

Annex A
Summary of Changes to the Proposed Amendments

WORKSTREAM ONE

This document summarizes the changes we made to the Proposed Amendments and Proposed Changes in response to the comments received. We do not consider the changes to be material.

Changes to NI 81-101

1. Form 81-101F2 was not repealed.

Changes to Proposed Form 81-101F1

2. General Instruction (3) was modified to remove the reference to Part 3 of 81-101CP to conform with modern CSA drafting conventions.

Part A: General Disclosure

3. Item 4 was retitled to “Responsibility for Mutual Fund Administration” to better reflect the content of the disclosure requirements in the Item.
4. Item 4.1 was deleted and unique requirements were moved into relevant sections of Item 4 (see Amended Form 81-101F1, Part A, subsection 4.1(2), subsection 4.2(3), subsection 4.2(4), subsection 4.4(2), subsection 4.4(3), paragraph 4.5(1)(c), paragraph 4.5(1)(d), paragraph 4.5(2)(c), paragraph 4.5(2)(d), subsection 4.6(2), subsection 4.6(3), subsection 4.8(2), subsection 4.8(3), paragraph 4.11(2)(a), and paragraph 4.11(2)(b)).
5. Subsection 4.2(1) was modified to replace the reference to the mutual fund’s designated website with a reference to the mutual fund manager’s website (see Amended Form 81-101F1, Part A, subsection 4.1(1)).
6. The disclosure requirements in subsections 4.2(2), (3), (4) and Item 4.6 were streamlined to reduce the amount of information required to be disclosed in respect of individuals involved with the investment fund and investment fund manager. In particular, the following disclosure requirements were streamlined in Item 4.2: occupational history and business of company where a director or executive officer carries out their principal occupation (see Amended Form 81-101F1, Part A, subsections 4.1(3) and 4.1(4)). The following disclosure requirement was streamlined in Item 4.6: principal occupation of directors, executive officers and trustees, business of company where a director, executive officer or trustee of the mutual fund has a principal occupation of partner, director or executive officer (see Amended Form 81-101F1, Part A, paragraphs 4.5(1)(a), 4.5(1)(b), 4.5(2)(a) and 4.5(2)(b)).
7. Paragraph 4.3(3)(a) was amended to add a requirement to identify the individuals referenced, explain their role in the investment decision making process, provide their names, and provide their titles (see Amended Form 81-101F1, Part A, subsection 4.2(5)).
8. Paragraph 4.3(3)(b) was deleted on the basis that the benefit of the disclosure was generally not justified by the significant effort required to assemble it although certain key disclosure items (name, title) were relocated to paragraph 4.3(3)(a) (see Amended Form 81-101F1, Part A, subsection 4.2(5)).
9. Item 4.6 was revised to more clearly distinguish between the requirements applicable to a mutual fund that is a corporation and a mutual fund that is a trust (see Amended Form 81-101F1, Part A, subsections 4.5(1) and 4.5(2)).
10. Subsections 4.6(7) was revised to refer to the ultimate designated person and chief compliance officer of the manager instead of the mutual fund and relocated to the Manager section (see Amended Form 81-101F1, Part A, subsection 4.1(4)).
11. Subsection 4.13(1) was deleted, and unique elements were incorporated into subsection 4.13(2), to consolidate the two subsections (see Amended Form 81-101F1, Part A, subsection 4.12(1)).
12. Item 4.14 was deleted on the basis that the value of the information provided by class or series level holdings does not justify the significant effort required to prepare such information.

