

Reference: (1997), 20 O.S.C.B. 200

**APPROVAL BY THE ONTARIO SECURITIES COMMISSION  
MUTUAL FUND TRUSTS: APPROVAL OF TRUSTEES UNDER CLAUSE  
213(3)(b) OF THE LOAN AND TRUST CORPORATIONS ACT**

**WHEREAS:**

Clause 213(2)(b) of the *Loan and Trust Corporations Act* (the “LTCA”) provides that no body corporate, other than a registered trust company under the LTCA, shall act as a trustee in respect of any service it provides to the public.

Clause 213(3)(b) of the LTCA provides that clause 213(2)(b) does not apply to a body corporate that manages a mutual fund trust and that is approved by the Commission to act as trustee of the mutual fund trust.

The term “mutual fund trust” is defined in the *Income Tax Act* (Canada) (the “ITA”), but not in the LTCA or the *Securities Act* (the “Act”). In this Approval, the term means a trust that is one or more of (i) a mutual fund, as defined in the Act, (ii) a mutual fund trust, as defined in the ITA, or (iii) a trust that expects to be in a position to elect to be deemed to have been a mutual fund trust, as defined in the ITA, from the date of its inception.

In 1988, the Commission published Interim Policy Statement No. 11.1 entitled “Mutual Fund Trusts; Interim Ontario Securities Commission Approval of Mutual Fund Trustees pursuant to Clause 213(3)(b) of the *Loan and Trust Corporations Act, 1987* (formerly Bill 116) (“Interim Policy 11.1”). In Interim Policy 11.1, the Commission approved all bodies corporate that manage mutual fund trusts to act as trustee of a mutual fund trust in Ontario if the securities of the mutual fund are distributed by means of a prospectus or simplified prospectus for which a receipt has been issued by the Director under the Act.

The Commission reserved the right to revoke its approval in appropriate circumstances and specified that the interim approval conferred under Interim Policy 11.1 would terminate upon the effective date of a final version of Policy Statement No. 11.1, whereupon the approval of bodies corporate to act as a trustee of a mutual fund would be governed by, and subject to, the terms of such policy statement.

The Commission stated that it was not intended that bodies corporate that met the criteria specified in Interim Policy 11.1, but did not meet the criteria specified in the final version of the policy statement, would be exempted from the criteria specified in that final version.

As part of its review of all of its policy statements, the Commission has decided to replace the approval contained in Interim Policy 11.1 with the approval contained in this document (the “Approval”). The Commission is, concurrently with the adoption of the Approval, rescinding Interim Policy 11.1.

**NOW THEREFORE**, the Commission hereby grants approval to any body corporate that manages a mutual fund trust to act as the trustee of the mutual fund trust in Ontario if

(a) the body corporate is the manager, within the meaning of National Policy Statement No. 39 or any rule replacing National Policy Statement No. 39, of the mutual fund trust; and

(b) securities of the mutual fund trust are distributed by means of a prospectus or simplified prospectus for which a receipt has been issued by the Director under the Act.

This Approval, unless earlier revoked or amended by the Commission, is effective until it is superseded by a regulation or rule made under the Act.

DATED: January 14, 1997