

British Columbia Securities Commission

BC Instrument 45-505

Alternate reporting requirements for exempt distributions of securities of eligible pooled funds

The Commission, having considered that to do so would not be prejudicial to the public interest, orders effective June 30, 2016 that

1. BC Instrument 45-505 *Alternate reporting requirements for exempt distributions of securities of eligible pooled funds* is varied by:
 - (a) removing references to section 139 of the *Securities Rules* in section 3;
 - (b) deleting “,” after National Instrument 45-106 and deleting “(i)” in section 3(a);
 - (c) deleting section 3(a)(ii);
 - (d) replacing “7” with “6” in section 3(b)(ii);
2. BC Form 45-505F1 *Notice of intention to rely on BC Instrument 45-505* is varied by:
 - (a) deleting section 3;
 - (b) renumbering section 4;
3. BC Form 45-505F2 *Report of exempt distribution in respect of eligible pooled funds* is varied by:
 - (a) deleting section 6;
 - (b) deleting “less any credit determined under section 6” in section 7; and
 - (c) renumbering sections 7 and 8,

so that the instrument and forms read as attached.

June 27, 2016

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 sections:- *Securities Act*, sections 171 and 187(1)

BC Instrument 45-505

Alternate reporting requirements for exempt distributions of securities of eligible pooled funds

Order Under Section 187 of the *Securities Act*

Definitions

1. In this Instrument:

“additional assets under management” means cash or other assets invested in an eligible pooled fund by an eligible portfolio manager, but does not include cash or other assets transferred into the eligible pooled fund from another eligible pooled fund that is managed by the same eligible portfolio manager;

“eligible pooled fund” means a mutual fund

- (a) the securities of which are distributed solely in reliance on exemptions from the registration and prospectus requirements of the Act, and
- (b) the investment portfolio of which is managed by an eligible portfolio manager;

“eligible portfolio manager” means a person that is registered as a portfolio manager under the *Securities Act* and includes the eligible portfolio manager in combination with one or more sub-advisers not resident in British Columbia retained by the eligible portfolio manager under a written agreement setting out the obligations and duties of the sub-advisers;

“fully managed account” has the same meaning as in section 1.1 of National Instrument 45-106 *Prospectus Exemptions*.

Interpretation

2. Unless otherwise defined in this Instrument, terms used in this Instrument that are defined or interpreted in the *Securities Act* or *Securities Rules* should be read in accordance with the *Securities Act* or *Securities Rules*.

Exemption for eligible pooled funds from certain filing requirements

3. The requirements of section 6.1 of National Instrument 45-106 *Prospectus Exemptions* do not apply to an eligible pooled fund that distributes its securities to fully managed accounts of an eligible portfolio manager of the eligible pooled fund, provided that the eligible pooled fund:
 - (a) on or before the filing date that would otherwise apply under section 6.1 of National Instrument 45-106 has filed an initial notice, in BC Form 45-505F1, regarding the intention of the eligible pooled fund to rely on this Instrument, and
 - (b) not later than 30 days after the end of the calendar year in which the eligible pooled fund distributes securities, in distributions to which the requirements of section 6.1 of National Instrument 45-106 would otherwise apply,
 - (i) files a report, in BC Form 45-505F2, in respect of those distributions, and
 - (ii) pays the fees determined in accordance with section 6 of BC Form 45-505F2.