13. Subsection 4.15(3) was deleted on the basis that subsections (1)-(2) provide sufficient disclosure for an investor to be able to assess the presence of a conflict without the need for more specific information.
14. Subsection 4.17(5) was deleted on the basis that proxy-voting details are disclosed pursuant to Part 10, NI 81-106, and given the restrictions in subsection 2.5(6) of NI 81-102.
15. Subsection 4.20(3) was revised to provide a materiality threshold in respect of the contemplated legal proceedings that must be described (see Amended Form 81-101F1, Part A, subsection 4.18(3)).
16. Paragraph 4.20(4)(b) was revised to delete the language referencing the ten year period before the date of the simplified prospectus but after the coming into force of NI 81-101, as it is no longer relevant (see Amended Form 81-101F1, Part A, paragraph 4.18(4)(b)).
17. Subsection 4.20(5) was modified to clarify that the circumstances that gave rise to the settlement agreement should be provided (see Amended Form 81-101F1, Part A, subsection 4.18(5)).
18. Amended Form 81-101F1, Part A, Item 4.19 was added to set out a location where the designated website is explicitly identified.
19. Subsection 5(2) was revised to replace “principles and practices” with “methods” to maintain consistent terminology with subsection (1) (see Amended Form 81-101F1, Part A, subsection 5(2)). Subsection 5(3) was revised to replace “practices” with “methods” for the same reason (see Amended Form 81-101F1, Part A, subsection 5(3)).
20. The Instruction to Item 8 was amended to delete the reference to foreign content monitoring plans. CSA Staff also deleted the reference to U.S. dollar purchase plans on the basis that such disclosure can be captured in Amended Form 81-101F1, Part A, subsection 7(4) where all available purchase options are described, and an instruction was added to Amended Form 81-101F1, Part A, subsection 7(4) to confirm that disclosure regarding currency purchase plans must be made in that subsection.
21. Subsection 9.1(8) was consolidated into subsection 9.1(5).
22. Instruction (2) to Item 10 was modified to eliminate the first two sentences, to reflect the coming into force on June 1, 2022 of a ban on deferred sales charge options.
23. Item 12 was modified to change the title of the heading to “What are your Legal Rights?” to more fully capture the scope of the required disclosure that follows.
24. Subsection 13(3) was deleted.

Part B: Fund-Specific Information

25. Paragraph 1(3)(a) was modified to provide separate Part B section headings for a multiple SP and for a single SP.
26. Subsection 2(3) was deleted and consolidated into subsection 2(4) on the basis that the instructions were similar in nature.
27. Subsection 2(4) was modified to indicate that any information applicable to more than one of the mutual funds in the Part B section can be presented in this item (see Amended Form 81-101F1, Part B, subsection 2(3)).
28. Instruction (1) to Part A, Item 13 of the Form 81-101F1 in effect prior to the in-force date of the Amendments, was inserted into the Instructions to Part B, Item 2 of the Amended Form 81-101F1 (see Amended Form 81-101F1, Part B, Item 2, Instruction (2)).
29. Instruction (1) to Item 3 was moved to Part B, subsection 8(2) which requires the date on which the mutual fund started.
30. Subsection 5(5) was deleted on the basis that Form 81-106F1, Part B, Item 3.1 (Annual MRFP, Financial Highlights, Ratios and Supplemental Data) requests data on portfolio turnover rate in a table required to be included which also contains accompanying explanatory information of the significance of that data. CSA Staff also deleted the requirement on the basis that Form 81-101F3, Part II, subsection 1.3(2) requests data about the

trading expense ratio which in part reflects the portfolio turnover rate since a higher portfolio turnover rate increases trading costs payable by a mutual fund.

31. Subsection 5(7) (restrictions on investments adopted by a mutual fund beyond what is required under securities legislation) was moved to follow Part B, subsection 6(2) (approvals to vary restrictions and requirements in securities legislation).
32. References to the term “practices contained in securities legislation” in subsections 6(1)-(3) were modified to “requirements contained in securities legislation” to reflect modern drafting conventions.
33. Part A, subsection 9(5) of the Form 81-101F1 in effect prior to the in-force date of the Amendments, was inserted into Part B, Item 9 of the Amended Form 81-101F1 (see Amended Form 81-101F1, Part B, subsection 9(7)).
34. The instruction to Part B, Item 9.1 of the Form 81-101F1 in effect prior to the in-force date of the Amendments, was inserted as an instruction to Part B, Item 10 of the Amended Form 81-101F1.
35. Item 11 was removed on the basis that while Item 11, Instructions (1) and (2) are not duplicated in Form 81-101F3, Part I, Item 7 (Suitability), all other elements are, and regarding Instructions (1) and (2), CSA Staff note that risk rating information provided pursuant to Form 81-101F3, Part I, subsection 4(2) is an acceptable substitute.

Changes to NI 81-102

36. “An ETF facts document or preliminary or *pro forma* ETF facts document” was added after Item 3 of paragraph (b) of the definition of “sales communication” in section 1.1. This was to provide a corresponding reference to Item 3, which references Fund Facts documents.

