Appendix B

Amendments to National Instrument 41-101 *General Prospectus Requirements*, National Instrument 44-101 *Short Form Prospectus Distributions*, National Instrument 44-102 *Shelf Distributions*, National Instrument 81-101 *Mutual Fund Prospectus Disclosure*, changes to Companion Policy 41-101CP to National Instrument 41-101 *General Prospectus Requirements*, Companion Policy 44-101CP to National Instrument 44-101 *Short Form Prospectus Distributions*, Companion Policy 44-102CP to National Instrument 44-102 *Shelf Distributions*, Companion Policy 81-101CP *to National Instrument 81-101 Mutual Fund Prospectus Disclosure*, and Related Consequential Amendments and changes

Summary of Comments and CSA Responses

No.	***Subject (references are to current or proposed sections, items and paragraphs)***	***Summarized Comment***	***CSA Response***
National Instrument 41-101 *General Prospectus Requirements* (NI 41-101)			
1.	Subsection 2.3(1)- time to file final prospectus- 180 days to file final prospectus may still be insufficient for cross border offerings	1 commenter expressed that it is generally in agreement with the existing 90 day period and proposed new 180 day total period of time permitted to file a final prospectus. The commenter noted that the current 90 day period can sometimes be too short in the context of cross-border public offerings and that issuers may continue to require exemptive relief from filing the final prospectus within the prescribed timeframes.	We acknowledge the comment, and will consider relief applications on a case-by-case basis.
2.	Subsection 5.10.1(1)- certificate of principal distributor- principal distributor should not be held to the same standard	1 commenter expressed that a principal distributor of an investment fund should not be held to the same standard as the investment fund and the manager of the investment fund when certifying disclosure pursuant to Form 41-101F2 *Information Required in an Investment Fund Prospectus* (**Form 41-101F2**).	After reviewing the comment received in connection with the principal distributor certificate requirement, we have decided to revise the certificate language so that the principal distributor will certify to the best of its knowledge, information and belief.

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3.	Paragraph 9.1(2)(a)- personal information forms- clarification needed	1 commenter requested clarification regarding the exemption requirements relating to the filing of a personal information form and references the definition of "personal information form". In reference to the definition of "personal information form", the commenter indicates it is unclear as to whether a certificate and consent attached to a TSX/TSXV personal information form or the actual TSX/TSXV personal information form must have been executed in the prior three years in order to rely on the exemption in Subsection 9.1(2).	We acknowledge the comment. We have made certain changes to what we published for comment regarding previously filed personal information forms. These changes are described in this Notice under the heading "Summary of Changes to the July 2011 Materials". Included in these changes is that we have made it clear that in all cases it is the certificate and consent that must be executed within three years of the prospectus filing.
4.	Paragraph 9.1(2)(a)- personal information forms- three year currency too short and certificate of issuer for each prospectus filing is too onerous	1 commenter expressed that the three-year time period and the certificate requirement for issuers to confirm the accuracy of the responses to specified questions in a previously filed personal information form for each of its directors, executive officers and promoters for each prospectus filing is onerous – especially for issuers that file multiple prospectuses each year. The commenter believed that the three-year time period is too frequent and that the requirement to file a personal information form every five years would address the CSA's concern without unnecessarily burdening the industry. The commenter also expressed that the	We acknowledge the comment. However, we believe that the three-year time period strikes the correct balance between the need for the consent to remain valid and a requirement to file in a frequency that is not overly burdensome to the individual. We acknowledge the comment, and as

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		certificate of issuer filed with each prospectus is too onerous, particularly given the current requirement to disclose legal proceedings, cease trade orders and bankruptcies etc. of directors and executive officers in a prospectus. The commenter expressed its concern that this may hinder the ability of an issuer to proceed with a transaction in a short timeframe, contrary to the principles of short-form prospectus offerings and is particularly problematic for issuers that file multiple prospectuses each year.	stated previously we have made certain changes to what we published for comment regarding previously filed personal information forms. Among those changes was the elimination of the form to which the commenter is referring (Proposed Appendix A Schedule 4 "Certificate").
Form 41-101F2 ***Information Required in an Investment Fund Prospectus***			
5.	Item 3.3(1)(e) and Item 6.1(1)(b)- leverage disclosure for investment funds- enhanced disclosure requirement should not apply in all cases	1 commenter expressed that the enhanced disclosure requirements should not apply to preferred shares or securities of split corporations or trusts. The commenter indicated that split share offerings do not consider preferred shares to be leverage, in contrast, for example, to bank borrowings to which limitations are attached by a contract. Furthermore, from time to time, the actual amount of leverage can vary dramatically based on the value of the portfolio after issuance.	We acknowledge the comment, however, the issuance of preferred securities by a split share corporation can generate a significant amount of leverage for holders of capital securities. This leverage is a material feature of these funds and, as such, the potential for this leverage should be disclosed. Where the amount of leverage applicable to the capital securities of a split share corporation may vary from time to time, it would be necessary to disclose this fact in the prospectus and describe the significance of the leverage to holders of the capital securities.
6.	Item 39.4.1- certificate of the principal distributor- principal	1 commenter expressed that the principal distributor of an investment fund should not be	See response to comment concerning proposed subsection 5.10.1(1) above.

