

CSA NOTICE 81-302**CANADIAN SECURITIES ADMINISTRATORS STAFF NOTICE****SALES OF MUTUAL FUNDS IN UPCOMING RRSP SEASON**

The Canadian Securities Administrators ("CSA") are finalizing their review of the comments received in response to the CSA's request for comments on the proposed National Instrument 81-105 Mutual Fund Sales Practices and Companion Policy 81-105CP (the "Instrument and Policy") regarding sales practices in connection with the distribution of mutual funds. The length of time required for the CSA to consider and respond to the comments received, and the statutory time periods and procedures to be followed in respect of the making of rules provided for in the securities legislation of some of the jurisdictions of the CSA, mean that the Instrument will not be in force in time for the upcoming RRSP season, as had been hoped. The CSA expect that the final versions of the Instrument and Policy will be published in January 1998 and will, subject to receipt of required ministerial approvals, come into force on April 1, 1998.

Staff of the CSA wish to remind members of the mutual fund community that the Instrument and Policy are based on the Recommendations for a Code of Sales Practices adopted by The Investment Funds Institute of Canada ("IFIC") and that IFIC, on behalf of its members, requested the CSA to use its rule-making power to make compliance with the Code of Sales Practices mandatory. In issuing the Code of Sales Practices, IFIC stated that its recommended code is designed to establish the industry standard of conduct and to reflect its concern for investor protection.

Accordingly, staff of the CSA expect that as a minimum the members of the mutual fund community are complying with the provisions of the IFIC Code of Sales Practices and will continue to do so until the IFIC Code is superseded by the Instrument and Policy. The CSA also urge industry participants to become familiar with the provisions of the Instrument and the Policy to ensure a smooth transition between compliance with the IFIC Code of Sales Practices and compliance with the Instrument and Policy upon the latter instruments coming into force.

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