

## ANNEX C

### CHANGES TO COMPANION POLICY 81-105CP TO NATIONAL INSTRUMENT 81-105 *MUTUAL FUND SALES PRACTICES*

1. *Companion Policy 81-105CP to National Instrument 81-105 Mutual Fund Sales Practices is changed by this Document.*

2. *Part 4 of the Companion Policy is changed by adding the following sections:*

**4.1.1 Front-end load sales option** – The Canadian securities regulatory authorities are of the view that the Instrument does not preclude members of the organization of a mutual fund from facilitating the payment by a mutual fund investor to a participating dealer of a sales commission in connection with the purchase of mutual fund securities that is negotiated and agreed to exclusively between those two parties. For example, the participating dealer may remit to the member the gross proceeds of an investor's purchase of mutual fund securities from which the member may then deduct and remit the sales commission to the participating dealer on the investor's behalf pursuant to instructions received from the dealer.

**4.1.2 Disclosure of deferred sales charge option** – Some investment fund managers offer the deferred sales charge option as one of multiple purchase options available under a single series or class of mutual fund securities. As the deferred sales charge option is prohibited in certain jurisdictions, the simplified prospectus and the fund facts document should provide disclosure to clearly indicate the jurisdictions where the deferred sales charge option is prohibited and where it is available. Investment fund managers may opt to provide a separate series or class of mutual fund securities for the sale of the deferred sales charge option in the jurisdictions where it is available..

3. These changes become effective on June 1, 2022.