

Note: (March 24, 2010) – The following are the proposed consequential amendments to National Instrument 41-101 *General Prospectus Requirements* and Form 41-101F2 *Information Required in an Investment Fund Prospectus*.

**AMENDMENTS TO
NATIONAL INSTRUMENT 41-101
GENERAL PROSPECTUS REQUIREMENTS**

SCHEDULE 1: PROPOSED CONSEQUENTIAL AMENDMENTS

**National Instrument 41-101
General Prospectus Requirements
and
Form 41-101F2
Information Required in an Investment Fund Prospectus**

Amendment Instrument

1. The Table of Contents of National Instrument 41-101 *General Prospectus Requirements* is amended by adding the following after Section 3.1 Form of Prospectus:

“PART 3A – Scholarship Plan Prospectus Requirements

3A.1 Plain Language and Presentation

3A.2 Packaging of Scholarship Plan Prospectus

3A.3 Packaging of Plan Summary Document”

2. Section 1.1 of National Instrument 41-101 *General Prospectus Requirements* is amended by:

(a) adding the following definition immediately after the definition of “Form 41-101F2”:

“Form 41-101F3” means Form 41-101F3 *Information Required in a Scholarship Plan Prospectus* of this Instrument;”

(b) repealing the definition of “long form prospectus” and substituting the following:

“long form prospectus” means a prospectus filed in the form of Form 41-101F1, Form 41-101F2 or Form 41-101F3;” and

(c) adding the following definition immediately after the definition of “over-allotment option”:

“plan summary document” means a document completed according to the requirements of Part A of Form 41-101F3;”.

3. Subsection 1.2 of National Instrument 41-101 *General Prospectus Requirements* is amended by repealing subsection (6) and substituting the following:

“(6) Despite subsections (1), (2), and (3), in Form 41-101F1, Form 41-101F2 and Form 41-101F3,

(a) a reference to a “prospectus” only includes a preliminary long form prospectus and a final long form prospectus,

(b) a reference to a “preliminary prospectus” only includes a preliminary long form prospectus, and

(c) a reference to a “final prospectus” only includes a final long form prospectus.”.

4. Part 3 of National Instrument 41-101 *General Prospectus Requirements* is amended by:

(a) repealing section 3.1 and substituting the following:

“ 3.1 Form of prospectus - (1) Subject to subsections (2), (3) and (4), an issuer filing a prospectus must file the prospectus in the form of Form 41-101F1.

(2) An issuer that is an investment fund (other than a scholarship plan) filing a prospectus must file the prospectus in the form of Form 41-101F2.

(3) An issuer than that is a scholarship plan filing a prospectus must file the prospectus in the form of Form 41-101F3.

(4) An issuer that is qualified to file a short form prospectus may file a short form prospectus.”.

5. National Instrument 41-101 *General Prospectus Requirements* is amended by adding the following after Part 3 – Form of Prospectus:

“PART 3A – SCHOLARSHIP PLAN PROSPECTUS REQUIREMENTS

3A.1. Plain Language and Presentation - (1) A scholarship plan prospectus must be prepared using plain language and in a format that assists in readability and comprehension.

(2) A scholarship plan prospectus must

- (a) present all information briefly and concisely,
 - (b) present the items listed in the Part B of Form 41-101F3, the items in the Part C of Form 41-101F3 and the items in the Part D of Form 41-101F3 in the order stipulated in those parts,
 - (c) use the headings and sub-headings stipulated in Form 41-101F3 unless stated otherwise,
 - (d) contain only material or information that is specifically mandated or permitted by Form 41-101F3, and
 - (e) not incorporate by reference into the scholarship plan prospectus, from any other document, information that is required to be included in a scholarship plan prospectus.
- (3) A plan summary document must
- (a) be prepared for each scholarship plan offered under a scholarship plan prospectus, multiple or multi-class scholarship plan prospectus,
 - (b) present the items listed in the Part A of Form 41-101F3 in the order stipulated in that part,
 - (c) use the headings and subheadings stipulated in Part A of Form 41-101F3,
 - (d) contain only the information that is specifically required or permitted to be in Part A of Form 41-101F3,
 - (e) not incorporate by reference information that is required to be included in a plan summary document,
 - (f) present the information required by Part A of Form 41-101F3 at a grade level of 6.0 or less on the Flesch-Kincaid grade level scale, and
 - (g) not exceed three pages in length.

3A.2 Packaging of Scholarship Plan Prospectus - (1) A scholarship plan prospectus must not be consolidated with one or more scholarship plan prospectuses to form a multiple or multi-class scholarship plan prospectus unless the Parts B and D of each scholarship plan prospectus are substantially similar.

(2) A multiple or multi-class scholarship plan prospectus must be prepared in accordance with the applicable requirements of Form 41-101F3.

