words “de souscription”;

(e) by replacing, in the French text of the table after paragraph (6) of item 8.1, the words “frais de substitution” with the words “frais d’échange”;

(f) by replacing, in the French text of subparagraph (b) of paragraph (2) of item 8.2, the words “frais de rachat” with the words “frais d’acquisition reportés” and the words “l’achat” with the words “la souscription”;

(g) by replacing, in the French text of instruction (3) after item 9.2, the words “*déduites des montants reçus sous forme de frais de vente reportés*” with the words “*déduits des montants reçus à titre de frais d’acquisition reportés*”;

(h) in item 11:

(i) by replacing, in the French text of the title, the word “Recours” with the words “Information sur les droits”;

(ii) by replacing, in the French text of the first paragraph, the words “le recours prévu” with the words “l’action en justice prévue”;

(iii) by replacing the second, third and fourth paragraphs with the following:

““Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the Simplified Prospectus or Fund Facts, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund [units/shares] and get your money back, or to make a claim for damages, if the Simplified Prospectus, Annual

Information Form, Fund Facts or financial statements misrepresent any facts about the fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult a lawyer.”;

(3) by replacing, in the French text of paragraph (3) of the instructions of item 6 of part B, the words “*fonds commun de placement*” with the words “*organisme de placement collectif*”.

11. Form 81-101F2 of the Regulation is amended:

(1) by adding, after paragraph (6) of item 1.1, the following:

“INSTRUCTION

Complete the bracketed information in subsection (3) above by

(a) *inserting the name of each jurisdiction of Canada in which the mutual fund intends to offer securities under the prospectus;*

(b) *stating that the filing has been made in each of the provinces of Canada or each of the provinces and territories of Canada; or*

(c) *identifying the filing jurisdictions of Canada by exception (i.e. every province of Canada or every province and territory of Canada, except [excluded jurisdictions]).*”;

(2) by adding, after paragraph (6) of item 1.2, the following:

“INSTRUCTION

Complete the bracketed information in subsection (3) above by

(a) *inserting the name of each jurisdiction of Canada in which the mutual fund intends to offer securities under the prospectus;*

(b) *stating that the filing has been made in each of the provinces of Canada or each of the provinces and territories of Canada; or*

(c) *identifying the filing jurisdictions of Canada by exception (i.e. every province of Canada or every province and territory of Canada, except [excluded jurisdictions]).*”;

(3) by replacing, in the French text of paragraph (1) of item 3, the words “siège social” with the word “siège”;

(4) by replacing, in the French text of paragraph (1) of item 7, the words “d’achat” with the words “de souscription”;

(5) in the French text of item 8:

(a) by replacing, in paragraph (2), the words “d’achat” with the words “de souscription”;

(b) by replacing, in paragraph (5), the words “d’un achat” with the words “d’une souscription”;

(6) by replacing, in the French text of paragraph (1) of item 10.7, the words “siège social” with the word “siège”.

12. Form 81-101F3 of the Regulation is amended:

(1) in the general instructions:

(a) by replacing paragraph (8) with the following:

“(8) Except as permitted by subsection (8.1), a fund facts document must contain only the information that is specifically mandated or permitted by this Form. In addition, each Item must be presented in the order and under the heading or sub-heading stipulated in this Form.

(8.1) A fund facts document may contain a brief explanation of a material change or a proposed fundamental change. The disclosure may be included in a textbox before Item 2 of Part I or in the most relevant section of the fund facts document. If necessary, the mutual fund may provide a cross-reference to a more detailed explanation at the end of the fund facts document.”

(b) by replacing, in paragraphs (15) and (16), “section 5.4” with “Part 5”;

(c) by replacing the last sentence of paragraph (16) with the following:

“Each fund facts document must start on a new page, and may not share a page with another fund facts document.”