Changes to NI 81-106

Part 9 – Annual Information Form

37. Subsection 9.4(2) was amended to permit an investment fund to file an AIF prepared in accordance with Form 41-101F2 if it last distributed securities under a prospectus prepared in accordance with that form; Form 81-101F1 if it last distributed securities under a prospectus prepared in accordance with that form; or Form 81-101F2.
38. The requirements set out in subsection 9.4(2.1) in respect of modifications required to be made to Form 41-101F2 and Form 81-101F1 for use as an AIF for investment funds not in continuous distribution, were separated into two different subsections. A third subsection was added in respect of the modifications required to be made to Form 81-101F2, using requirements from subsection 9.4(2) of NI 81-106 as it existed prior to the in-force date of the Amendments.
39. In respect of Form 41-101F2 and Form 81-101F1, provisions were added to state that the items of those forms that are applicable to distributions of securities only and are inapplicable to any other case, do not apply (see Amended NI 81-106, paragraphs 9.4(2.1)(b) and 9.4(2.2)(b)).
40. The list of items that need not be completed where Form 41-101F2 is used as an AIF for investment funds not in continuous distribution was expanded to include item 1.9, item 1.10, item 1.12, item 1.14, item 1.15, paragraph 3.3(1)(f), paragraph 3.6(3)(a), item 7.1, item 9.1, item 11, item 16, and item 17.2 of Form 41-101F2 (see Amended NI 81-106, paragraph 9.4(2.1)(c)).
41. The list of items that need not be completed where Amended Form 81-101F1 is used as an AIF for investment funds not in continuous distribution, was expanded to include Part A, item 4.4, paragraph 4.17(1)(e), subsection 7(3) and subsection 7(4) (see Amended NI 81-106, paragraph 9.4(2.2)(c)). In addition, the instruction to ignore Part B, Item 11 was removed on the basis that it was not carried forward to the Amended Form 81-101F1.

Changes to 41-101CP

42. Section 5B.1 was added to provide assurance that a mutual fund granted an exemption to file a simplified prospectus prepared in accordance with Form 81-101F1 and an AIF prepared in accordance with Form 81-101F2 in lieu of a prospectus prepared in accordance with Form 41-101F2, may comply with such an exemption after the in-force date of the Amendments by filing a simplified prospectus in accordance with Form 81-101F1.

Changes to 81-101CP

43. Subsection 2.2(3) was added to provide assurance that a person granted an exemption from a requirement in Form 81-101F1 or Form 81-101F2 prior to the in-force date of the amendments, is exempt, after the in-force date of the amendments, from any substantially similar requirement in Form 81-101F1.
44. Subsection 2.2(4) was added to provide assurance that a person granted an exemption from a requirement in securities legislation prior to the in-force date of the amendments on the condition that certain disclosure be provided in an AIF prepared in accordance with Form 81-101F2, may, after the in-force date of the amendments, provide such disclosure in a simplified prospectus prepared in accordance with Form 81-101F1.
45. Section 8.2 was changed to replace the first two sentences with guidance that reflects the Amended Form 81-101F1, Part A, Item 4.2.

WORKSTREAM TWO

This document summarizes the changes we made to the Proposed Amendments and Proposed Changes in response to the comments received. We do not consider the changes to be material.

Changes to NI 14-101

1. The proposed definition of “designated website” will not be added to NI 14-101. Instead, the definition of “designated website” of an investment fund was added to NI 81-106, and corresponding references to this definition were added in other instruments, where relevant.

Changes to NI 41-101

2. A reference to the definition of “designated website” found in NI 81-106 was added in section 1.1 of NI 41-101.
3. Item 19.13 of Form 41-101F2 was added to require that investment funds which prepare their prospectus or annual information form according to the requirements of this form identify a designated website.

Changes to 41-101CP

4. Subsection 5A.4(2) was modified to clarify that ETF fund profiles and up-to-date trading and pricing information for an ETF referenced in this subsection may be available on a website which is not the designated website.

