

February 26, 2020

VIA EMAIL

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The 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

Me Philippe Lebel
Corporate Secretary and Executive Director, Legal Affairs
Autorité des marchés financiers
Place de la Cité, tour Cominar
2640, boulevard Laurier, bureau 400 Québec (Québec) G1V 5C1
E-mail: consultation-en-cours@lautorite.qc.ca

and

The Secretary
Ontario Securities Commission
20 Queen Street West 22nd Floor
Toronto, Ontario M5H 3S8
E-mail: comments@osc.gov.on.ca

Dear Sirs/Mesdames:

Re: CSA Consultation Paper 51-405 – Consideration of an Access Equals Delivery Model for Non-Investment Fund Reporting Issuers (the “Consultation”)

The Canadian Advocacy Council of CFA Societies Canada¹ (the “CAC”) appreciates the opportunity to provide the following general comments on the Consultation.

¹ The CAC is an advocacy council for CFA Societies Canada, representing the 12 CFA Institute Member Societies across Canada and over 18,000 Canadian CFA charterholders. The council includes investment professionals across Canada who review regulatory, legislative, and standard setting developments affecting investors, investment professionals, and the capital markets in Canada. Visit www.cfacanada.org to access the advocacy work of the CAC.

CFA Institute is the global association of investment professionals that sets the standard for professional excellence and credentials. The organization is a champion of ethical behavior in investment markets and a respected source of

We are supportive of the CSA's initiatives to reduce regulatory burden without having a negative impact on investor protection, and are in favour of facilitating electronic delivery of documents where possible. Regulation in general should be risk and principles-based, as well as technologically neutral and flexible.

We understand the model under consideration is one where delivery of a disclosure document would be considered to occur when: (i) the document is filed on SEDAR and posted to the issuer's website; and (ii) the issuer issues a press release (also filed on SEDAR and posted to its website) stating where the document is available electronically and that a paper copy can be obtained upon request. Currently, delivery of prospectuses and financial statements and related MD&A may be prioritized for this project.

We are supportive of the proposal to facilitate an access equals delivery model for the distribution of prospectus documents, financial statements and MD&A filings. In our view, however, given the shortcomings of SEDAR's current user interface, if the proposal moves forward as contemplated, it will be critical for the issuer's website to be easy to locate and navigate. While professionals may have other electronic tools that facilitate searching for specific company filings (and alert them to new filings), investors need to rely on searching SEDAR. It may be preferable to wait until the SEDAR Plus project is further developed so that all investors can more readily access important documents on a consistent basis.

Regardless of the timing of the implementation of the proposal, the issuer should be required to post the documents prominently on their website in an easily accessible format. Moreover, considering that there could be a considerable delay between filing a preliminary prospectus and receiving a receipt for a final prospectus, it would be appropriate to require the issuer to issue and file corresponding news releases for both documents. The enforcement powers of CSA members should specifically extend to issuers that post documents in an obscure manner or in circumstances where documents are not posted in a timely and accessible fashion.

With respect to withdrawal rights, we understand that in certain jurisdictions, investors have the right to withdraw from their agreement to purchase securities under a prospectus within two business days of receiving a prospectus or any amendment thereto. We agree that the resolution of the issue regarding the commencement of the cooling off period will be critical to the success of an access equals delivery model. As the CSA continues to consider the *Proposed National Systems Renewal Program Rule and Related Amendments*, the ability to reformulate the withdrawal mechanism based on new technological capabilities may emerge.

The requirement to provide paper copies of documents upon request should be at no charge to the investor, as there remain some retail investors with intermittent to no online access. While the cost may be minimal, we note that there is a cost to receive

knowledge in the global financial community. Our aim is to create an environment where investors' interests come first, markets function at their best, and economies grow. There are more than 171,500 CFA charterholders worldwide in 164 markets. CFA Institute has nine offices worldwide and there are 158 local member societies. For more information, visit www.cfainstitute.org.

internet access. Issuers must make the process of requesting and receiving paper copies seamless to investors. The enforcement powers of CSA members should also specifically extend to instances where paper copies are not easily accessible.

We appreciate that Annex A to the notice sets out a summary of the current rules in the United States (and other jurisdictions) relating to access equals delivery. To the extent possible, aligning the initiative with international counterparts may bring some consistency to issuers and international investors.

We understand that the CSA is also considering whether other issuer documents such as rights offering materials and take-over bid circulars should be included in the access equals delivery model. As set out in the notice of the Consultation, extending the model to time-sensitive documents and processes that require shareholder participation could, and we believe does, raise investor protection concerns in the near term. While some investors may be able to monitor SEDAR or an issuer's website for new information, it is more difficult to locate information for transactions that involve multiple or new issuers. In addition, it is less intuitive for investors to know when to look for information and for details about required investor action. All of this information, whether disseminated by news release or posted to an issuer's website and on SEDAR, may not reach the intended recipients in time for reasonable consideration and action.

Concluding Remarks

We thank you for the opportunity to provide these comments. We would be happy to address any questions you may have and appreciate the time you are taking to consider our points of view. Please feel free to contact us at cac@cfacanada.org on this or any other issue in future.

(Signed) *The Canadian Advocacy Council of
CFA Societies Canada*

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CFA Societies Canada**