

## GENERAL ORDER 81-505

### Temporary Exemptions from National Instrument 81-104 *Alternative Mutual Funds*

#### In the Matter of *The Securities Act, 1988*

#### ORDER

**WHEREAS** the Financial and Consumer Affairs Authority of Saskatchewan (**FCAA**) has assigned to the Executive Director of the Securities Division, FCAA (**Executive Director**) the power to make exemption orders under the provision of *The Securities Act, 1988* (**Act**) including orders of general application;

**AND WHEREAS** FCAA Securities Division staff (**Staff**) has applied to the Executive Director for an Order pursuant to section 160 of the Act exempting mutual funds restricted individuals (MFRIs), principal distributors, and participating dealers from certain requirements of Saskatchewan securities law as outlined below;

**AND WHEREAS** terms defined in the Act, National Instrument 14-101 *Definitions*, National Instrument 81-102 *Alternative Mutual Funds* (**NI 81-102**) have the same meaning in this Order;

**AND WHEREAS** it has been represented to the Executive Director that:

- (a) Under Part 4 of NI 81-104, no mutual fund restricted individual may trade in a security of an alternative mutual fund unless the mutual fund restricted individual meets specified proficiency requirements (the **Proficiency Requirements**), and no principal distributor or participating dealer may trade in a security of an alternative mutual fund in a local jurisdiction unless the individual designated by a principal distributor or participating dealer to be responsible for the supervision of trades of those securities in the local jurisdiction (the **Supervisor**) meets specified supervisory requirements (the **Supervisory Requirements**). As part of the regulatory burden reduction initiative, Staff has recognized that the Proficiency Requirements and Supervisory Requirements have limited retail investor access to alternative investment strategies through the Mutual Fund Dealers Association of Canada dealer channel;
  - (b) In recognition of the challenges the Proficiency Requirements and Supervisory Requirements have created for the distribution of alternative mutual funds, providing mutual fund restricted individuals and Supervisors with additional course options that offer updated and relevant information on alternative mutual funds that would satisfy their Proficiency Requirements or Supervisory Requirements, respectively, will facilitate access to alternative investment strategies for retail investors while maintaining investor protection. These additional course options will expedite retail investor access to alternative mutual funds and better enable retail investors to benefit from additional portfolio diversification opportunities through alternative investment strategies;
- 
-

**AND WHEREAS** the Executive Director is of the opinion that it would not be prejudicial to the public interest to make this Order;

**IT IS HEREBY ORDERED** under section 160 of the Act that:

1. A mutual fund restricted individual may satisfy their Proficiency Requirements by complying with subsection 4.1(1) of NI 81-104, or by receiving a passing grade in any one of the following courses:
  - a. Canadian Securities Institute (CSI) – Alternative Strategies: Hedge Funds and Liquid Alternatives for Mutual Fund Representatives Course (the **CSI Bridge Course**);
  - b. IFSE Institute – Investing in Alternative Mutual Funds and Hedge Funds (the **IFSE Bridge Course**);
  - c. CSI – Investment Funds in Canada Course, provided that the passing grade was received upon course materials and an examination that substantially contains the content of the CSI Bridge Course (the **Updated CSI Mutual Funds Course**);
  - d. IFSE Institute – Canadian Investment Funds Course, provided that the passing grade was received upon course materials and an examination that substantially contains the content of the IFSE Bridge Course (the **Updated IFSE Mutual Funds Course**);

(the CSI Bridge Course, the IFSE Bridge Course, the Updated CSI Mutual Funds Course, and the Updated IFSE Mutual Funds Course are collectively referred to as the **Alternative Mutual Fund Courses**).
2. A Supervisor may satisfy their Supervisory Requirements by complying with the relevant requirements in subsection 4.1(2) of NI 81-104, or by receiving a passing grade in any one of the Alternative Mutual Fund Courses.

Provided that:

- A. A mutual fund restricted individual relying on this Order must trade only in securities of alternative mutual funds that are approved for sale by their registered dealer and prior to the mutual fund restricted individual relying on this Order, the mutual fund restricted individual's registered dealer provides a one-time notification to the Executive Director, Securities Division, FCAA by email at [exemptions@gov.sk.ca](mailto:exemptions@gov.sk.ca) stating that the mutual fund restricted individuals registered with the restricted dealer intend to rely on this General Order;
- B. Prior to the Supervisor relying on this Order, the principal distributor or participating dealer provides a one-time notification to the Executive Director, Securities Division, FCAA by email at [exemptions@gov.sk.ca](mailto:exemptions@gov.sk.ca) stating that Supervisors registered with the principal distributor or participating dealer intend to rely on this Order.

**IT IS HEREBY FURTHER ORDERED** that this Order comes into effect on January 28, 2021.

Dated January 26, 2021.

“Dean Murrison”

---

Dean Murrison  
Executive Director, Securities Division  
Financial and Consumer Affairs Authority  
of Saskatchewan