

**CSA Notice of Amendments to  
National Policy 41-201 *Income Trusts and Other Indirect Offerings***

**Introduction**

We, the Canadian Securities Administrators (the CSA or we), are implementing amendments to National Policy 41-201 *Income Trusts and Other Indirect Offerings* (NP 41-201).

This notice forms part of a series of notices which address changes to securities legislation arising from the upcoming changeover to International Financial Reporting Standards (IFRS).

**Background**

NP 41-201 provides guidance about how our securities regulatory framework applies to income trusts and other indirect offering structures.

NP 41-201 refers to and relies on references to Canadian generally accepted accounting principles (Canadian GAAP), which are established by the Canadian Accounting Standards Board (AcSB). In February 2006, the AcSB published a strategic plan to transition, over a period of five years, Canadian GAAP for public enterprises to IFRS, as adopted by the International Accounting Standards Board (IASB). In March 2008, the timing of the transition was confirmed. IFRS will apply to most Canadian publicly accountable enterprises for financial years beginning on or after January 1, 2011.

The AcSB has incorporated IFRS into the Handbook of the Canadian Institute of Chartered Accountants (the Handbook) as Canadian GAAP for most publicly accountable enterprises. As a result, the Handbook contains two sets of standards for public companies:

- Part I of the Handbook - Canadian GAAP for publicly accountable enterprises that applies for financial years beginning on or after January 1, 2011, and
- Part V of the Handbook - Canadian GAAP for public enterprises that is the pre-changeover accounting standards (current Canadian GAAP).

Consistent with these changes, the CSA repealed and replaced National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* (to be renamed *Acceptable Accounting Principles and Auditing Standards*) (NI 52-107). The new version of NI 52-107 will require domestic issuers to comply with IFRS for financial years beginning on or after January 1, 2011 and will set out the accounting principles and auditing standards that apply to financial statements filed in a jurisdiction. The implementation of the new version of NI 52-107 was described in a separate notice published on October 1, 2010 and is subject to Ministerial approval requirements described in Appendix J of that notice.

The amendments do not reflect the impact of exposure drafts or discussion papers from the IASB prior to their adoption into IFRS. The CSA is implementing amendments to National Instrument 14-101 *Definitions* to include a definition of IFRS that incorporates amendments made to IFRS from time to time.

NP 41-201 provides guidance on measures of cash available for distribution. This guidance is updated to reflect changes to CSA Staff Notice 52-306 *Non-GAAP Financial Measures and Additional GAAP Measures* (Staff Notice 52-306). Staff Notice 52-306 is being published concurrently with this publication.

### **Substance and Purpose of the Amendments**

The primary purpose of the amendments to NP 41-201 is to accommodate the transition to IFRS and the new version of NI 52-107 and to reflect changes to Staff Notice 52-306. The amendments replace current Canadian GAAP terms and phrases with IFRS terms and phrases and reflect changes to Staff Notice 52-306.

### **Implementation**

The amendments will come into effect on January 1, 2011, but only apply for periods relating to financial years beginning on or after January 1, 2011.

### **Questions**

Please refer your questions to any of:

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