

Human Resources Legislative Update

Regulatory Amendments Proposed to Allow CPPIB/PSPIB to Rely on Prudent Person Standard

Date: July 5, 2012

On June 23, 2012, [the federal government published](#) a proposed amendment to the [Canada Pension Plan Investment Board Regulations](#) which would repeal section 12 of the *Regulations*. That section establishes quantitative investment limits in respect of Canadian resource and real properties. Repeal of this section would align the *Regulations* with the *Pension Benefits Standards Regulation, 1985* (“PBSR”), allowing the Canada Pension Plan Investment Board (“CPPIB”) to rely on the prudent person standard and giving it the same investment flexibility as that available to federally regulated pension plans operating under the PBSR, as amended in 2010, and provincially regulated plans influenced by the PBSR. The amendment would also repeal section 3 of the *Regulations*, which states that “a corporation is a subsidiary of another corporation if it is controlled by the other corporation.”

[Interested parties may comment](#) on this proposed amendment to the *Canada Pension Plan Investment Board Regulations* no later than July 23, 2012.