

CSA Notice of Amendments to
National Instrument 81-101 *Mutual Fund Prospectus Disclosure*,
National Instrument 81-102 *Investment Funds*,
National Instrument 81-106 *Investment Fund Continuous Disclosure*,
National Instrument 81-107 *Independent Review Committee for Investment*
Funds
and
Changes to the
Commentary in National Instrument 81-107 *Independent Review Committee*
for Investment Funds

Modernization of the Continuous Disclosure Regime for Investment Funds

January 22, 2026

Introduction

The Canadian Securities Administrators (the **CSA** or **we**) are modernizing the continuous disclosure regime for investment funds (the **CD Modernization Project**). We aim to improve the quality of disclosure provided to investors and reduce the unnecessary regulatory burden of certain current investment fund continuous disclosure requirements under securities legislation.

The objectives of the CD Modernization Project are to:

- replace the existing annual and interim Management Report of Fund Performance (**MRFP**) with a new annual and interim Fund Report (**Workstream One**);
- reference the term Fund Expense Ratio (**FER**), which combines the management expense ratio and the trading expense ratio of an investment fund, in the Fund Facts and the ETF Facts (**Additional FER Initiative**);
- provide exemptions from certain conflict of interest reporting requirements in securities legislation where other similar requirements are satisfied (**Workstream Two**);
- eliminate certain required class or series-level disclosures from investment fund financial statements (**Workstream Three**); and
- make revisions to the version of Form 81-101F1 *Contents of Simplified Prospectus* (**Form 81-101F1**) that came into force on January 6, 2022¹ (**Additional SP Disclosure Initiative**).

¹ https://www.osc.ca/sites/default/files/2021-10/csa_20211007_41-101_reducing-regulatory-burden.pdf.

Workstream Two, Workstream Three and the Additional SP Disclosure Initiative

For Workstream Two, Workstream Three and the Additional SP Disclosure Initiative, we are adopting amendments to the following:

- National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (**NI 81-101**);
- National Instrument 81-102 *Investment Funds* (**NI 81-102**);
- National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**);
- National Instrument 81-107 *Independent Review Committee for Investment Funds* (**NI 81-107**)

(collectively, the **Amendments**);

and making changes to the:

- Commentary in National Instrument 81-107 *Independent Review Committee for Investment Funds* (**81-107CP Changes**)

In some jurisdictions, ministerial approvals are required for the implementation of the Amendments. Provided all ministerial approvals are obtained, the Amendments will come into force on, and the 81-107CP Changes will take effect on, April 22, 2026 (the **Effective Date**).

The text of the Amendments and the 81-107CP Changes is contained in Annexes B through F of this Notice and will also be available on the websites of the following CSA jurisdictions:

www.asc.ca
www.fcaa.gov.sk.ca
www.mbsecurities.ca
www.osc.ca
www.lautorite.qc.ca
www.fcnb.ca
<https://nssc.novascotia.ca>

Workstream One and Additional FER Initiative

For Workstream One and the Additional FER Initiative, the CSA continues to work on a Fund Report that will be more streamlined and significantly less burdensome for investment fund managers (**managers** or **IFMs**) to prepare for reporting issuer investment funds, and more likely to be read and understood by investors compared to the MRFP. We expect to have a subsequent publication on Workstream One and the Additional FER Initiative at a later date.

Substance and Purpose

The purpose of the CD Modernization Project is to modernize the continuous disclosure regime governing investment funds by enhancing the utility of investment fund disclosure for investors while reducing regulatory burden for IFMs.

The Amendments relating to Workstream Two replace the overlapping statutory reporting requirements² for related party transactions with a new standardized form. The Amendments ensure clear, standardized disclosure of information relevant to select related party transactions and remove the requirement to file duplicative, more frequent reports, without impacting investor protection or efficiency of the markets.