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	distributor should not be held to the same standard, and in addition qualifying language is needed	held to the same standard as the investment fund and the manager of the investment fund. The commenter expressed that the investment fund and the manager of the investment fund are involved in the creation of the investment fund and its ongoing operations and as such, are in a much better position to certify the disclosure. The commenter also expressed that the language included in the principal distributor certificate required by Form 41-101F2 should be qualified by the language "to the best of our knowledge, information and belief". The commenter expressed that without such language, the principal distributor's liability for disclosure may be impacted as the requirement to certify disclosure to the best of knowledge, information and belief is consistent with the due diligence defence which is available under securities legislation. The commenter further expressed that the same qualification should apply to the principal distributor certificate required by Form 81-101F2 *Contents of an Annual Information Form* (**Form 81-101F2**).	
National Instrument 44-101 *Short Form Prospectus Distributions* (NI 44-101)			
7.	Section 2.8- notice of intention exemption- notice of intention unnecessary overall	1 commenter expressed that while the proposed amendments to Section 2.8 relax the requirement to file a notice of intention, it does	We acknowledge the comment. In some cases, we use the notice of intention and the associated 10 day waiting period to

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		not see the benefit of requiring an issuer to file a notice of intention in any circumstance. Many issuers may not file a notice of intention upon becoming a reporting issuer because of the fact that once the notice of intention is filed, an issuer becomes subject to higher fees when filing its continuous disclosure documents. In many instances, issuers have overlooked the requirement to file the notice of intention, only to discover it once a bought deal is imminent at which point, given the 10 day waiting period, the transaction is jeopardized absent exemptive relief. The commenter expressed that it is unclear as to what purpose the notice serves, or that, on balance, the benefits of the notice outweigh the disadvantages associated with the requirement, especially where there are clear objective criteria that must be satisfied for an issuer to file a short form prospectus.	perform a review of the issuer's continuous disclosure. Also, the notice of intention filing helps inform us and market participants as to which issuers are short form eligible.
Form 81-101F2 ***Contents of Annual Information Form***			
8.	Item 22 – principal distributor certificate for mutual funds- principal distributor should not be held to the same standard, and in addition qualifying language is needed	1 commenter expressed that the principal distributor of a mutual fund should not be held to the same standard as the mutual fund and the manager of the mutual fund. The commenter expressed that the mutual fund and the manager of the mutual fund are involved in the creation of the investment fund and its ongoing operations and as such, are in a much better position to certify the disclosure.	After reviewing the comment received in connection with the principal distributor certificate requirement, we have decided to revise the certificate language so that the principal distributor will certify to the best of its knowledge, information and belief.

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		The commenter also expressed that the language "to the best of our knowledge, information and belief" should not be removed from the principal distributor certificate required by Form 81-101F2. The commenter expressed that without such language, the principal distributor's liability for disclosure may be impacted as the requirement to certify disclosure to the best of knowledge, information and belief is consistent with the due diligence defence which is available under securities legislation. The commenter further expressed that the same qualification should apply to the principal distributor certificate required by Form 41-101F2.	
Submission to Jurisdiction and Appointment of Agent- extending requirement to all foreign resident directors- subparagraphs 9.2(a)(vii) of NI 41-101 and 4.2(a)(vi) of NI 44-101			
9.	Merit of extending non-issuer submission to jurisdiction and appointment of agent requirement to all foreign directors	1 commenter agreed with the rationale for the extension of the requirement to all foreign directors. 1 commenter expressed that this requirement may have unintended consequences, such as making foreign issuers reluctant to distribute securities in Canada, and dissuading foreign directors from acting on the boards of Canadian companies.	We acknowledge the comment. We currently require only foreign resident directors who sign the prospectus to execute the submission to jurisdiction and appointment of agent document. We extended the requirement to all foreign resident directors because we do not consider it

