

Final CSA rules on related party reporting and disclosure in financial statements: What investment fund managers need to know

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On January 22, 2026, the Canadian Securities Administrators (CSA) published [final amendments](#) (the Final Amendments) to National Instrument 81-101 Mutual Fund Prospectus Disclosure (NI 81-101), National Instrument 81-102 Investment Funds (NI 81-102), National Instrument 81-106 Investment Fund Continuous Disclosure (NI 81-106) and National Instrument 81-107 Independent Review Committee for Investment Funds (NI 81-107). The Final Amendments are part of the CSA's broader project to modernize the investment fund continuous disclosure regime, which is being implemented in three workstreams, as set out below. The Final Amendments - which come into force on **April 22, 2026** - implement Workstream Two (related party transaction reporting), Workstream Three (financial statement disclosure) as well as editorial updates to simplified prospectus disclosure.

Workstream One: Replacing the interim and annual MRFPs with a new interim and annual Fund Report.

Workstream Two: Simplifying reporting requirements and eliminating unnecessary duplication by providing an exemption from certain conflict-of-interest reporting requirements where similar requirements are already satisfied.

Workstream Three: Eliminating certain class- or series-level disclosures from investment fund financial statements.

Investment funds that comply with the existing requirements as of April 21, 2026 may rely on transition relief and are not required to comply with most of the amendments until January 1, 2027. However, this transition relief does not apply to the amendments relating to additional simplified prospectus disclosure.

Key takeaways

- Investment fund managers (IFMs) will be required to prepare an annual manager's report on related party transactions, which will be appended to the annual independent review committee (IRC) report to securityholders.

- A new Form 81-107A - Conflict Reporting Form for Related Issuer Purchases that standardizes reporting for related party transactions is being introduced, and certain duplicative related party transaction reporting requirements are being eliminated. In certain jurisdictions, including Manitoba, Quebec, and Prince Edward Island, which did not previously have equivalent reporting requirements under their respective securities acts, Form 81-107A will be a new requirement.
- Class- or series-level disclosure that is not required under International Financial Reporting Standards (IFRS) is being eliminated from investment fund financial statements. This is a welcome change that BLG supported in its submission regarding the proposed amendments published by the CSA in 2024, as it reduces regulatory burden and assists with the readability and overall utility of a fund's financial statements.

What changed from proposed to final amendments

For background on the proposals and the consultation process, see our earlier insight, [CSA: Proposed changes to continuous disclosure rules for investment funds](#). The CSA then received feedback from various stakeholders - half of which commented on Workstreams Two and Three. In response to these comments, the CSA made targeted refinements to the proposed amendments under Workstream Two, which we have detailed below. No changes were made to the proposed amendments relating to Workstream Three or to the additional simplified prospectus disclosure initiative.

Key refinements under Workstream Two

The most significant changes to the Workstream Two amendments pertain to related party transaction reporting and are intended to narrow scope, improve clarity, and reduce unnecessary regulatory burden:

- **Manager's report on related party transactions:**
 - **Narrowed scope of related parties:** Responding to concerns that the original proposal was overly broad and could result in uncertainty or duplicative reporting, the CSA removed the phrase "any other related party to the investment fund" and limited the new reporting requirements to transactions involving an "entity related to the manager", as defined in NI 81-107. This includes persons or entities (other than IRC members) that control or significantly influence the manager or the investment fund, as well as affiliated or connected parties of the manager.
 - **Simplified manager's report on related party transactions:** The Final Amendments eliminate the requirement for managers to identify the specific securities law provisions or exemptive relief orders that give rise to disclosure or record-keeping obligations. Instead, the report focuses on related party transactions that are not otherwise reported on SEDAR+ (such as inter-fund trades, principal trades in debt securities with a related dealer or fund-on-related-fund transactions for which a report is not required under NI 81-107 or NI 81-102).
- **Refinements to Form 81 -107A - Conflict Reporting Form for Related Issuer Purchases :** In response to industry comments, the CSA:
 - eliminated the requirement to disclose the date on which a related party transaction report was prepared;

- removed the obligation to disclose each source of independent pricing used to determine the price per security;
- clarified compensation disclosure requirements to include disclosure of the name of any related person or company receiving fees, commissions, or other forms of compensation in respect of the investment made; and
- replaced the requirement to disclose the executing dealer in all cases with a requirement to disclose the dealer only where a related dealer is used, and to identify that related dealer.

Areas where the CSA did not change course

- **Workstream Three (financial statement disclosure)** : The CSA proceeded as proposed with the removal of certain class- or series-level disclosures in investment fund financial statements that are not required under IFRS, concluding that such disclosure provides limited benefit to investors while imposing unnecessary compliance costs.
- **Additional simplified prospectus disclosure** : No changes were made to the proposed amendments under this initiative, which introduce editorial revisions to simplified prospectus disclosure based on feedback received following the 2022 amendments to Form 81-101F1.

Changes the industry is still awaiting

The CSA did not finalize proposals relating to Workstream One, which would replace the management report of fund performance (MRFP) with a new fund report, or the proposed additional fund expense ratio (FER) disclosure, which would introduce a combined management and trading expense ratio for disclosure in Fund Facts and ETF Facts. These initiatives are to be addressed in future publications.

Next steps and practical considerations

- IFMs should familiarize themselves with the new manager's report on related party transactions required under NI 81-107 and the new Form 81-107A requirements and should ensure they will have all required information for those reports readily available.
- IFMs should consider whether they will be able to rely on the transitional relief. In relation to the new requirement to prepare an annual report on related party transactions and append it to the IRC report to securityholders, an IFM will not be required to follow the new requirements until January 1, 2027, if the IRC report to securityholders (without the annual report on related party transactions) is filed on or before April 21, 2026. If, however, the IRC report to securityholders is filed on or after April 22, 2026, the new requirements will apply.
- IFMs should coordinate with auditors early regarding the financial statement disclosure changes, including with respect to the Workstream Three transitional relief.
- IFMs should review the simplified prospectuses of the funds they manage to see if any of the amendments to the Form 81-101F1 apply to them.
- IFMs should monitor future CSA publications addressing:

- o the proposed Fund Report (which we understand the CSA are in the process of developing and testing) and FER initiatives; and
- o the proposal to replace the current investment fund delivery requirements for MRFPs and financial statements, with an access instead of delivery model (initially published on September 27, 2022).

Please contact one of the authors below or your usual [BLG Investment Management Group](#) lawyer if you would like to discuss or would like assistance in understanding how the Final Amendments may impact your business.

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