

**For Immediate Release
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Canadian Securities Regulators Seek Comment on Alternative Funds Framework

Toronto – The Canadian Securities Administrators (CSA) today published for comment proposed amendments to National Instrument 81-102 *Investment Funds* (NI 81-102) and National Instrument 81-101 *Mutual Fund Prospectus Disclosure* as part of the final phase of the CSA’s efforts to modernize the regulation of publicly offered investment funds.

The proposed amendments are primarily aimed at developing a more comprehensive regulatory framework for publicly offered alternative funds (currently called commodity pools). In addition, they would streamline the regulation of non-redeemable investment funds under NI 81-102.

“In the last decade, the range of investment fund products and strategies in the marketplace has expanded significantly, both in Canada and in other jurisdictions. This initiative reflects the CSA’s efforts to modernize the existing commodity pools regime by making the regulatory framework in Canada more effective and relevant,” said Louis Morisset, Chair of the CSA and President and CEO of the Autorité des marchés financiers. “We expect it will facilitate more alternative and innovative strategies while at the same time maintaining restrictions that we believe to be appropriate for products that can be sold to retail investors.”

The proposed amendments would introduce or revise certain investment restrictions for these funds, including concentration limits, limits on illiquid assets and limits on cash-borrowing. The proposed amendments would also introduce disclosure requirements for alternative funds that would clearly highlight the investment strategies that differentiate these products from conventional mutual funds.

The CSA first published an outline for the proposed framework for alternative funds on March 27, 2013. On February 12, 2015, the CSA published an update on the proposed framework in CSA Staff Notice 81-326 *Update on an Alternative Funds Framework for Investment Funds*.

The proposed amendments can be found on CSA member’s websites. The comment period closes on December 21, 2016.

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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