

February 13, 2025

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission of New Brunswick
Superintendent of Securities, Prince Edward Island
Nova Scotia Securities Commission
Superintendent of Securities, Newfoundland and Labrador
Superintendent of Securities, Yukon Territory
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Nunavut

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Dear Sir/Madam,

Re: CSA Notice of Republication and Request for Comment – Proposed Amendments and Proposed Changes to Implement an Access Model for Certain Continuous Disclosure Documents of Non-Investment Fund Reporting Issuers

We have reviewed the above referenced CSA Notice of Republication and Request for Comment – Proposed Amendments and Proposed Changes to Implement an Access Model for Certain Continuous Disclosure Documents of Non-Investment Fund Reporting Issuers (the CSA Republication) and we thank the Canadian Securities Administrators (CSA) for the opportunity to provide you with our comments.

CCGG's Members are Canadian institutional investors that together manage approximately \$5 trillion in assets on behalf of pension funds, mutual fund unit holders, and other institutional and individual investors. CCGG promotes good governance practices, including the governance of environmental and social matters, at Canadian public companies and assists institutional investors in meeting their stewardship responsibilities. CCGG also works toward the improvement of the regulatory environment to best align the interests of boards and management with those of their investors and to increase the efficiency and effectiveness of the Canadian capital markets. A representative list of our members is attached to this submission.

CCGG supports the CSA's goal of reducing regulatory burden on issuers while ensuring that investor protection is not compromised. CCGG believes that information is an important and useful tool in improving communication with investors. CCGG's focus is on ensuring that institutional investors have the information they need to make good investment decisions and to monitor those investments.

GENERAL COMMENTS

CCGG has been actively engaged with the CSA to ensure that the interests of institutional investors are understood by regulators with respect to the CSA's evolving proposals to implement an access equals delivery (AED) model for required disclosures¹.

CCGG's position is that it is generally supportive of enhancing electronic delivery of documents and movement toward a default electronic delivery for a limited scope of documents, provided that any proposal does not include proxy-related materials, takeover bid or issuer bid circulars. In addition, investor rights to request a paper copy of all documents and to establish standing orders for delivery should be preserved under any AED model.

¹ See: CCGG, [Submission to Canadian Securities Administrators re CSA Consultation Paper 51-405 – Considerations of an Access Equals Delivery Model for Non-Investment Fund Reporting Issuers](#), March 5, 2020; CCGG, [Submission to Capital Markets Modernization Taskforce re: Consultation – Modernizing Ontario's Capital Markets](#), September 7, 2020; CCGG, [Submission to Canadian Securities Administrators re CSA Notice and Request for Comment – Proposed Amendments and Proposed Changes to Implement an Access Equals Delivery Model for Non-Investment Fund Reporting Issuers](#), June 29, 2022; and CCGG, [Letter to the Canadian Securities Administrators re Request to Pause Access Equals Delivery](#), April 17, 2023.

Overall, we find the proposals included in the CSA Republication integrate these positions and we are supportive of the steps taken by the CSA to respond to retail investor protection concerns we raised during the CSA's prior round of consultations in 2022.

SPECIFIC COMMENTS

Scope of the Proposal

The CSA is proposing to introduce an AED model for annual financial statements, interim financial reports and related management's discussion & analysis (MD&A) for non-investment fund reporting issuers.

Such documents would be deemed delivered if:

- the issuer has filed the document on SEDAR+,
- on the same day, the issuer has issued and filed a news release on SEDAR+ announcing that
 - the document is accessible electronically,
 - the SEDAR+ notification functionality is available,
 - an electronic or paper copy of the document can be obtained upon request,
 - any standing instructions to receive the document in electronic or paper form will continue to be followed, and
- on the same day, if the issuer has a website, the issuer has posted the document on its website.

