



Canadian Securities  
Administrators

Autorités canadiennes  
en valeurs mobilières

**For Immediate Release  
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## **Canadian Securities Regulators Publish Final Amendments Mandating a Summary Disclosure Document and Delivery Regime for Exchange-Traded Mutual Funds**

**Toronto** – The Canadian Securities Administrators (CSA) today published final amendments that require exchange-traded mutual funds (ETFs) to produce and file a summary disclosure document called “ETF Facts.” The amendments also require dealers that receive an order to purchase ETF securities to send or deliver an ETF Facts to investors within two days of the purchase.

Like the Fund Facts for conventional mutual funds, the ETF Facts is written in plain language, is no more than two pages double-sided and highlights key information about the potential benefits, risks and costs of investing in an ETF. It also includes additional content that speaks to the trading and pricing characteristics of ETFs.

“ETF Facts will help investors make more informed decisions about ETFs, and we encourage advisors and investors to use it as a tool in their conversations about a purchase decision,” said Louis Morisset, Canadian Securities Administrators Chair and President and CEO of the Autorité des marchés financiers.

Provided all necessary Ministerial approvals are obtained, the amendments will come into force on March 8, 2017. There will be a phased implementation of the requirements. Effective September 1, 2017, ETFs will be required to produce and file an ETF Facts and make it available on the ETF’s or the ETF manager’s website. Dealer delivery obligations related to the ETF Facts will come into effect on December 10, 2018.

Currently, dealers that account for the sale of the majority of ETF assets held by investors deliver a summary disclosure document in lieu of a prospectus pursuant to exemptive relief from existing prospectus delivery requirements under securities legislation. The amendments codify the form and content of the summary disclosure document for ETFs as well as extend the delivery obligation to all dealers who receive a purchase order for ETF securities. The terms of the exemptive relief will remain in effect until the amendments are fully implemented.

Delivery of the ETF Facts to investors will help improve the consistency with which disclosure is provided to ETF investors, and help create a more consistent disclosure framework between conventional mutual funds and ETFs. However, delivery of the ETF Facts will be on a post-sale basis while delivery of the Fund Facts is on a pre-sale basis. The CSA expects to consider the feasibility of requiring pre-sale delivery of the ETF Facts and any proposals in this regard will be subject to the consultation process.

In a separate release published today, the CSA also announced the publication of final amendments to the standardized CSA mutual fund risk classification methodology for use when determining the risk level for conventional mutual funds and ETFs in the Fund Facts and ETF Facts, respectively.

All of the above amendments can be found on CSA members' websites.

The CSA, the council of the securities regulators of Canada's provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

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