Consistent with International Financial Reporting Standards (**IFRS**), the Amendments relating to Workstream Three remove the requirement to prepare certain class or series-level disclosures in the Statement of Comprehensive Income, the Statement of Changes in Financial Position, and the notes to the financial statements. The Amendments eliminate the disclosure of multiple classes or series, which provided minimal utility for investors and were unduly burdensome for investment funds.

The Amendments for the Additional SP Disclosure Initiative are in response to feedback received following the January 6, 2022 effective date of the amendments to Form 81-101F1.

Background

Reducing Regulatory Burden for Investment Funds

On September 12, 2019, the CSA published *Reducing Regulatory Burden for Investment Fund Issuers – Phase 2, Stage 1 (Project RID Publication for Comment)*.³ Comments on the Project RID Publication for Comment were summarized in final amendments and changes published on October 7, 2021.⁴ On January 14, 2019, the Ontario Securities Commission published OSC Staff Notice 11-784 *Burden Reduction*⁵ (**OSC Staff Notice 11-784**). The CSA considered comments received in response to the Project RID Publication for Comment and OSC Staff Notice 11-784, as well as recommendations made by the Capital Markets Modernization Taskforce created by the Ontario government, as described in its final report published in January 2021.⁶

CSA Business Plan

The CSA's 2022-2025 Business Plan identifies delivering smart and responsive regulation protecting investors while reducing regulatory burden, as a strategic goal.⁷ The CSA reviewed investment fund continuous disclosure requirements to identify areas that could be updated to benefit key stakeholders, primarily investors and investment funds. Within the scope of our review, we not only included continuous disclosure requirements outlined in NI 81-106, but we also considered select reporting requirements present elsewhere in securities legislation (e.g., provincial statutes or NI 81-102). While financial statements formed part of our review area, we focused on requirements in Part 3 (Financial Disclosure Requirements) of NI 81-106 that are not mandated by IFRS.

Proposed Amendments

On September 19, 2024, the CSA published proposed amendments to national instruments (the **Proposed Amendments**) and proposed changes to national policies and companion policies (the **Proposed Changes**) to modernize the continuous disclosure regime for investment funds. The publication also included specific questions for comment, including a question on related party transactions (the **Related**

² The overlapping reporting requirements applied in all CSA jurisdictions except Manitoba, Quebec, Prince Edward Island, Yukon, the Northwest Territories and Nunavut.

³ https://www.osc.ca/sites/default/files/pdfs/irps/ni_20190912_41-101_reducing-regulatory-burden-for-investment-fund-issuers.pdf.

⁴ https://www.osc.ca/sites/default/files/2021-10/csa_20211007_41-101_reducing-regulatory-burden.pdf.

⁵ https://www.osc.ca/sites/default/files/pdfs/irps/20191119_reducing-regulatory-burden-in-ontario-capital-markets.pdf.

⁶ <https://files.ontario.ca/books/mof-capital-markets-modernization-taskforce-final-report-en-2021-01-22-v2.pdf>.

⁷ https://www.securities-administrators.ca/wp-content/uploads/2022/10/2022_2025CSA_BusinessPlan.pdf.

Party Transactions Question). The deadline to submit comments on the Proposed Amendments was extended to January 31, 2025.

Summary of Written Comments Received by the CSA

Of the 26 comment letters we received on the Proposed Amendments, 13 letters provided comments on Workstreams Two, the Related Party Transactions Question, Workstream Three, and the Additional SP Disclosure Initiative. We thank everyone who provided comments. A summary of the comments together with our responses are set out in Annex A. The names of the commenters are also set out in Annex A.

Copies of the comment letters are posted on the websites of the Alberta Securities Commission at www.asc.ca, the Ontario Securities Commission at www.osc.ca, and the Autorité des marchés financiers at www.lautorite.qc.ca.

Summary of Changes

After considering the comments received, we have made some non-material changes to the Proposed Amendments for Workstream Two. No changes were made to the Proposed Amendments for Workstream Three and the Additional SP Disclosure Initiative.