(3) If materials or documents are attached to, or bound with, a scholarship plan prospectus, multiple or multi-class scholarship plan prospectus

- (a) the scholarship plan prospectus, multiple or multi-class scholarship plan prospectus must be the first document contained in the package, and
- (b) no pages must come before the scholarship plan prospectus or multiple or multi-class scholarship plan prospectus other than, at the option of the scholarship plan, a general front cover and table of contents pertaining to the entire package.

3A.3 Packaging of Plan Summary Document - (1) For the purposes of delivering a plan summary document as part of a scholarship plan prospectus under securities legislation, a plan summary document of a scholarship plan may only be attached to or bound with one or more plan summary documents of other scholarship plans if the binding is not so extensive as to cause a reasonable person to question whether the binding prevents the information from being presented in a simple, accessible and comparable format.

(2) A plan summary document must not be attached to, or bound with, any other part of a scholarship plan prospectus, or to any other document or material.”.

6. Section 4.2 of National Instrument 41-101 *General Prospectus Requirements* is amended by repealing subsection (2) and substituting the following:

“(2) Any financial statements, other than interim financial statements, included in or incorporated by reference into a long form prospectus of an investment fund filed in the form of Form 41-101F2 or Form 41-101F3 must meet the audit requirements of Part 2 of NI 81-106.”.

7. Section 5.1 of National Instrument 41-101 *General Prospectus Requirements* is amended by

(a) adding the following after subparagraph (a)(ii):

“(ii.1) section • of Form 41-101F3,”

(b) by adding the following after subparagraph (b)(ii):

“(ii.1) section • of Form 41-101F3,”

8. Part 9 of the National Instrument 41-101 *General Prospectus Requirements* is amended by adding the following after subparagraph 9.1 (a) (iv):

“(iv.1) Scholarship Plan Documents – in addition to subparagraph (iv) if an investment fund is a scholarship plan the documents filed under subparagraphs (ii) and (iii) must also include a copy of

 - (A) the scholarship plan contract for plan under the prospectus, and
 - (B) marketing materials and sales communications requested by the securities regulatory authority.”
9. Part 15 of the National Instrument 41-101 *General Prospectus Requirements* is amended
 - (a) in section 15.1, by striking out “, other than scholarship plans.” and adding a period following the word “distribution”;
 - (b) by repealing section 15.2(1) and substituting the following:

“15.2 Incorporation by reference - (1) An investment fund must incorporate by reference into its long form prospectus, by means of a statement to that effect, the filed documents listed in

 - (a) section 37.1 of Form 41-101F2 for all investment funds other than scholarship plans, and
 - (b) Part B subsection 4.1(1) of Form 41-101F3 for scholarship plans.”; and
 - (c) by repealing section 15.2(3) and substituting the following:

“(3) An investment fund must incorporate by reference in its long form prospectus, by means of a statement to that effect, the subsequently filed documents referred to in

 - (a) section 37.2 of Form 41-101F2 for all investment funds other than scholarship plans, and
 - (b) Part B subsection 4.1(2) of Form 41-101F3 for scholarship plans.”.
10. Section 17.1 of National Instrument 41-101 *General Prospectus Requirements* is amended by repealing subsection 17.1(2) and substituting the following:

“(2) A pro forma prospectus must be prepared in the form of a long form prospectus in accordance with Form 41-101F1, Form 41-101F2 and Form 41-101F3, as applicable, and other securities legislation, except that a pro forma

- prospectus is not required to contain certificates or to comply with sections 4.2, 4.3 and 4.4 of this Instrument.”.
11. Form 41-101F2 *Information Required in an Investment Fund Prospectus* is amended
- (a) in the General Instructions by striking out the following sentence in Instruction (7):
- “However, scholarship plans may make modifications to the disclosure items in order to reflect the special nature of their investment structure and distribution mechanism.”
- (b) in Item 1.3(1) by striking out the words “scholarship plan” from the description of the required disclosure under that Item.
- (c) in Item 1.11(3) by:
- (i) striking out the words “or scholarship plan” from that Item; and
- (ii) striking out the comma between “venture capital fund” and “commodity pool” and substituting the word “or”.
- (d) in Item 1.15 by striking out the words “other than a scholarship plan” in the first sentence of that Item.
- (e) in Item 3.6
- (i) by striking out “[for scholarship plans, Fees and Expenses payable by Subscribers’ Deposits]” from the subheading titled “**Fees and Expenses Payable by the Fund**” referred to in subsection (2); and
- (ii) by striking out “or by Subscribers’ Deposits (for scholarship plans) from the subheading in subsection (3).”
- (f) in Item 37.1 by striking out the words “other than a scholarship plan” from the first sentence of that Item.
- (g) in Item 37.2 by striking out the words “other than a scholarship plan” from the first sentence of that Item.
12. National Instrument 41-101 *General Prospectus Requirements* is amended by adding Form 41-101F3 *Information Required in a Scholarship Plan Prospectus* to the Instrument.
13. This Instrument comes into force on .