

THE SECURITIES ACT

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Order No. 3581

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**Section 1(1) of the *Securities
Regulation***

)

November 22 , 2001

Designation of Labour-Sponsored Investment Funds as Mutual Funds

WHEREAS:

- (A) Staff of The Manitoba Securities Commission has received inquiries concerning the applicability of certain requirements of securities legislation and securities directions to labour-sponsored investment funds, which are defined as labour-sponsored venture capital corporations which intend to apply for or have been registered under *The Labour-Sponsored Venture Capital Corporations Act* (Manitoba) or *The Crocus Investment Fund Act* (Manitoba) or similar labour-sponsored venture capital corporation legislation in a Canadian province or territory, and are labour-sponsored venture capital corporations under the *Income Tax Act* (Canada) ("LSIFs").
- (B) Staff is of the view that many of the requirements of securities legislation and securities directions that apply to mutual funds should be applicable to LSIFs to the extent that they do not conflict with the legislation pursuant to which the LSIF is established.
- (C) Section 1(1) of the *Securities Regulation*, M.R. 491/88 R defines a mutual fund company as a company designated by the director as a mutual fund company.
- (D) To date no LSIF has been designated as a mutual fund company by the director.
- (E) Staff believes it will provide greater certainty as to what requirements under securities legislation and securities directions are applicable to LSIFs if LSIFs are designated as mutual fund companies.
- (F) The Commission has adopted MSC Policy 81-601, Designation of Labour-Sponsored Investment Funds as Mutual Funds and Prospectus Disclosure Requirements of Such Funds as policy in Manitoba.
- (G) The director is of the opinion that it would not be prejudicial to the public interest to designate LSIFs as mutual fund companies.

IT IS ORDERED:

1. **THAT**, pursuant to subsection 1(1) of the *Securities Regulation*, as of November 30, 2001, the director designates LSIFs as mutual fund companies.

Director – Corporate Finance