

**IN THE MATTER OF THE SECURITIES ACT, 1990  
S.N. 1990, CHAPTER 48 ("the Act")**

**AND**

**IN THE MATTER OF  
FIRST PROSPECTUSES FILED BY  
NATIONAL POLICY STATEMENT NO. 36  
MUTUAL FUNDS**

**BLANKET ORDER  
(Subsection 63(5))**

**UPON** the application of certain interested parties representing open-ended mutual funds to the Director of Securities (the "Director") pursuant to the powers conferred on the Director by section 146 of the Act for an order pursuant to subsection 63(5) of the Act;

**AND UPON** it having been represented to the Director that:

1. paragraph 63(1)(a) of the Act provides that no distribution of a security to which subsection 54(1) of the Act applies shall continue longer than twelve months from the date of the issuance of the receipt for the preliminary prospectus relating to such securities and such date shall be the lapse date;
2. paragraph 63(1)(b) of the Act provides that the lapse date for the distribution of a security pursuant to a prospectus of, *inter alia*, a mutual fund is twelve months from the date of the last prospectus filed under section 63 of the Act;
3. the Director has, in the past, received applications filed pursuant to subsection 63(5) of the Act by mutual funds for extensions of the lapse date for the distribution of the securities of a mutual fund in situations where the relevant lapse date was calculated in accordance with the provisions of paragraph 63(1)(b) of the Act whereas it should have been calculated in accordance with the provisions of paragraph 63(1)(a) of the Act (the "Prior 63(5) Applications");
4. the Director has consistently granted the relief sought in connection with the Prior 63(5) Applications, such relief subject, in some cases, to certain terms and conditions;
5. the lapse date for the distribution of securities of an issuer pursuant to the first prospectus of an issuer is calculated by reference to the date of the receipt for the preliminary prospectus pursuant to paragraph 63(1)(a) of the Act, consistent with the requirement that the date of the financial statements which form part of the first prospectus of an issuer must be calculated by reference to the date of the issuance of the receipt for the preliminary prospectus, pursuant to section 41 of The Securities Regulations, 1991 made under the Act; and

6. the documents which comprise the simplified prospectus disclosure system include the most recent annual audited financial statements and such subsequent annual audited financial statements or interim unaudited financial statements of a mutual fund using the simplified prospectus disclosure system set out in National Policy Statement No. 36 (an "NP 36 Mutual Fund") which are required to be filed during the currency of the annual information form and a copy of the most recent annual audited financial statements of an NP 36 Mutual Fund as well as a copy of the most recent subsequent financial statements of such fund that have been filed with any securities regulatory authority in Canada must accompany, and form part of, the simplified prospectus of such fund;

**AND UPON** the Director being of the opinion that to so order would not be prejudicial to the public interest;

**IT IS ORDERED** pursuant to subsection 63(5) of the Act that the time periods provided by subsection 63(2) of the Act as they apply to the continued distribution of securities of an NP 36 Mutual Fund, the lapse date of which is twelve months from the date of the issuance of the receipt for the preliminary prospectus relating to such securities, are hereby extended to the time periods which would be applicable if the lapse date for the distribution of such securities was twelve months from the date of the last prospectus filed under section 63 of the Act, as if paragraph 63(1)(b) were applicable thereto.

**DATED** at St. John's, Newfoundland this 30th day of January, 1992.

GEORGE F. KENNEDY  
Director of Securities