

**For Immediate Release
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Canadian Securities Regulators Seek Comment on Proposals to Modernize Investment Fund Rules

Toronto – The Canadian Securities Administrators (CSA) today published for comment proposed amendments to National Instrument 81-102 *Mutual Funds* (NI 81-102), proposed changes to Companion Policy 81-102CP, and related consequential amendments, as part of the CSA’s Modernization of Investment Fund Product Regulation Project.

The proposed changes and amendments aim to enhance investor protection and market efficiency by providing a consistent regulatory framework in key areas, regardless of whether an investment fund is structured as a mutual fund or a non-redeemable investment fund. Key investor protections include introducing rules for non-redeemable investment funds relating to conflicts of interest, and securityholder and regulatory approval of fundamental changes to the fund or its management.

Representing an important step in this modernization initiative, today’s publication:

- introduces core operational requirements for publicly offered non-redeemable investment funds, other than scholarship plans;
- proposes enhancements to the disclosure requirements relating to securities lending, repurchases and reverse repurchases by investment funds; and,
- seeks feedback on a more comprehensive alternative fund framework that could provide flexibility for investment funds to use alternative investment strategies, while requiring more effective differentiation among the various types of publicly offered investment fund products.

“Creating a more consistent regulatory framework for comparable investment products and giving investors access to alternative investment strategies are key elements in modernizing investment fund rules,” said Bill Rice, Chair of the CSA and Chair and CEO of the Alberta Securities Commission.

The Notice is available on various CSA member websites. The comment period is open until June 25, 2013.

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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