

British Columbia Securities Commission

BC Instrument 81-516

Exemption from prospectus delivery requirement and fund facts document delivery requirement for pre-authorized investment plans

Definitions

1. Terms defined in the *Securities Act*, National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (NI 81-101) or National Instrument 14-101 *Definitions* have the same meaning in this Instrument.

2. In this Instrument:

“Fund Facts Delivery Requirement” is the requirement in section 3.2(2) of NI 81-101 to send the most recently filed fund facts document;

“Investment Plan” is a pre-authorized investment plan, including any contract or arrangement for the purchase of specified amounts of securities of a mutual fund on a regularly scheduled basis, but does not include a contractual plan;

“Participant” is a security holder in British Columbia who purchases a mutual fund security through an Investment Plan;

“Prior Relief” is BC Instrument 81-507 *Exemption from prospectus delivery requirement for pre-authorized purchase plans*;

“Prospectus Delivery Requirement” is the requirement in section 83 of the Act to send the latest prospectus and any amendment to that prospectus filed or required to be filed under the Act; and

“Renewal Prospectus” is the latest prospectus of the applicable mutual fund filed or required to be filed, and any amendment to that prospectus, filed or required to be filed, under the Act after the time the Participant enters into the Investment Plan and any subsequent Renewal Prospectus.

Exemption from prospectus and fund facts document delivery requirements

3. A dealer is exempt from the Fund Facts Delivery Requirement and the Prospectus Delivery Requirement if:
 - (a) a one-time notice is sent to current Participants, no later than the next scheduled annual reminder notice required by the Prior Relief, in lieu of receiving a fund facts document for any purchase of mutual fund securities made on or after June 13, 2014 under an Investment Plan, advising the current Participants that:

- (i) they will not receive the fund facts document when the Participant purchases a security of the mutual fund under the Investment Plan unless:
 - (A) the Participant requests the fund facts document; or
 - (B) the Participant previously instructed the dealer that the Participant wants to receive the simplified prospectus, in which case, the fund facts document will now be sent instead of the simplified prospectus;
 - (ii) they may request the most recently filed fund facts document by calling a specified toll-free number or by sending a request by mail or e-mail to a specified address or email address;
 - (iii) the most recently filed fund facts document will be sent to any Participant that requests it at no cost to the Participant;
 - (iv) the most recently filed fund facts document may be found either on the SEDAR website or on the applicable mutual fund's website;
 - (v) they will not have the right to withdraw from an agreement of purchase and sale (a Withdrawal Right) in respect of a purchase of securities made under an Investment Plan, but they will have the right of action for damages or rescission in the event any fund facts document or document incorporated by reference into any Renewal Prospectus contains a misrepresentation (a Misrepresentation Right), whether or not they request the fund facts document; and
 - (vi) they will continue to have the right to terminate the Investment Plan at any time before the scheduled investment date;
- (b) investors who become Participants and invest in mutual funds on or after June 13, 2014 will be sent the most recently filed fund facts document and a one-time notice advising the Participants that:
- (i) they will not receive a fund facts document when they subsequently purchase securities of the applicable mutual fund under the Investment Plan unless they request the fund facts document at the time they initially invest in an Investment Plan or subsequently request the fund facts document by calling a specified toll-free number or by sending a request by mail or e-mail to a specified address or email address;
 - (ii) the most recently filed fund facts document will be sent to any Participant that requests it at no cost to the Participant;
 - (iii) the most recently filed fund facts document may be found either on the SEDAR website or on the applicable mutual fund's website;

- (iv) they will not have a Withdrawal Right in respect of a purchase made under an Investment Plan, other than in respect of the initial purchase and sale, but they will have a Misrepresentation Right, whether or not they request the fund facts document; and
 - (v) they have the right to terminate an Investment Plan at any time before a scheduled investment date; and
- (c) following either (a) or (b) above, Participants will be advised annually in writing as to how they can request the fund facts document and that they have a Misrepresentation Right.

Effective date

4. This order comes into effect on June 13, 2014.

Revocation date

5. This instrument is revoked effective the earlier of:
- (a) the coming into force of the proposed amendments to NI 81-101 and consequential amendments as described in *Stage 3 of the Point of Sale Disclosure for Mutual Funds – Point of Sale Delivery of Fund Facts* published for comment on March 26, 2014, that contemplate an exception from the Fund Facts Delivery Requirement for Investment Plans; and
 - (b) June 13, 2016.

June 13, 2014

Brenda M. Leong
Chair

(This part is for administrative purposes only and is not part of the Order)

Authority under which Order is made:

Act and section: *Securities Act*, section 84(1)