

**For Immediate Release
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Canadian Securities Regulators Propose Amendments to Mutual Fund Rules

Toronto – The Canadian Securities Administrators (CSA) today published for comment proposed amendments to National Instrument 81-102 *Mutual Funds* and related instruments, which represents the first phase of the modernization of investment fund product regulation.

The proposed amendments are part of a process to update existing regulation of mutual funds in the wake of product developments in recent years. The amendments include proposals to:

- codify the exemptive relief from regulatory requirements which was frequently granted to certain mutual funds, such as exchange-traded funds; and
- create new requirements for money market funds.

“These amendments are intended to simplify processes and reduce regulatory costs incurred by both new and existing mutual funds,” said Jean St-Gelais, Chair of the CSA and President and Chief Executive Officer of the Autorité des marchés financiers (Québec). “This is an important first step in the CSA’s approach to modernize existing mutual fund product regulation.”

The proposed amendments to National Instrument 81-102 *Mutual Funds* as well as related instruments, including National Instrument 81-106 *Investment Fund Continuous Disclosure*, and the CSA Notice and Request for Comments are available on various CSA members’ websites. The comment period is open until September 24, 2010.

The second phase of the modernization initiative is expected to focus on the requirements applicable to non-conventional investment funds such as exchange-traded funds, as well as on updating the existing mutual fund requirements.

The CSA, the council of securities regulators of Canada’s provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

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