

Community Economic Development Investment Fund Regulation Amendment

Staff of the Nova Scotia Securities Commission are proposing an amendment to the financial statement reporting requirements for Community Economic Development Investment Funds (“CEDIFS”).

The intended outcome of the amendment would be that for the purposes of these regulations CEDIFs would be able to file financial statements prepared in accordance with either the standards set out for Publicly Accountable Enterprises or Private Enterprises.

Proposed amendment S. 23

23 Where a CEDC has met its minimum offering amount, has certified to the trustee that all conditions of closing have been met and the initial closing has occurred, then a CEDC that is not a reporting issuer and every person or company who would be an insider of the CEDC if the CEDC were a reporting issuer and every person or company who would be in a special relationship with the CEDC within the meaning of subsection 82(5) of the Act if the CEDC were a reporting issuer, is subject to the provisions of Blanket Order No.51-503 and the related provisions of the Securities Rules to the same extent as if the CEDC were a reporting issuer and the person or company were an insider of the CEDC or in a special relationship with the CEDC except that:

(a) a CEDC's annual financial statements need not be accompanied by a report of an auditor if,

(i) the members or shareholders, as the case may be, are not required by law to appoint an auditor,

(ii) a general review has been carried out by an independent accountant in compliance with the general review standards as set out in the Canadian Institute of Chartered Accountants Handbook, and

(iii)(a) the financial statements are accompanied by a review engagement report as set out in the CICA Handbook;

b) for the purposes of these regulations effective for all fiscal years beginning on or after January 1, 2011, the financial statements for a CEDC, may be prepared in accordance with Canadian Generally Accepted Accounting Principles using International Financial Reporting Standards for Publicly Accountable Enterprises or Canadian Generally Accepted Accounting Principles for Private Enterprises as set out in the Handbook; and

(c) if a CEDC files financial statements prepared in accordance with Canadian Generally Accepted Accounting Principles using International Financial Reporting Standards for Publicly Accountable Enterprises it must continue to file financial statements prepared in accordance with Canadian Generally Accepted Accounting Principles using International Financial Reporting Standards for Publicly Accountable Enterprises.

We would appreciate receiving any comments you may have on the proposed amendment.
All comments must be submitted in writing by July 15, 2010 addressed to:

Nova Scotia Securities Commission
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