Changes to NI 81-101

5. A reference to the definition of “designated website” found in NI 81-106 was added in section 1.1 of NI 81-101.

Changes to NI 81-102

6. A reference to the definition of “designated website” found in NI 81-106 was added in section 1.1 of NI 81-102.

Changes to NI 81-106

7. A definition of “designated website” of an investment fund was added to NI 81-106 following its removal from NI 14-101.
8. Proposed subsection 16.1.2(2) of NI 81-106 was modified in order to clarify that we wish to provide investment fund managers with the flexibility to delegate the establishment and maintenance of the designated website to third-party providers, and to clarify investment fund managers’ responsibility in the case where the establishment and maintenance of the designated website is delegated.
9. Subsection 16.1.2(3) of NI 81-106 was added in order to clarify how the designated website should be designated.

Changes to 81-106CP

10. Changes were made in order to in order to clarify the CSA’s expectations regarding the designated website. We have notably added guidance in new subsection (9) of section 11.1 to specify how the website should be designated, as well as guidance in new subsection (10) of section 11.1 to clarify that investment fund managers should consider the guidance concerning outsourcing found in Companion Policy 31-103 CP *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

Changes to NI 81-107

11. A reference to the definition of “designated website” found in NI 81-106 was added in new section 1.8 of NI 81-107.

WORKSTREAM THREE

This document summarizes the changes we made to the Proposed Amendments and Proposed Changes in response to the comments received. We do not consider the changes to be material.

Changes to NI 81-106

1. The proposed definition, “securityholder materials” in section 1.1 was not included in the Amendments.
2. The abbreviation of “National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*” to “National Instrument 54-101” was not pursued in subsections 5.1(3) and (4) to conform with current CSA drafting standards.
3. The proposed definition “securityholder” in proposed subsection 12.1(2) was not included in the Amendments and as a result the replacement of section 12.1 of NI 81-106 was not necessary since proposed subsection 12.1(1) is already present.
4. Proposed subsection 12.2.3(2) was revised to clarify that materials posted to a website must, for greater certainty, be posted in a way that meets certain usability thresholds.
5. Proposed section 12.2.4 was revised to more clearly distinguish between the obligations imposed on management of an investment fund, and those acting on their behalf, and other persons or companies.

Changes to 81-106CP

6. The second paragraph in subsection 8.2(1) was revised to state the following: “We expect that persons or companies that solicit proxies will only use notice-and-access for a particular meeting *where they have no reason to believe it is inappropriate or inconsistent* with the purposes of notice-and access to do so, taking into account factors such as...”. This change further clarifies the expectations around the use of notice-and-access by persons or companies that solicit proxies.

WORKSTREAM FOUR

No changes were made to the Proposed Amendments or Proposed Changes.

WORKSTREAM FIVE

This document summarizes the changes we made to the Proposed Amendments and Proposed Changes in response to the comments received. We do not consider the changes to be material.

