

This document is an unofficial consolidation of all amendments to National Instrument 81-104 *Alternative Mutual Funds*, effective as of January 3, 2019. This document is for reference purposes only. The unofficial consolidation of the Instrument is not an official statement of the law.

National Instrument 81-104
Alternative Mutual Funds

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National Instrument 81-104
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PART 1 DEFINITIONS, APPLICATION AND INTERPRETATION

1.1 Definitions

(1) In this Instrument

“alternative mutual fund” has the same meaning as in section 1.1 of National Instrument 81-102;

“Canadian Securities Course” means a course prepared and conducted by the Canadian Securities Institute and so named by that Institute as of the date on which this Instrument comes into force, every predecessor to that course, and every successor to that course that does not narrow the scope of the significant subject matter of the course;

“Chartered Financial Analyst Program” means the three level program prepared and conducted by the Association for Investment Management and Research, and so named by that Association as of the date on which this Instrument comes into force, every predecessor to that program, and every successor to that program that does not narrow the scope of the significant subject matter of the program;

“Derivatives Fundamentals Course” means a course prepared and conducted by the Canadian Securities Institute and so named by that Institute as of the date that this Instrument comes into force, every predecessor to that course, and every successor to that course that does not narrow the scope of the significant subject matter of the course;

“mutual fund restricted individual” means an individual registered as a dealing representative of a registered dealer, if the activities of that individual are restricted to trading in securities of mutual funds;

(2) Terms defined in National Instrument 81-102 and used in this Instrument have the respective meanings ascribed to them in National Instrument 81-102.

1.2 Application - This Instrument applies only to

(a) an alternative mutual fund that

(i) offers, or has offered, securities under a prospectus for so long as the alternative mutual fund remains a reporting issuer, or

(ii) is filing a preliminary prospectus or its first prospectus; and

(b) a person or company in respect of activities pertaining to an alternative mutual fund referred to in paragraph (a).

1.3 Interpretation

(1) Each section, part, class or series of a class of securities of an alternative mutual fund that is referable to a separate portfolio of assets is considered to be a separate alternative mutual fund for purposes of this Instrument.

(2) [Repealed]

PART 2 [REPEALED]

PART 3 [REPEALED]

PART 4 PROFICIENCY AND SUPERVISORY REQUIREMENTS

4.1 Proficiency and Supervisory Requirements

(1) No mutual fund restricted individual shall trade in a security of an alternative mutual fund unless that individual

- (a) has received at least a passing grade for the Canadian Securities Course;
- (b) has received at least a passing grade for the Derivatives Fundamentals Course;
- (c) has successfully completed the Chartered Financial Analyst Program; or
- (d) meets the proficiency standards applicable to trading in securities of alternative mutual funds required by a self-regulatory organization of which the individual, or his or her organization, is a member if the securities regulatory authority or regulator has completed any required review, approval or non-disapproval of the regulatory instrument of the self-regulatory organization that establishes those proficiency standards.

(2) No principal distributor or participating dealer shall trade in a security of an alternative mutual fund in the local jurisdiction unless the individual designated by the principal distributor or participating dealer to be responsible for the supervision of trades of securities of alternative mutual funds in the local jurisdiction has received at least a passing grade for the Derivatives Fundamentals Course or has successfully completed the Chartered Financial Analyst Program.

(3) Despite subsection (2), but subject to compliance with securities legislation, a principal distributor may agree to act as principal distributor of an alternative mutual fund and may trade in securities of an alternative mutual fund if all trades are effected through a participating dealer that satisfies the requirements of subsection (2).

4.2 [Repealed]

PART 5 [REPEALED]

PART 6 [REPEALED]

PART 7 [REPEALED]

PART 8 [REPEALED]

PART 9 [REPEALED]

PART 10 EXEMPTION

10.1 Exemption

- (1) The regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.

PART 11 EFFECTIVE DATE AND TRANSITIONAL

[Note: This unofficial consolidation does not include PART 11, which contains the original historical coming-into-force provision for this Instrument.]