

**For Immediate Release
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**Canadian Securities Regulators Seek Feedback on Next Phase of
Investment Funds Modernization Initiative**

Toronto - The Canadian Securities Administrators (CSA) today published CSA Staff Notice 81-322, which provides an update on the investment funds modernization project and seeks feedback on the next phase of this project.

The Notice follows on proposed amendments to National Instrument 81-102 *Mutual Funds*, published by the CSA on June 25, 2010, which represent the first phase of the modernization project. Those initial proposals aim to update the regulatory requirements for mutual funds to keep pace with market and product developments, and introduce additional requirements for money market funds.

In the next phase of the project, the CSA is proposing to implement certain key restrictions and operational requirements for non-redeemable investment funds (also referred to as ‘closed-end funds’), consistent with similar requirements for mutual funds.

“Achieving consistent, fair and functional investment fund product regulation that effectively protects all retail fund investors is a key consideration of this modernization initiative,” said Bill Rice, Chair of the CSA and Chair and CEO of the Alberta Securities Commission. “We encourage investors and marketplace participants to provide us with feedback on these issues as we proceed with this important project.”

The CSA is seeking specific input from retail investors and market participants on its proposed approach for this second phase of the project. The Notice and Request for Comment is available on various CSA member websites. The comment period is open until Monday, July 25, 2011. The CSA expects to publish for comment rule proposals relating to this next phase in the spring of 2012.

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

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