In addition, the CSA has introduced measures to ensure that investors are provided with notice that it is intending to use the AED model, through additional disclosures to investors which also incorporate the information about notification functionality, paper copies and standing instructions:

- in a news release before using the AED if, during the previous financial period, the issuer complied with the current delivery requirements in National Instrument 51-102 *Continuous Disclosure Obligations (NI 51-102)*,
- in a separate document sent to investors with the proxy-related materials or, if the issuer is using the notice-and-access model, with the notice, and
- on its website in the same location where the issuer posts its CD documents, if applicable; and
- before ceasing to use the AED model, the issuer will be required to inform investors of this change in a news release.

Finally, as referenced above, to support implementation of the AED model, the CSA has developed a notification capacity in SEDAR+ that enables investors to sign up for a subscription to receive automatic email notifications when the disclosure documents are filed by an issuer selected by the subscriber on SEDAR+. The emails would include a link directly to the filed document. Information about this functionality is required to be provided prior to transition to the AED model, annually through the proxy notification process and at the time a document is filed on SEDAR+.

Investor protection has been adequately addressed

In our view the AED model adequately addresses the investor protection concerns raised by CCGG in prior submissions.

The CSA is expressly **not** proposing an access equals delivery model for documents such as proxy-related materials, and take-over bid and issuer bid circulars that require shareholders to take action and has indicated that it agrees that extension of an AED model to such documents is not appropriate at this time². We agree strongly with this approach and it aligns with our recommendations in response to earlier consultations on this topic.

To briefly restate our arguments in support of the CSA adopting this approach, CCGG is of the view that proxy-related materials, and other documents upon which investors rely in order to exercise their rights as shareholders should not be deemed “delivered” by issuers under an AED model, absent prior notice and consent. This is distinct from electronic delivery which can still be achieved under a notice and consent model.

Information related to the timing as to when and for what purpose an issuer may call a shareholder meeting is within the purview of the issuer and it is the responsibility of the issuer to proactively ensure that shareholders are made aware of such events and have timely access to the information they require to exercise their rights. Voting is one of the key mechanisms investors have to exercise oversight over the companies in which they are invested and therefore it is important for companies to be required to continue to provide notice to shareholders to facilitate shareholder participation in votes on both routine (e.g. election of directors) and special resolutions, whether included on the ballot at an Annual General Meeting or through a special meeting of shareholders. Requiring clear communication in this regard, prevents companies from seeking to game voting outcomes through reduced shareholder participation.

Conversely, absent the provision of notice, some companies, especially those with a dispersed or retail investor heavy shareholder base, may have difficulty achieving quorum, ultimately creating barriers for issuers with respect to a company’s ability to pursue corporate initiatives.

² See *CSA Notice of Republication and Request for Comment – Proposed Amendments and Proposed Changes to Implement and Access Model for Certain Continuous Disclosure Documents of Non-Investment Fund Reporting Issuers* at page 16.

Paper copies and standing instructions

We were pleased to note that the AED model confirms an investor's ability to request paper copies or receive continuous disclosure documents in accordance with the investor's standing instructions. This approach is consistent with CCGG's position in prior submissions and we are pleased to see that the CSA Republication incorporates this approach.

Meaningful steps have been taken to address risk for retail investors

As we noted in prior submissions, while CCGG's Members are sophisticated institutional investors familiar with accessing and tracking company disclosures on SEDAR+, we view the protection of all investors, including retail investors, as paramount to the Canadian capital markets regulatory environment. The AED model as set out in the CSA Republication addresses the two key critiques raised in the context of prior proposals: namely that there was no evidence that retail investors were familiar with SEDAR (now SEDAR+). Even if retail investors were accessing documents on the SEDAR platform, it was not user friendly. In our view, this placed too much of a burden on individual investors to keep track of when disclosures should be made and to navigate to them on the platform.

We consider the development of the notification functionality which enables investors to easily sign up to receive emails when disclosures from specific issuers are filed on SEDAR+, and the inclusion in the email of a direct link to the posted materials, to be a highly positive development facilitating electronic access to public company disclosures. Likewise, the CSA's integration of information about how to access the notification functionality into several different communications, including annually with notice of the proxy circular, is a positive step toward investor education and engagement³.

