

Human Resources Legislative Update

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

Date: January 2, 2013

On December 14, 2012, [Regulations Amending the Canada Pension Plan Investment Board Regulations](#) were registered. [As previously reported](#) and of particular note, this amendment repeals section 12 of the [Canada Pension Plan Investment Board Regulations](#) (“CPPIBR”) which established quantitative investment limits in respect of Canadian resource and real properties. The repeal of this section aligns the CPPIBR with the [Pension Benefits Standards Regulations, 1985](#) (“PBSR”) and allows the Canada Pension Plan Investment Board (“CPPIB”) to rely on the prudent person standard. This gives the CPPIB the same investment flexibility as that available to federally regulated pension plans operating under the PBSR (as amended in 2010).

On December 14, 2012, [Regulations Amending the Public Sector Pension Investment Board Regulations](#) were also registered. Among other things, these amendments repeal section 12 of the [Public Sector Pension Investment Board Regulations](#), which established the quantitative investment limits in respect of Canadian resource and real properties. Similar to the CPPIBR amendments, repeal of this section allows the Public Sector Pension Investment Board (“PSPIB”) to rely on the prudent person standard.