

British Columbia Securities Commission

BC Instrument 81-518

Exemption from Prescribed Form of Mutual Fund Audit Reports in National Instrument 81-102 Investment Funds

Definitions

1. Terms defined in the *Securities Act*, National Instrument 14-101 *Definitions*, or National Instrument 81-102 *Investment Funds* (NI 81-102) have the same meaning in this Instrument, unless otherwise defined.

Background

2. Part 12 of NI 81-102 requires certain mutual funds, each principal distributor of a mutual fund and each participating dealer that distributes securities of a mutual fund (each, a Regulated Entity) to file
 - (a) a report, in a prescribed form (a Compliance Report), describing the Regulated Entity's compliance with Parts 9, 10 and 11 of NI 81-102 (the Provisions), and
 - (b) a report by an auditor expressing an opinion, in a prescribed form (the Audit Report), that the Compliance Report complies, in all material respects, with the applicable requirements of the Provisions.
3. The Handbook sets out requirements for assurance reports (Assurance Reports). Amendments to the section of the Handbook titled "Other Canadian Standards – General Assurance and Auditing" will be effective for Assurance Reports dated on or after June 30, 2017. An Audit Report dated on or after June 30, 2017 and prepared in the form prescribed by NI 81-102 will not comply with the Handbook's amended requirements for an Assurance Report.

Exemption from Prescribed Form of Audit Reports in NI 81-102

4. The Commission, considering that to do so would not be prejudicial to the public interest, orders that for a Regulated Entity filing a Compliance Report dated on or after June 30, 2017, the requirement in Part 12 of NI 81-102 to file an accompanying Audit Report does not apply, provided the Regulated Entity files an accompanying Assurance Report expressing an unmodified opinion that the Assurance Report
 - (a) is based on work conducted in accordance with the Handbook, and

(b) provides reasonable assurance, as this term is used in the Handbook, that the Compliance Report complies in all material respects with the applicable requirements of the Provisions.

June 7, 2017

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 187(1)(c)