(2) in part I:

(a) in item 1:

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

“(c) the name of the mutual fund to which the fund facts document pertains.”;

“(c.1) if the mutual fund has more than one class or series of securities, the name of the class or series described in the fund facts document.”;

(ii) by deleting “and” in paragraph (d);

(iii) by replacing paragraph (e) with the following:

(e) a brief introduction to the document using wording substantially similar to the following:

“This document contains key information you should know about [insert name of the mutual fund]. You can find more details in the fund’s simplified prospectus. Ask your representative for a copy, contact [insert name of the manager of the mutual fund] at [insert if applicable the toll-free number and email address of the manager of the mutual fund] or visit [insert the website of the mutual fund, the mutual fund’s family or the manager of the mutual fund] [as applicable].”; and

(f) state in bold type using wording substantially similar to the following:

“Before you invest in any fund, consider how the fund would work with your other investments and your tolerance for risk.”;

(b) in item 2:

(i) by replacing the table with the following:

“

Fund code: (see instruction 0.1)	Fund manager: (see instruction 3.1)
Date [class/series] started: (see instruction 1)	Portfolio manager: (see instruction 4)
Total value of the fund on [date]: (see instruction 2)	Distributions: (see instruction 5)
Management expense ratio (MER): (see instruction 3)	Minimum investment: (see instruction 6)

”;

(ii) by inserting, in the instructions and immediately before paragraph (1), the following:

“(0.1) At the option of the mutual fund, include all recognized and publicly available identification codes for the class or series of the mutual fund.”;

(iii) by replacing, in paragraph (2) of the instructions, “30 days” with “60 days”;

(iv) by inserting, in the instructions and immediately after paragraph (3), the following:

“(3.1) Specify the name of the manager of the mutual fund.”;

(v) by replacing paragraph (4) of the instructions with the following:

“(4) Name the mutual fund’s portfolio manager. The mutual fund may also name the specific individual(s) responsible for portfolio selection and if applicable, the name of the sub-advisor(s).”;

(c) in item 3:

(i) by replacing paragraph (4) with the following:

“(4) Include under the sub-heading “Top 10 investments [date]”, a table disclosing the following:

(a) the top 10 positions held by the mutual fund, each expressed as a percentage of the net asset value of the mutual fund;

(b) the percentage of net asset value of the mutual fund represented by the top 10 positions; and

(c) the total number of positions held by the mutual fund.”;

(ii) by replacing, in paragraphs (4) and (9) of the instructions, “30 days” with “60 days”;

(d) by replacing items 4 and 5 with the following:

“Item 4 Risks

(1) Under the heading “How risky is it?” state the following:

“The value of the fund can go down as well as up. You could lose money.

One way to gauge risk is to look at how much a fund’s returns change over time. This is called “volatility”.

In general, funds with higher volatility will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. Funds with lower volatility tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.”.

(2) Under the sub-heading “Risk rating”,

(a) using the investment risk classification methodology adopted by the manager of the mutual fund, identify the mutual fund’s investment risk level on the following risk scale:

Low	Low to medium	Medium	Medium to high	High
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(b) unless the mutual fund is a newly established mutual fund, include an introduction to the risk scale which states the following:

“[Insert name of manager of the mutual fund] has rated the volatility of this fund as [insert investment risk level identified in paragraph (a) in bold type].

This rating is based on how much the fund’s returns have changed from year to year. It doesn’t tell you how volatile the fund will be in the future. The rating can change over time. A fund with a low risk rating can still lose money.”;

(c) for a newly established mutual fund, include an introduction to the risk scale which states the following:

“[Insert name of manager of the mutual fund] has rated the volatility of this fund as [insert investment risk level identified in paragraph (a) in bold type].

Because this is a new fund, the risk rating is only an estimate by [insert name of manager of the mutual fund]. Generally, the rating is based on how much the fund’s returns have changed from year to year. It doesn’t tell you how volatile the fund will be in the future. The rating can change over time. A fund with a low risk rating can still lose money.”;

(d) following the risk scale, state using wording substantially similar to the following:

“For more information about the risk rating and specific risks that can affect the fund’s returns, see the [insert cross-reference to the appropriate section of the mutual fund’s simplified prospectus] section of the fund’s simplified prospectus.”.

(3) Under the sub-heading “No guarantees”, state using wording substantially similar to the following:

“Like most mutual funds, this fund doesn’t have any guarantees. You may not get back the amount of money you invest.”.