The changes are reflected in the Amendments that we are publishing as Annex D to this Notice. As these changes are not material, we are not republishing the Amendments for a further comment period.

The following is a summary of the changes made to the Proposed Amendments for Workstream Two:

(a) Manager's Report on Related Party Transactions

We received comments that the reference to “any other related party to the investment fund” in the Proposed Amendments would capture parties who may not be contemplated by the manager’s report on related party transactions. We have therefore removed “any other related party to the investment fund” from section 2.5 of NI 81-107. As a result, disclosure would be provided for transactions involving the investment fund and an “entity related to the manager”, as defined in section 1.3 of NI 81-107.

In response to comments, we changed section 2.5 to remove the requirement to provide a brief description of any provision in securities legislation or any order made under securities legislation that imposes a requirement to provide disclosure about the transaction or to keep a record in respect of the transaction. As a result of this change and the change to s. 2.5 of NI 81-107 noted in the above paragraph, disclosure will be required for other types of transactions “involving the investment fund and an entity related to the manager” that are not identified in a report for which an annual SEDAR+ report filing is required. This would include, for example, inter-fund trades, principal trades in debt securities with a related dealer or fund-on-related fund transactions for which a report is not required under NI 81-107 or NI 81-102.

(b) Form 81-107A Conflict Reporting Form for Related Issuer Purchases

We received comments stating that a related party transaction report is prepared over a period of time and it would be difficult to provide an accurate preparation date. As a result, we have removed the requirement to disclose the date on which the report was prepared.

With respect to an investment in a debt security, we also received comments asking for the removal

of the requirement to disclose each source of any independent quote or independent pricing used to determine the price per security in which the investment was made. Commenters indicated that there would be added burden on the manager to provide this information and the information would be of minimal utility to investors. Accordingly, we have removed this requirement.

For greater clarification and in response to the comments received, the requirement to disclose the name of any related person or company that has received, or will receive, a “fee in respect of the investment made” was changed to require disclosure of the name of any related person or company that received, or will receive a fee, commission or any other form of compensation in respect of the investment made.

Transition Period and Effective Date

The Amendments will become effective on the Effective Date.

There will be transition periods for the Amendments for both Workstream Two and Workstream Three. The Amendments relating to the Additional SP Disclosure Initiative will not have a transition period.

(a) Workstream Two

An investment fund is not required to comply with parts 2, 4 and 6 of NI 81-107 until January 1, 2027, if the investment fund complied with those parts as of April 21, 2026.

The Amendments provide an exemption from section 2.5 of Form 81-106F1 *Contents of Annual and Interim Management Report of Fund Performance* for investment funds that comply with section 2.5 of NI 81-107.

(b) Workstream Three

An investment fund is not required to comply with the Amendments for Workstream Three until January 1, 2027, if the investment fund complied with sections 3.2 and 3.3 and subsection 3.6(1) of NI 81-106 as of April 21, 2026.

Please see the Annex A for a summary of comments and CSA responses relating to the consultation question regarding the effective date of the Amendments and 81-107CP Changes, as well as the contemplated exemptions.

Contents of Annexes

The text of the Amendments is contained in the following annexes to this Notice, and is available on CSA member websites:

Annex A: Summary of Comments and CSA Responses

Annex B: Amendments to National Instrument 81-101 *Mutual Fund Prospectus Disclosure*

Annex C: Amendments to National Instrument 81-102 *Investment Funds*

Annex D: Amendments to National Instrument 81-106 *Investment Fund Continuous Disclosure*

Annex E: Amendments to National Instrument 81-107 *Independent Review Committee for Investment Funds*

Annex F: Change to the Commentary in National Instrument 81-107 *Independent Review Committee for Investment Funds*

Annex G: Local Matters

Questions

Please refer your questions to any of the following CSA staff:

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