



Suncor Energy Inc.
P.O. Box 2844
150 – 6th Avenue S.W.
Calgary, Alberta T2P 3E3
Tel 403-296-8000
Fax 403-296-3030
www.suncor.com

July 21, 2017

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 (New Brunswick)
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador Superintendent of Securities, Northwest
Territories Superintendent of Securities, Yukon
Superintendent of Securities, Nunavut

Attention: The Secretary
Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Fax: 416-593-2318
Email: comments@osc.gov.on.ca

Anne-Marie Beaudoin, Corporate Secretary
Autorité des marchés financiers
800, rue du Square-Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal, Québec H4Z 1G3
Fax: 514-864-6381
E-mail: consultation-en-cours@lautorite.qc.ca

Re: CSA Notice and Request for Comment
CSA Consultation Paper 51-404 *Considerations for Reducing Regulatory Burden for Non-Investment Fund Reporting Issuers (CP 51-404)*

Dear Sirs/Mesdames:

Suncor Energy Inc. (**Suncor** or **we**) appreciates the efforts of the Canadian Securities Administrators (**CSA**) in reviewing the regulatory burden on reporting issuers to identify and consider areas of securities legislation that could benefit from a reduction of undue regulatory burden, without compromising investor protection or the efficiency of the capital market. We also appreciate you allowing us the opportunity to submit this comment letter in response to CP 51-404.

Suncor is an integrated energy company headquartered in Calgary, Alberta, Canada. We are strategically focused on developing one of the world's largest petroleum resource basins – Canada's Athabasca oil sands. In addition, we explore for, acquire, develop, produce and market crude oil and natural gas in Canada and internationally; we transport and refine crude oil, and we market petroleum and petrochemical products primarily in Canada. We also conduct energy trading activities focused



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principally on the marketing and trading of crude oil, natural gas, power and byproducts. We also operate a renewable energy business as part of our overall portfolio of assets.

Given the volume and breadth of questions contained within CP 51-404, we have only provided comments on selected questions. Our silence on the remaining questions in CP 51-404 should not be seen as either implied approval or implied disapproval thereof and we reserve the right to comment on the topics identified by such questions (including any proposed amendments relating thereto) at a later date. References to question numbers herein refer to the question numbers contained in CP 51-404.

Before providing feedback on specific questions, we would like to recognize our support for the CSA in this review. Suncor agrees that efforts should be taken to ensure that there is no undue burden on issuers while also recognizing the importance in ensuring that investors receive the level of protection that is appropriate under the circumstances. Our feedback below identifies areas which Suncor believes would benefit from further review by the CSA and presents opportunities to the CSA to make reforms to securities legislation without compromising on its regulatory objectives.

Question 3. Are there any other options that are not identified in Part 2 which may offer opportunities to meaningfully reduce the regulatory burden on reporting issuers or others while preserving investor protection? If so, please explain the nature and extent of the issues in detail and whether these options should constitute a short-term or medium-term priority for the CSA.

Suncor's comments: In addition to the comments provided in response to specific questions below, Suncor would like to raise an additional area of focus which Suncor believes could result in a reduced regulatory burden on issuers without comprising on investor protection.

Contingent Resources: Suncor wishes to note certain requirements relating to contingent resources (as defined in CSA Staff Notice 51-324 *Glossary to NI 51-101 Standards of Disclosure for Oil and Gas Activities*). Specifically, we note that the requirement to have any and all contingent resources volumes which are disclosed in an issuer's annual information form (AIF) to be either evaluated or audited by an Independent Qualified Reserves Evaluator/Auditor (IQRE) is more stringent than the requirement for reserves disclosure (in which case the IQRE must evaluate or audit at least 75% of the future net revenue, and review the balance). In addition, the disclosure requirements for contingent resources sub-classes other than 'development pending' are onerous and require analysis that would, in many cases, be based on limited information and high level assumptions. In particular, estimated total costs and general timelines to achieve commercial production may be very preliminary and could even be misleading to disclose given their low level of accuracy. Suncor believes that the aforementioned requirements serve to inhibit some companies from reporting their contingent resources.