Changes to NI 81-102

1. In section 1.1 we added the words “*designated rating*” means, for greater clarity and made minor grammatical changes in appropriate places for greater clarity (e.g. changed “described in” to “referred to in”).
2. In section 1.1 we added definitions for U.S. GAAP, U.S. AICPA GAAS and U.S. PCAOB GAAS which refer to the same meaning of each term as set out in section 1.1 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*. These definitions have been added to further specify the acceptable auditing standards referred to in paragraph 2.5.1(2)(f).
3. In subsection 1.2(2.1) we changed the reference to section 2.5 to 2.5.1 for greater clarity. We also removed the section references to sections 9.4 and 10.4 of NI 81-102 as sections that would apply to investment funds that are not reporting issuers. This change was made due to the removal of the proposed codified exemption in subsections 9.4(7), 9.4(8), 10.4(6) and 10.4(7) of NI 81-102 for *in-species* transactions involving pooled funds, public funds and managed accounts for the reasons set out in the CSA Notice.
4. In section 2.5.1 we made drafting changes to subsection (1) to better specify and give clarity to the meanings of “significant interest” and “substantial security holder”.
5. In section 2.5.1 we removed the requirement in paragraph (2)(d) for an underlying fund in a pooled fund on fund transaction to comply with NI 81-106. In its place, we added paragraph (2)(c) to specify that when an underlying fund is not a reporting issuer, the underlying fund must, among other conditions, prepare annual financial statements for the other fund’s most recently completed financial year and obtain an auditor’s report with respect to those statements, within 90 days after the end of that financial year.
6. In section 2.5.1 we added paragraphs (2)(e) and (2)(f) to specify the accounting preparation and auditing standards that apply to financial statements of an underlying fund in a pooled fund on fund transaction reliant on the exemption.
7. In section 2.5.1 we replaced “an objective price” in paragraph (2)(i) with “a price that equals the net asset value per security of the other fund”.
8. In section 2.5.1 we adjusted the drafting of paragraph (2)(j) to provide greater clarity on when certain disclosure must be provided to an investor in a pooled fund that may invest in a related underlying fund.
9. In section 2.5.1 we changed the reference in now clause (2)(j)(viii)(B) to reference both audited annual financial statements and interim financial statements prepared by an underlying fund in a pooled fund on fund transaction. We removed the prior reference to interim financial reports.
10. We adjusted the drafting structure of section 2.5.1 so that subsection (3) clearly specifies that the investment fund conflict of interest investment restrictions and the investment fund conflict of interest reporting requirements do not apply to an investment fund that is not a reporting issuer when it purchases or holds securities of another investment fund if the other investment fund is a reporting issuer and the purchase or holding is made in accordance with section 2.5 of NI 81-102.
11. We adjusted the drafting structure of the related party underwriting exemption in subsection 4.1(4) to provide greater clarity by separating out the conditions applicable at the time of the investment and the conditions applicable during the 60-day period after the time of investment.
12. We removed the proposed exemption in subsections 9.4(7) and 9.4(8) of NI 81-102 to permit *in-species* purchases of securities among pooled funds, investment funds subject to NI 81-102 and managed accounts. The reasons for removal of this exemption are further explained in the CSA Notice.
13. We removed the proposed exemption in subsections 10.4(6) and 10.4(7) of NI 81-102 to permit *in-species* redemptions of securities among pooled funds, investment funds subject to NI 81-102 and managed accounts. The reasons for removal of this exemption are further explained in the CSA Notice.

Changes to NI 81-107

14. In section 1.1 we added subsections (3) and (4) to provide greater clarity on which sections of NI 81-107 also apply to an investment fund that is not a reporting issuer and which sections also apply in respect of a managed account.
15. We added references in paragraph 5.2(1)(b) to include in the list of transactions a manager may not proceed with unless they obtain IRC approval, the following transactions now codified in the Instrument:
 - a) subsection 6.2(1) – investment fund purchases and holds of securities purchased over an exchange;
 - b) subsection 6.3(1) – investment fund purchases and holds of non-exchange traded debt securities in the secondary market;
 - c) subsection 6.4(1) – investment fund purchases and holds of long-term debt securities in the primary market;
 - d) subsection 6.5(1) – investment fund or managed account purchases or sales of debt securities on a principal basis with a related dealer.
16. We revised the reporting requirement in now subsection 6.1(2.1) to remove the requirement on investment funds that are party to an inter-fund trade to keep records of the inter-fund transaction for *five years after the end of the financial year, the most recent two years in a reasonably accessible place*. This condition has been replaced with the requirement for each investment fund, or a portfolio manager on behalf of a managed account, to keep records in accordance with the record-keeping requirements applicable to registered firms set out sections 11.5 and 11.6 of NI 31-103.
17. We revised the drafting of subsections 6.1(2), 6.1(3), 6.1(4) and 6.1(5) for greater clarity and to better reflect the inclusion of an investment fund that is not a reporting issuer in each subsection.
18. We revised the drafting of section 6.2 for greater clarity and to better reflect the inclusion of an investment fund that is not a reporting issuer in the section.
19. We adjusted the drafting of previous paragraph 6.2(1)(b) to form its own subsection 6.2(2) and slightly modified the wording to provide greater clarity.
20. We revised the drafting structure of section 6.3 to provide greater clarity on the timing of when certain conditions apply to the transaction (e.g. at the time the investment is made, after the investment is made).
21. We amended now paragraph 6.3(2)(b) to provide a more specific reference to the definition of “designated rating” as it appears in paragraph (b) of the definition of same in NI 44-101. We note that this definition, as it appears in NI 44-101, also contemplates specific “designated rating organizations”. Additional guidance on this point has been added as Commentary 3 to section 6.3.
22. We revised the drafting structure of section 6.4 to provide greater clarity on the timing of when certain conditions apply to the transaction (e.g. at the time the investment is made, immediately after the investment is made, after the investment is made).
23. We amended now subparagraph 6.4(1)(a)(v) to provide a more specific reference to the definition of “designated rating” as it appears in paragraph (b) of the definition of same in NI 44-101. We also removed the specific reference to ‘designated rating organization’ given that it is contemplated by the definition of “designated rating” in NI 44-101. Additional guidance on this point has been added as Commentary 3 to section 6.4.
24. We revised now subsection 6.5(2) in this section to require each investment fund, or a portfolio manager on behalf of a managed account, to keep records in accordance with the record-keeping requirements applicable to registered firms set out in sections 11.5 and 11.6 of NI 31-103.
25. We revised the drafting structure of now subsection 6.5(3) to include a portfolio manager or a portfolio adviser of a managed account, and a managed account. Where appropriate, we also included references to an investment fund that is not a reporting issuer.