INSTRUCTIONS:

(1) *Based upon the investment risk classification methodology adopted by the manager of the mutual fund, identify where the mutual fund fits on the continuum of investment risk levels by showing the full investment risk scale set out in Item 4(2)(a) and highlighting the applicable category on the scale. Consideration should be given to ensure that the highlighted investment risk rating is easily identifiable.*

“Item 5 Past Performance

(1) Under the heading “How has the fund performed?”, include an introduction using wording substantially similar to the following:

“This section tells you how [name of class/series of securities described in the fund facts document] [units/shares] of the fund have performed over the past [insert number of calendar years shown in the bar chart required under paragraph (2)(a)] years. Returns are after expenses have been deducted. These expenses reduce the fund’s returns.”.

(2) Under the sub-heading “Year-by-year returns”,

(a) provide a bar chart that shows the annual total return of the mutual fund, in chronological order with the most recent year on the right of the bar chart, for the lesser of

(i) each of the 10 most recently completed calendar years, and

(ii) each of the completed calendar years in which the mutual fund has been in existence and which the mutual fund was a reporting issuer; and

(b) include an introduction to the bar chart using wording substantially similar to the following:

“This chart shows how [name of class/series of securities described in the fund facts document] [units/shares] of the fund performed in each of the past [insert number of calendar years shown in the bar chart required under paragraph (a)]. The fund dropped in value in [for the particular years shown in the bar chart required under paragraph (a), insert the number of years in which the value of the mutual fund dropped] of the [insert number of calendar years shown in the bar chart required in paragraph (a)] years. The range of returns and change from year to year can help you assess how risky the fund has been in the past. It does not tell you how the fund will perform in the future.”.

(3) Under the sub-heading “Best and worst 3-month returns”,

(a) provide information for the period covered in the bar chart required under paragraph (2)(a) in the form of the following table:

	Return	3 months ending	If you invested \$1,000 at the beginning of the period
Best return	(see instruction 8)	(see instruction 10)	Your investment would [rise/drop] to (see instruction 12).
Worst return	(see instruction 9)	(see instruction 11)	Your investment would [rise/drop] to (see instruction 13).

;

(b) include an introduction to the table using wording substantially similar to the following:

“This table shows the best and worst returns for the [name of class/series of securities described in the fund facts document] [units/shares] of the fund in a 3-month period over the past [insert number of calendar years shown in the bar chart required under paragraph (2)(a)]. The best and worst 3-month returns could be higher or lower in the future. Consider how much of a loss you could afford to take in a short period of time.”.

(4) Under the sub-heading “Average return”, show the following:

(a) the final value of a hypothetical \$1000 investment in the mutual fund as at the end of the period that ends within 60 days before the date of the fund facts document and consists of the lesser of

(i) 10 years, or

(ii) the time since inception of the mutual fund;

(b) the annual compounded rate of return that equates the hypothetical \$1000 investment to the final value.

INSTRUCTIONS

(1) *In responding to the requirements of this Item, a mutual fund must comply with the relevant sections of Part 15 of Regulation 81-102 respecting Mutual Funds as if those sections applied to a fund facts document.*

(2) Use a linear scale for each axis of the bar chart required by this Item.

(3) The x-axis and y-axis for the bar chart required by this Item must intersect at zero.

(4) A mutual fund that distributes different classes or series of securities that are referable to the same portfolio of assets must show performance data related only to the specific class or series of securities being described in the fund facts document.

(5) If the information required to be disclosed under this Item is not reasonably available, include the required sub-headings and provide a brief statement explaining why the required information is not available. Information relating to year-by-year returns in the bar chart will generally not be available for a mutual fund that has been distributing securities under a simplified prospectus for less than one calendar year. Information under “Best and worst 3-month returns” and “Average return” will generally not be available for a mutual fund that has been distributing securities under a simplified prospectus for less than 12 consecutive months.

(6) The dollar amounts shown under this Item may be rounded up to the nearest dollar.

(7) The percentage amounts shown under this Item may be rounded to one decimal place.

