



FINANCIAL AND CONSUMER SERVICES COMMISSION

LOCAL RULE 81-510 SELF-DEALING

Definitions

1. The following definitions apply in this Instrument and in Part 10 of the *Securities Act*, SNB 2004, c. S-5.5 (the “*Act*”):

“**mutual fund**”, except in section 137 of the *Act*, means a mutual fund that is a reporting issuer;

“**related person**”, in relation to a mutual fund, means a person in whom the mutual fund, its mutual fund manager and its distribution company are prohibited by the provisions of Part 10 of the *Act* from making any investment;

“**responsible person**”, means:

- (a) a portfolio manager,
- (b) every individual who is a partner, director or officer of a portfolio manager,
- (c) every affiliate of a portfolio manager, and
- (d) every individual who is a director, officer or employee of such affiliate or who is an employee of the portfolio manager, if the affiliate or individual participates in the formulation of investment decisions made on behalf of the client of the portfolio manager or in advice given to such client, or if the affiliate or individual has access to such decisions or advice before implementation.

Definition of “investment”

2. In the definition “related person” in this Instrument and in sections 137 to 141 of the *Act*, “investment” means a purchase of any security of any class of securities of an issuer and a loan to persons, but does not include an advance or loan, whether secured or unsecured, that is made by a mutual fund, its mutual fund manager or its distribution company that is ancillary to the main business of the mutual fund, its mutual fund manager or its distribution company.

Significant interest, substantial security holder and beneficial ownership

3. For the purposes of sections 137 to 141 of the *Act*,

- (a) a person or a combination of persons has a significant interest in an issuer, if
 - i. in the case of one person, the person owns beneficially, either directly or indirectly, more than 10% of the outstanding shares or units of the issuer, or
 - ii. in the case of a combination of persons, they own beneficially, either individually or together and either directly or indirectly, more than 50% of the outstanding shares or units of the issuer,
- (b) a person or a combination of persons is a substantial security holder of an issuer if that person or combination of persons owns beneficially, either individually or together and either directly or indirectly, voting securities carrying more than 20% of the voting rights attached to all outstanding voting securities of the issuer, but in computing the percentage of voting rights attached to voting securities owned by an underwriter, there shall be excluded any voting securities acquired by the person as underwriter in a distribution of the securities, except that the exclusion ceases to have effect on completion or cessation of the distribution by the underwriter, and
- (c) where a person or combination of persons owns beneficially, directly or indirectly, voting securities of an issuer, that person or combination of persons shall be deemed to own beneficially a proportion of voting securities of any other issuer that are owned beneficially, directly or indirectly, by the first mentioned issuer, which proportion shall equal the proportion of the voting securities of the first mentioned issuer that are owned beneficially, directly or indirectly, by that person or combination of persons.

Related person and change in beneficial ownership

4. For the purposes of Part 10 of the *Act*,

- (a) any issuer in which a mutual fund holds voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the issuer or in which the mutual fund and related investment funds hold voting securities carrying more than 20% of the voting rights attached to all outstanding voting securities of the issuer shall be deemed to be a related person of that mutual fund, or of each of those mutual funds, and
- (b) the acquisition or disposition by an insider of a put, call or other transferable option with respect to a security shall be deemed to be a change in the beneficial ownership of the security to which the put, call or other transferable option relates.

Exception to section 3(c)

5. Notwithstanding section 3(c) of this Instrument, a mutual fund is not prohibited from making an investment in an issuer only because a person or a combination of persons who owns beneficially, directly or indirectly, voting securities of the mutual fund, or its mutual fund manager or distribution company is by reason of such ownership deemed to own beneficially voting securities of the issuer.

Effective Date

6. This Instrument comes into force on 17 December 2021.