Changes to Commentary in NI 81-107

26. We added Commentary 5 to section 2.2 of NI 81-107 to relocate it from its previous location as Commentary 5 to the previous section 8.2 of NI 81-107 which has lapsed.

27. We added Commentary 5 to section 5.1 of NI 81-107 to relocate it from its previous location as Commentary 8 to the previous section 8.2 of NI 81-107 which has lapsed.
28. We replaced Commentary 9 to section 6.1 of NI 81-107 to set out our expectations for compliance with recordkeeping requirements on investment funds which engage in inter-fund trades. The recordkeeping requirements are set out in sections 11.5 and 11.6 of NI 31-103.
29. We added Commentary 3 to the new section 6.3 of NI 81-107 to provide guidance on use of the “designated rating” in the exemption, as that term is defined in paragraph (b) of its definition in NI 44-101.
30. We added Commentary 3 to the new section 6.4 of NI 81-107 to provide guidance on use of the “designated rating” in the exemption, as it is defined in paragraph (b) of its definition in NI 44-101.
31. We deleted Commentary 1 to section 7.2 of NI 81-107 as section 7.2 of NI 81-107 has lapsed.
32. We deleted Commentary 1 to section 8.2 of NI 81-107 as section 8.2 of NI 81-107 has lapsed.

Changes to NI 31-103, NI 45-106 and NI 81-106

33. We revised the definition of “designated rating” in section 1.1 of each of NI 45-106, NI 31-103 and NI 81-106 to remove the reference in each case to “*paragraph (b) of the definition of “designated rating”*”. This change was made due to the repeal of paragraph (a) of the definition of “designated rating” in NI 81-102 by the Amendments. As a result of this repeal, there is no longer a ‘paragraph (b)’ in the definition of “designated rating” as it appears in section 1.1 of NI 81-102.

WORKSTREAM SIX

This document summarizes the changes we made to the Proposed Amendments and Proposed Changes in response to the comments received. We do not consider the changes to be material.

Changes to NI 81-102

Part 5 – Fundamental Changes

1. The proposed amendment to subsection 5.4(2) was relocated to Workstream 7 for drafting reasons.
2. Subparagraph 5.3(2)(a)(iii) was amended to refer to the following provisions: subparagraph 5.6(1)(a)(i), clause 5.6(1)(a)(ii)(A), subparagraph 5.6(1)(a)(iii) and subparagraph 5.6(1)(a)(iv); subparagraph 5.6(1)(b)(i); paragraph 5.6(1)(c); paragraph 5.6(1)(d); paragraph 5.6(1)(g); paragraph 5.6(1)(h); paragraph 5.6(1)(i); paragraph 5.6(1)(j); and paragraph 5.6(1)(k). This was to reflect that securityholder approval of investment fund mergers will still be required.
3. Proposed clause 5.6(1)(a)(ii)(B) and proposed subparagraph 5.6(1)(b)(ii) were revised to replace the term “meeting materials” with a more precise reference to the information circular.
4. Amended subclause 5.6(1)(a)(ii)(B)(I) was added to clarify that the investment fund manager must reasonably believe that the transaction is in the best interest of the investment fund despite the differences.
5. Proposed clause 5.6(1)(a)(ii)(B) was amended to replace the reference to “best interests of security holders” with “best interests of the investment fund” to more closely align with the language used in statutory descriptions of investment fund managers’ standard of care (see Amended subclause 5.6(1)(a)(ii)(B)(II)).
6. Amended clause 5.6(1)(b)(ii)(A) was added to clarify that the investment fund manager must reasonably believe that the transaction is in the best interest of the investment fund despite the tax treatment of the transaction.
7. Proposed clause 5.6(1)(b)(ii)(C) of NI 81-106 was amended to replace the reference to “best interests of security holders” with “best interests of the investment fund” to more closely align with the language used in statutory descriptions of investment fund managers’ standard of care (see Amended subclause 5.6(1)(b)(ii)(B)(III)).