SPECIFIC QUESTIONS

- 1. Under the Proposed Access Model, an issuer that has filed a CD document on SEDAR+ must, on the same day, issue and file a news release on SEDAR+ and, if the issuer has a website, post the document on its website. Do you anticipate any practical issues with having to complete these steps on the same day? Please explain.**

Although we have no strong views on this question, CCGG would encourage the CSA to listen to practical concerns raised by issuers in response to this question. We can envision that some degree of flexibility on timing for posting on the website following the filing on SEDAR+ may be preferred (e.g. within 24 hours of filing becoming public on SEDAR+). This would be

³ With the caveat that based on Broadridge's processing of proxy and continuous disclosure materials on behalf of broker dealers in Canada, as of June 30, 2024, approximately 62% of securityholders are not notified or informed that continuous disclosures are available. This is because under Section 4.6(2) of NI 51-102 and NI 54-101, at account opening they have not chosen to receive all securityholder materials. And as such, they do not receive the annual consent card to receive continuous disclosures. Addressing this investor education issue is outside the scope of the proposed AED model but is something the CSA should be considering in the context of retail investor engagement with disclosures.

to ensure that issuers are not required to share material, non-public information with any third party website service providers prior to the filing on SEDAR+ becoming public.

CONCLUSION

We thank you again for the opportunity to provide you with our comments. If you have any questions regarding the above, please feel free to contact our Executive Director, Catherine McCall at cmccall@ccgg.ca or our Director of Policy Development, Sarah Neville at sneville@ccgg.ca.

Yours truly,

Amit Prakash

Amit Prakash, Chair of the Board of Directors
Canadian Coalition for Good Governance

CCGG MEMBERS 2025*

- Alberta Investment Management Corporation (AIMCo)
- Archdiocese of Toronto
- BlackRock Asset Management Canada Limited
- BMO Global Asset Management Inc.
- Burgundy Asset Management Ltd.
- Caisse de dépôt et placement du Québec (CDPQ)
- Capital Group Canada
- CIBC Asset Management Inc.
- Colleges of Applied Arts and Technology Pension Plan (CAAT)
- Connor, Clark & Lunn Investment Management Ltd.
- CPP Investments
- Desjardins Global Asset Management
- Fiera Capital Corporation
- Fondation Lucie et André Chagnon
- Foyston, Gordon & Payne Inc. (FGP)
- Galibier Capital Management Ltd.
- Healthcare of Ontario Pension Plan (HOOPP)
- Hillsdale Investment Management Inc.
- Investment Management Corporation of Ontario (IMCO)
- iA Financial Group
- Jarislowsky Fraser Limited
- Leith Wheeler Investment Counsel Ltd.
- Letko, Brousseau Global Investment Management
- Lincluden Investment Management Limited
- National Bank Investments
- NEI
- Ontario Municipal Employee Retirement System (OMERS)
- Ontario Teachers' Pension Plan (OTPP)
- OP Trust
- PCJ Investment Counsel Ltd.
- Pension Plan of the United Church of Canada Pension Fund
- Provident¹⁰
- Public Sector Pension Investment Board (PSP Investments)
- Qube Investment Management Inc.
- QV Investors Inc.
- RBC Global Asset Management Inc.
- Régimes de retraite de la Société de transport de Montréal (STM)
- RPIA
- Scotia Global Asset Management
- Sionna Investment Managers Inc.
- SLC Management
- Summerhill Capital Management
- Teachers' Pension Plan Corporation of Newfoundland and Labrador
- TD Asset Management
- Teachers' Retirement Allowances Fund
- UBC Investment Management Trust Inc.
- University Pension Plan Ontario (UPP)
- University of Toronto Asset Management Corporation (UTAM)
- Vestcor Inc.
- York University Pension Fund

*As a coalition, CCGG strives to build and reflect a consensus but, while supportive of CCGG's mission and mandate, CCGG's Members are not individually bound by CCGG's position.

