

CSA Staff Notice 81-329

Reducing Regulatory Burden for Investment Fund Issuers

May 24, 2018

Introduction

The Rationalization of Investment Fund Disclosure project (**Project RID**) was established by the Canadian Securities Administrators (**CSA** or **we**) in March 2017 to identify opportunities for the reduction of regulatory burden on investment fund issuers.¹

This notice provides an update on the status of Project RID and identifies next steps.

Background

The CSA identifies reviewing regulatory burden for reporting issuers as a key priority for the 2016-2019 period.² The focus of the CSA's review is to identify areas that would benefit from a reduction of any undue regulatory burden and to streamline those requirements without reducing investor protection or efficiency of the markets.

Project RID is being carried out in two phases.

Phase 1

In Phase 1, CSA Staff conducted a comprehensive review of the current investment fund disclosure regime, evaluated disclosure elements borrowed from the non-investment fund reporting issuer regime, gathered information on relevant regulatory reforms conducted by other regulators internationally, and received feedback from stakeholders. Based on these efforts, CSA Staff has identified certain proposals which aim to reduce regulatory burden for investment fund issuers while maintaining investor protection and efficiency of the markets.

Phase 2

In Phase 2, CSA Staff will further investigate the proposals identified and will propose rule amendments to implement them. CSA Staff will approach each proposal on a priority basis. The priority has been determined by those proposals that can be implemented in the near term and at limited cost to stakeholders, without compromising investor protection or efficiency of the markets.

Status and Next Steps

¹ The CSA is pursuing a separate project to reduce burden for non-investment fund reporting issuers, and issued CSA Staff Notice 51-353 *Update on CSA Consultation Paper 51-404 Considerations for Reducing Regulatory Burden for Non-Investment Fund Reporting Issuers* on March 27, 2018.

² https://www.securities-administrators.ca/uploadedFiles/General/pdfs/CSA_Business_Plan_2016-2019.pdf

With formulation of the proposals, Phase 1 is now complete. As part of the first stage of Phase 2, CSA Staff will undertake initiatives that aim to:

- remove redundant information in select disclosure documents;
- use web-based technology to provide certain information about investment funds;
- codify exemptive relief that is routinely granted; and
- minimize the filing of documents that may contain duplicative information, such as Personal Information Forms.

The CSA anticipates publishing proposed rule amendments for comment, as appropriate, to address these initiatives by March 2019.

Proposals that require additional analysis will be implemented in the medium to long-term. Publication for comment on any proposed rule amendments to implement these proposals will occur at later stages of Phase 2. Among other things, these proposals will review the need for and usefulness of, and enhance the efficiency of, certain:

- financial continuous disclosure obligations;
- prescribed notices and reporting requirements; and
- methods used to communicate with investors.

Any proposed changes to the CSA regulatory regime will follow the standard rule-making process.

Questions

Please refer your questions to any of the following CSA members:

Viraf Nania

Senior Accountant
Investment Funds and Structured Products
Ontario Securities Commission
416-593-8267
vnaniam@osc.gov.on.ca

Dimitri Bollegala

Legal Counsel
Investment Funds and Structured Products
Ontario Securities Commission
416-263-3781
dbollegalam@osc.gov.on.ca

Michael Wong

Securities Analyst
Corporate Finance
British Columbia Securities Commission
604-899-6852
mpwong@bcsc.bc.ca

Ella-Jane Loomis

Senior Legal Counsel, Securities
Financial and Consumer Services Commission,
New Brunswick
506-658-2602
ella-jane.loomis@fcnb.ca

Heather Kuchuran

Senior Securities Analyst
Financial and Consumer Affairs Authority of
Saskatchewan
306-787-1009
heather.kuchuran@gov.sk.ca

Chantal Leclerc

Senior Policy Advisor
Investment Funds Branch
Autorité des marchés financiers
514-395-0337, ext. 4463
chantal.leclerc@lautorite.qc.ca

Ashlyn D'Aoust

Senior Legal Counsel
Corporate Finance
Alberta Securities Commission
403-355-4347
ashlyn.daoust@asc.ca

Patrick Weeks

Analyst
Corporate Finance
Manitoba Securities Commission
204-945-3326
patrick.weeks@gov.mb.ca

Donna Gouthro

Senior Securities Analyst
Nova Scotia Securities Commission
902-424-7077
donna.gouthro@novascotia.ca