Changes to 81-102CP

Part 7 - Changes

8. Section 7.2 was replaced with revised guidance that reflects the amendments being made as part of Workstream 6.

WORKSTREAM SEVEN

This document summarizes the changes we made to the Proposed Amendments and Proposed Changes in response to the comments received. We do not consider the changes to be material.

Changes to NI 81-102

Part 5 – Fundamental Changes

1. The chapeau of subsection 5.4(2) has been modified to explicitly indicate that the referenced “statement” is one that should be in an information circular. This amendment was originally to be made as part of the Workstream 6 amendments but is being made as part of Workstream 7 for drafting reasons (see Amended paragraph 5.4(2)(a)).
2. Proposed paragraph 5.4(2)(a.2) was amended to add a materiality threshold in respect of the information required to be provided pursuant to subparagraphs (i)-(iii) (see Amended clauses 5.4(2)(a)(iii)(A)-(D)) .
3. Proposed subparagraph 5.4(2)(a.2)(i) was amended to limit its application to executive officers and directors within the five years preceding the date of the notice or statement (see Amended clause 5.4(2)(a)(iii)(A)).

Changes to 81-102CP

Part 7 - Changes

4. Section 7.1 was repealed to reflect the amendments made as part of Workstream 7.

WORKSTREAM EIGHT

This document summarizes the changes we made to the Proposed Amendments and Proposed Changes in response to the comments received. We do not consider the changes to be material.

Changes to NI 41-101

1. Section 3C.2.2 was added to provide an exemption for the delivery of ETF Facts for subsequent purchases under a pre-authorized purchase plan or a portfolio rebalancing plan. This exemption is consistent with the exemption provided for the delivery of the Fund Facts for subsequent purchases under a pre-authorized purchase plan or a portfolio rebalancing plan in section 3.2.03 of NI 81-101.
2. Section 3C.2.3 was added to provide an exemption for delivery of ETF Facts for managed accounts and permitted clients. This exemption is consistent with the exemption provided for the delivery of Fund Facts for managed accounts and permitted clients in section 3.2.04 of NI 81-101.
3. Section 3C.2.4 was added to provide an exemption for the delivery of ETF Facts for automatic switch programs. This exemption is consistent with the exemption provided for the delivery of Fund Facts for automatic switch programs in section 3.2.05 of NI 81-101.
4. Section 3C.3 was amended to replace “3.C.2” with “3C.2, 3C.2.2 or 3C2.4” in subsection (1) to add reference to the exemptions for delivery of the ETF Facts in those sections.
5. Appendix F – ETF Facts Automatic Switch Program Information for section 3C.2.4 was added to NI 41-101. Appendix F is consistent with Appendix A to NI 81-101, with modifications made for the different form requirements for ETF Facts.
6. General Instruction (11) of Form 41-101F4 was amended to reference the section 3C.2.4 exemption. This amendment is consistent with the amendment to General Instruction (10) of Form 81-101F3.

Changes to NI 81-101

7. Paragraphs 3.2.01(4)(b) and (c) were amended to reflect the numbering of the final amendments to NI 81-101 that were published by the CSA on September 17, 2020.
8. Subparagraph 3.2.03(b)(i) was amended to remove “subject to paragraph (c)” to correct a technical drafting error.
9. Subparagraph 3.2.05(b)(i) was amended to remove “subject to paragraph (c)” to correct a technical drafting error.
10. The subparagraphs under paragraph 3.2.05(e) were reformatted and moved to Appendix A to NI 81-101 for ease of reference.
11. Subparagraph 3.2.05(e)(i) was deleted as it is redundant.
12. Subparagraph 3.2.05(e)(ix), now renumbered as subparagraph (h)(i) of Appendix A to NI 81-101, was amended to reference “highest management fees” rather than “highest fees” for clarification.