

1.1.3 Revised Approval 81-901 Mutual Fund Trusts: Approval of Trustees Under Clause 213(3)(b) of the Loan and Trust Corporations Act

**REVISED APPROVAL 81-901
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.

Approval 81-901 *Mutual Fund Trusts: Approval of Trustees Under Clause 213(3)(b) of the Loan and Trust Corporations Act* (the **1997 Approval**) was adopted on January 14, 1997. One of the requirements of the 1997 Approval (the **distribution requirement**) was that it only applied to mutual fund trusts the securities of which are distributed by means of a prospectus or a simplified prospectus for which a receipt has been issued by the Director under the Act.

The Commission has decided to replace the 1997 Approval, principally by removing the distribution requirement.

NOW THEREFORE,

- (a) The 1997 Approval is revoked; and
- (b) the Commission hereby grants approval to any body corporate that is an investment fund manager, as defined in the Act, to act as the trustee of any mutual fund trust in Ontario which it manages.

DATED: June 11, 2019