

**For Immediate Release
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Canadian securities regulators modernize rules concerning mutual funds

Toronto – The Canadian Securities Administrators (CSA) announced today the completion of the first phase of its “Modernization Project”, which seeks to update the product regulation of publicly offered investment funds.

The purpose of the Project is to modernize investment fund regulation, making it more effective and relevant in today’s more diverse and increasingly innovative retail marketplace.

Specifically, the amendments introduced in the first phase recognize the proliferation of Exchange Traded Funds (ETFs) and streamline their access to the market by eliminating the need for them to apply for regulatory exemptions. This will reduce regulatory costs, which is also expected to benefit investors. The amendments are also designed to enhance the resilience of money market funds to certain short-term market risks, by introducing new liquidity requirements and term restrictions.

“By modernizing these important investment fund rules, we are responding to the rapidly evolving investment fund landscape, as well as maintaining consistency with global standards,” said Bill Rice, Chair of the CSA, and Chair and Chief Executive Officer of the Alberta Securities Commission.

Subject to ministerial approval, the amendments will come into force April 30, 2012. The new requirements for money market funds will come into force following a transition period.

To view the amended rules, please refer to the CSA Notice on National Instrument 81-102 *Mutual Funds*, which is available on the websites of various CSA members.

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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