

Nova Scotia Securities Commission

Rule 41-101 (Amendment)

-and-

Amendments to National Instrument 41-101
General Prospectus Requirements and
Form 41-101F2 Information Required in an Investment Fund
Prospectus

WHEREAS:

1. Pursuant to section 150 of the *Securities Act*, R.S.N.S. 1989, chapter 418, as amended (the “Act”), the Nova Scotia Securities Commission (the “Commission”) has power to make rules subject to compliance with the requirements of the Act;
2. National Instrument 41-101 General Prospectus Requirements and Form 41-101F2 Information Required in an Investment Fund Prospectus Amendment Instrument (hereinafter called the “Rule”), a copy of which is attached hereto, has been made a rule by one or more of the Canadian securities regulatory authorities; and
3. The Commission is of the opinion that the attainment of the purpose of the Act is advanced by this Instrument.

NOW THEREFORE the Commission hereby:

- (a) pursuant to the authority contained in section 150 of the Act and subject to compliance with the requirements of section 150A of the Act, approves the Rule and makes the same a rule of the Commission; and
- (b) declares that the rule approved and made pursuant to clause (a) shall take effect on **June 30, 2010**, unless the Minister disapproves the rule or returns it to the Commission in accordance with subsection 150A(3) of the Act in which event the rule shall not be effective until the rule is approved by the Minister.

IN WITNESS WHEREOF this Instrument has been signed by the Chair and Vice-Chair of the Commission, being the members of the Commission prescribed by the Chair pursuant to subsection 15(3) of the Act to attend the hearing of this matter and the quorum with respect to this matter, on the 9th day of April, 2010.

“H. Leslie O’Brien”
H. Leslie O’Brien, Q.C.

“R. Daren Baxter”
R. Daren Baxter

Attachments

**NATIONAL INSTRUMENT 41-101
GENERAL PROSPECTUS REQUIREMENTS AND
FORM 41-101F2 INFORMATION REQUIRED IN AN INVESTMENT FUND
PROSPECTUS
AMENDMENT INSTRUMENT**

1. National Instrument 41-101 General Prospectus Requirements is amended by this Instrument.
2. Form 41-101F2 Information Required in an Investment Fund Prospectus is amended by adding the following Item and accompanying Instructions immediately after Item 19.2:

“19.2.1 – Brokerage Arrangements

Under the sub-heading “Brokerage Arrangements”,

- (a) If any brokerage transactions involving the client brokerage commissions of the investment fund have been or might be directed to a dealer in return for the provision of any good or service, by the dealer or a third party, other than order execution, state
 - (i) the process for, and factors considered in, selecting a dealer to effect securities transactions for the investment fund, including whether receiving goods or services in addition to order execution is a factor, and whether and how the process may differ for a dealer that is an affiliated entity;
 - (ii) the nature of the arrangements under which order execution goods and services or research goods and services might be provided;
 - (iii) each type of good or service, other than order execution, that might be provided; and
 - (iv) the method by which the portfolio adviser makes a good faith determination that the investment fund, on whose behalf the portfolio adviser directs any brokerage transactions involving client brokerage commissions to a dealer in return for the provision of any order execution goods and services or research goods and services, by the dealer or a third party, receives reasonable benefit considering both the use of the goods or services and the amount of client brokerage commissions paid;
- (b) If any brokerage transactions involving the client brokerage commissions of the investment fund have been or might be directed to a dealer in return for the provision of any good or service, by the dealer or a third party, other than order execution, since the date of the investment fund’s last prospectus or last annual information form, whichever one is the most recent, state
 - (i) each type of good or service, other than order execution, that has been provided to the manager or the portfolio adviser of the investment fund; and

- (ii) the name of any affiliated entity that provided any good or service referred to in subparagraph (i), separately identifying each affiliated entity and each type of good or service provided by each affiliated entity; and
- (c) If any brokerage transactions involving the client brokerage commissions of the investment fund have been or might be directed to a dealer in return for the provision of any good or service, by the dealer or a third party, other than order execution, state that the name of any other dealer or third party that provided a good or service referred to in paragraph (b)(i), that was not disclosed under paragraph (b)(ii), will be provided upon request by contacting the investment fund or investment fund family at [insert telephone number] or at [insert investment fund or investment fund family e-mail address].

INSTRUCTIONS:

Terms defined in NI 23-102 – Use of Client Brokerage Commissions have the same meaning where used in this Item.

3. This Instrument comes into force on June 30, 2010.