(8) Show the best rolling 3-month return as at the end of the period that ends within 60 days before the date of the fund facts document.

(9) Show the worst rolling 3-month return as at the end of the period that ends within 60 days before the date of the fund facts document.

(10) Insert the end date for the best 3-month return period.

(11) Insert the end date for the worst 3-month return period.

(12) Insert the final value that would equate with a hypothetical \$1000 investment for the best 3-month return period shown in the table.

(13) Insert the final value that would equate with a hypothetical \$1000 investment for the worst 3-month return period shown in the table.”;

(e) by deleting Item 6;

(f) by deleting Item 7(2);

(3) in part II:

(a) by replacing Item 1.1 with the following:

“1.1. Introduction

Under the heading “How much does it cost?”, state the following:

“The following tables show the fees and expenses you could pay to buy, own and sell [name of the class/series of securities described in the fund facts document] [units/shares] of the fund. The fees and expenses – including any commissions – can vary among [classes/series] of a fund and among funds. Higher commissions can influence representatives to recommend one investment over another. Ask about other funds and investments that may be suitable for you at a lower cost.”;

(b) in the instructions to Item 1.2:

(i) by replacing, wherever they occur in the French text of the instructions (1) and (3), the words “*frais d’acquisition différés*” with the words “*frais d’acquisition reportés*”;

(ii) in the French text of instruction (4):

A) by deleting, in the first paragraph, the word “*différés*”;

B) by replacing, in the second paragraph, the words “*frais d’acquisition différés*” with the words “*frais d’acquisition reportés*”;

(c) in item 1.3:

(i) by replacing paragraph (2) with the following:

“(2) Unless the mutual fund has not yet filed a management report of fund performance, provide information about the expenses of the mutual fund in the form of the following table:

	Annual rate (as a % of the fund’s value)
Management expense ratio (MER) This is the total of the fund’s management fee (including the trailing commission) and operating expenses. (see instruction 1)	(see instruction 2)
Trading expense ratio (TER) These are the fund’s trading costs.	(see instruction 3)
Fund expenses	(see instruction 4)

”;

(ii) by replacing paragraph (4) with the following:

“For a mutual fund that has not yet filed a management report of fund performance, state the following:

The fund’s expenses are made up of the management fee, operating expenses and trading costs. The [class/series] annual management fee is [see instruction 7]% of the [class/series] value. Because this [class/series] is new, operating expenses and trading costs are not yet available.”;

(iii) by replacing, in paragraph (5), the word “where” with the words “in which”;

(iv) by replacing paragraphs (6) and (7) with the following:

“(6) Under the sub-heading “More about the trailing commission”, state whether the manager of the mutual fund or another member of the mutual fund’s organization pays trailing commissions. If trailing commissions are paid, include a description using wording substantially similar to the following:

“The trailing commission is an ongoing commission. It is paid for as long as you own the fund. It is for the services and advice that your representative and their firm provide to you.

[Insert name of fund manager] pays the trailing commission to your representative’s firm. It is paid from the fund’s management fee and is based on the value of your investment. The rate depends on the sales charge option you choose.”.

(7) If applicable, disclose the range of the rates of the trailing commission for each sales charge option disclosed under Item 1.2.”;

(v) by inserting, in the instructions and after paragraph (2), the following:

“(2.1) If applicable, include a reference to any fixed administration fees in the management expense ratio description required in the table under Item 1.3(2).”;

(vi) by inserting, in the instructions and after paragraph (7), the following:

“(7.1) For a mutual fund that is required to include the disclosure under subsection (4), in the description of the items that make up fund fees, include a reference to any fixed administrative fees, if applicable. Also disclose the amount of the fixed administration fee in the same manner as required for the management fee. The percentage disclosed for the fixed administration fee must correspond to the percentage shown in the fee table in the simplified prospectus.”;

(vii) by replacing, in the instructions, paragraph (8) with the following:

“(8) In disclosing the range of rates of trailing commissions for each sales charge option, show both the percentage amount and the equivalent dollar amount for each \$1000 investment.”;

(d) in item 1.4:

(i) by replacing paragraph (1) with the following:

“(1) Under the sub-heading “Other fees”, provide an introduction using wording substantially similar to the following:

“You may have to pay other fees when you buy, hold, sell or switch [units/shares] of the fund.”;

(ii) by inserting, in paragraph (2) and after the words “when they”, “buy, hold”;

(iii) by replacing, in the instructions, paragraphs (1) and (2) with the following:

“(1) Under this Item, it is necessary to include only those fees that apply to the particular class or series of securities of the mutual fund. Examples include management fees and administration fees payable directly by investors, short-term trading fees, switch fees and change fees. This also includes any requirement for an investor to participate in a fee-based arrangement with their dealer in order to be eligible to purchase the particular class or series of securities of the mutual fund. If there are no other fees associated with buying, holding, selling or switching units or shares of the mutual fund, replace the table with a statement to that effect.

“(2) Provide a brief description of each fee disclosing the amount to be paid as a percentage (or, if applicable, a fixed dollar amount) and state who charges the fee. If the amount of the fee varies so that specific disclosure of the amount of the fee cannot be disclosed include, where possible, the highest possible rate or range for that fee.”;

(e) by replacing item 2 with the following:

“Item 2 Statement of Rights

Under the heading “What if I change my mind?”, state using wording substantially similar to the following:

“Under securities law in some provinces and territories, you have the right to:

- withdraw from an agreement to buy mutual funds within two business days after you receive a simplified prospectus of Fund Facts document, or

- cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the simplified prospectus, annual information form, Fund Facts document or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.””;

(f) in item 3:

(i) by replacing paragraph (1) with the following:

“(1) Under the heading “For more information”, state using wording substantially similar to the following:

““Contact [insert name of the manager of the mutual fund] or your representative for a copy of the fund’s simplified prospectus and other disclosure documents. These documents and the Fund Facts make up the fund’s legal documents.””;

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

“(3) State using wording substantially similar to the following:

“To learn more about investing in mutual funds, see the brochure **Understanding mutual funds**, which is available on the website of the Canadian Securities Administrators at www.securities-administrators.ca.””.

13. Any exemption from or waiver of a provision of Regulation 81-101 respecting Mutual Fund Prospectus Disclosure in relation to the prospectus delivery requirements for mutual funds, or an approval in relation to those requirements, expires on the date that this Regulation comes into force.

14. Transition

(1) A mutual fund must, on or before May 13, 2014, file a completed Form 81-101F3 *Contents of Fund Facts Document* for each class or series of securities of the mutual fund that, on that date, are the subject of disclosure under a simplified prospectus.

(2) The date of a fund facts document filed under subsection (1) must be the date on which it was filed.

15. Effective Date

(1) Subject to subsection (2), this Regulation comes into force on September 1, 2013.

(2) The provisions of this Regulation listed in column 1 of the following table come into force on the date set out in column 2 of the table:

Column 1	Column 2
Provision of this Regulation	Date
12	January 13, 2014
Paragraph (2) of section 4	June 13, 2014

Regulation to amend Regulation 81-102 respecting Mutual Funds

Securities Act
(chapter V-1.1, s. 331.1, par. (1), (8) and (11))

1. Section 2.7 of Regulation 81-102 respecting Mutual Funds is amended by replacing, in the French text of paragraph (2), the words “dette de rang équivalent” with the words “créance de rang équivalent”.

2. Section 5.6 of the Regulation is amended, in subparagraph (f) of paragraph (1):

(1) by replacing, in the French text of subparagraph (i), the words “fonds commun de placement” with the words “organisme de placement collectif”;

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

“(ii) the most recently filed fund facts document for the mutual fund into which the mutual fund will be reorganized, and”.

3. Section 5.7 of the Regulation is amended by replacing, in the French text of subparagraphs (a) and (b) of paragraph (2) and subparagraph (a) of paragraph (3), the words “siège social” with the word “siège”.

4. Section 18.2 of the Regulation is amended by replacing, in paragraph (1), the words “siège social” with the word “siège”.

5. This Regulation comes into force on September 1, 2013.