Question 21. Are there disclosure requirements for annual and interim filing documents that are overly burdensome for reporting issuers to prepare? Would the removal of these requirements deprive investors of any relevant information required to make an investment decision? Why or why not?

Suncor's comments: Suncor is generally supportive of reducing or removing disclosure requirements which are either overly burdensome or which do not provide stakeholders with relevant information. Suncor also notes that there are a growing number of disclosure requirements and believes the CSA should be mindful that stakeholders may be receiving too much information (or the same information in several locations) which may be undermining the usefulness of the disclosure to the stakeholder.

28. Are there other areas where the MD&A form requirements overlap with existing IFRS requirements?

Suncor's comments: Suncor is generally supportive of reducing or removing disclosure requirements which are either overly burdensome or which do not provide stakeholders with applicable information. Suncor also notes that stakeholders may be receiving the same information in various documents (or in different locations within the same document) and believes that this is also not in the best interests of the stakeholders. One area in which there is overlap between the requirements in the annual financial statements and the annual MD&A is with respect to Accounting Policies and Critical Accounting Estimates. As per the current requirements, each of the annual financial statements and the annual MD&A require information regarding Accounting Policies and Critical Accounting Estimates. It may be more useful if the required information with regards to these topics were contained within a single disclosure document.

29. Should we consolidate the MD&A, AIF (if applicable) and financial statements into one document? Why or why not?

Suncor's comments: Suncor is generally supportive in reducing or removing disclosure requirements in order to lessen the amount of immaterial information stakeholders receive and to ensure that stakeholders are not receiving the same information in several locations, as each of those outcomes may undermine the usefulness of the disclosure.

Several components of an issuer's AIF are required to be provided in an issuer's MD&A which results in the duplication of disclosure, increasing the aggregate length of the continuous disclosure documents and resulting in increased paper requirements and printing costs. Areas in which the required disclosure is similar to the disclosure required elsewhere include: (i) the overlap between the disclosure required in the *Summary of Quarterly Results* section of the MD&A and the disclosure already required in the *Discussion of Operations* section of the MD&A; (ii) that each of the MD&A and AIF require disclosure relating to the risks faced by the issuer; and (iii) the overlap between the *Description of the Business/General Development of the Business* in the AIF and the *Overall Performance/Discussion of Operations* in the MDA.

Suncor suggests that the CSA consider whether it would be appropriate to consolidate the disclosure requirements for the AIF and the annual MD&A into one disclosure document. In addition to the paper considerations noted above, this may also alleviate the confusion some

stakeholders may face when seeking out information about a company as there would be no confusion as to which annual document contains the information that the stakeholder wishes to review.

33. Are there other ways electronic delivery of documents could be further enhanced through securities legislation?

Suncor's comments: Suncor is supportive of measures which allow documents to be delivered to its stakeholders in a fast, environmentally friendly manner and believes that increasing the use of electronic delivery should be a goal of the CSA. Electronic delivery allows immediate access to the recipient and may greatly reduce the paper requirements for the issuer.

Further, Suncor would be supportive of a review of the securities legislation relating to what constitutes "generally disclosed" in the context of the increasing use of, and access to, the internet since such legislation was enacted. Suncor would be supportive of a change to consider the posting of material onto an issuer's website to meet the requirements of general disclosure.

Thank you for this opportunity to provide comments on CP 51-404. Should you have any questions or comments, please do not hesitate to contact the undersigned.

Sincerely,

SUNCOR ENERGY INC.

"Jacqueline Moore"

Vice President Legal Affairs, Corporate

cc. Alister Cowan, Executive Vice President and Chief Financial Officer
Janice Odegaard, Senior Vice President, General Counsel and Corporate Secretary
Angela Butler, Vice President and Controller
Shawn Poirier, Director Legal Affairs, Corporate