

Annex L

Local Matters

British Columbia Securities Commission Questions

In British Columbia, labour sponsored venture capital corporations registered under the *Employee Investment Act* (British Columbia) and venture capital corporations registered under the *Small Business Venture Capital Act* (British Columbia) that are reporting issuers (collectively, BC public venture funds) are typically not mutual funds because they are not redeemable on demand. NI 81-102 does not currently apply to BC public venture funds.

In other CSA jurisdictions, similar funds are redeemable on demand and so are regulated as mutual funds. This means they must comply with NI 81-102. Many of these funds have sought exemptions from provisions in NI 81-102 that conflict with the legislation under which they operate.

If the Proposed Amendments are adopted, BC public venture funds would need to comply with NI 81-102.

We seek feedback on the following questions:

1. What exemptions from NI 81-102 would BC public venture funds require in order to comply with the legislation under which they operate? For each exemption, please reference the section of the venture capital legislation that demonstrates relief would be required and describe the scope of the proposed relief you would anticipate requiring.
2. How long a transition period would be necessary to enable BC public venture funds to prepare to comply with the Proposed Amendments? We are currently considering one year.