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			appropriate to make a distinction between foreign directors who sign the prospectus and foreign directors who do not sign the prospectus.
Specific Questions- Submission to Jurisdiction and Appointment of Agent- extending requirement to foreign resident experts- subparagraphs 9.2(a)(vii) of NI 41-101 and 4.2(a)(vi) of NI 44-101			
10.	Merit of extending non-issuer submission to jurisdiction and appointment of agent requirement to foreign experts	27 commenters do not support this proposal. Their reasons include the following: ● The proposal could result in: • significant practical and financial burden on Qualified Persons (as same are defined in National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (**NI 43-101**)) who are foreign • reduction of companies willing to list in Canada, and related loss by Canada of its position as a technical and financial leader in the mining industry • an impact on timeliness of capital raising by issuers because: (i) the issuer will not have control over experts (who would have in some cases provided services in the past) to compel them to complete the form in the context of an offering, and (ii) it may be logistically difficult for a foreign	We have decided that we will not proceed with this proposal at this time. However, we wish to respond to certain issues raised by commenters. Some commenters indicated that the proposal would increase or place new liability on experts. We want to emphasize that experts are already subject to statutory liability under securities legislation and the proposal would not have changed the extent to which an expert is liable. Also, we note that one commenter suggested that, in lieu of imposing the form filing requirement on foreign experts, the issuer could be required to include cautionary language in the prospectus about an investor's potential difficulty enforcing Canadian judgments abroad. Language to this effect is already prescribed under Item 1.12 of

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		Qualified Person to comply in the time frame of an offering because they operate in foreign jurisdictions, often work in remote locations and different time zones and may have to seek their own legal advice. • reduction in the number of Qualified Persons willing to provide reports • higher costs to retain Qualified Persons • higher insurance costs for Qualified Persons • an increase in litigation against foreign Qualified Persons, due to a possible perception that a foreign Qualified Person will be less effective at defending against suits launched in Canada • other jurisdictions responding by implementing similar or further requirements on technical professionals who are foreign in their jurisdiction (including Canadian Qualified Persons) • foreign Qualified Persons coming within the scope of other Canadian laws and regulation, such as legislation concerning taxation, carrying on business and professional associations	Form 41-101F1 *Information Required in a Prospectus* (**Form 41-101F1**) and Item 1.11 of Form 44-101F1 *Short Form Prospectus* (**Form 44-101F1**) in relation to foreign resident persons who are required to file a non-issuer's submission to jurisdiction and appointment of agent for service form. We have modified the Form 41-101F1 and Form 44-101F1 requirements to include reference to foreign resident experts.

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		• increase in liability of Qualified Persons* [see response] ● the proposal is inconsistent with recent amendments made to other rules that streamline regulatory requirements for Qualified Persons in the transactional context ● the proposal is inconsistent with the intended faster speed-to-market objective of the short form prospectus regime	
General Comments not Specifically Related to the Proposed Amendments			
11.	General comment	5 commenters expressed that the current regulatory regime under NI 43-101 has isolated Canadian issuers, and caused some Qualified Persons to decide against working for Canadian companies.	We acknowledge the comment. However, addressing NI 43-101 is beyond the scope of this amendment project.
12.	Section 1.1 of NI 44-101- approved rating	1 commenter expressed that under the definition of "approved rating" the rating mapping table for long-term debt, short-term debt, and preferred shares for approved rating organizations was incorrect for DBRS for the following two reasons: (i) DBRS' BBB long-term rating is equated with a short-term rating of R-2, which is incorrect. DBRS' short-term rating should be updated and corrected to R-3 so that it is on par with the other AROs cited in the table; and	We acknowledge the comment. Regarding (i), it would be inappropriate to make a change for the rating of one agency without having solicited input from the market, including other rating agencies. Also, examination of credit ratings are outside the scope of this amendment project. Regarding (ii), in connection with the implementation in April 2012 of National Instrument 25-101 *Designated*

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		(ii) The reference to "DBRS Limited" should be changed to "DBRS" so that the ratings scales and mapping relates to all DBRS entities.	*Rating Organizations*, an examination has been undertaken of all references to specific credit rating entities or organizations. These changes are unrelated to the proposed amendments and are beyond the scope of this project.