

Prudent Investor Legislative Provisions Update

September 14, 2017

By Heather Douglas

We have been advised by a communications official at the Ministry of Municipal Affairs that the prudent investor provisions under the *Municipal Act, 2001* (the "Act") are expected to be proclaimed in force next week (no reference however to the relevant regulations). We note that the prudent investor provisions under the Act have to come into force (under sections 71-72 of the *Modernizing Ontario's Municipal Legislation Act, 2017*, Schedule 1) before the regulations can be created, although sometimes the time gap between the two is not long. Without the regulations, the effect and extent of the new provisions under the Act are not clear. For instance, we do not know which of the 443 potentially eligible Ontario municipalities (other than the City of Toronto) will be authorized to opt' into the prudent investor regime or what conditions will be imposed on the municipalities that do so. (The City of Toronto was granted prudent investor powers in 2015, such powers to become effective on January 1, 2018.) We will keep you apprised of future developments as soon as we have the relevant information.e relevant regulations).

The information and comments herein are for the general information of the reader and are not intended as advice or opinion to be relied upon in relation to any particular circumstances. For particular application of the law to specific situations, the reader should seek professional advice.

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