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Manitoba Securities Commission  
Ontario Securities Commission  
Autorité des marchés financiers  
Financial and Consumer Services Commission of New Brunswick  
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island  
Nova Scotia Securities Commission  
Securities Commission of Newfoundland and Labrador  
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**Subject: Letter in response to CSA Consultation Paper 51-405 – Consideration of an Access Equals Delivery Model for Non-Investment Fund Reporting Issuers**

Québec Bourse would like to thank the Canadian Securities Administrators (CSA) for the opportunity to participate in this consultation, since it is imperative to implement measures to reduce public issuers' regulatory burden.

As you know, Québec Bourse's objective is to help reinvigorate Québec's public offering financing ecosystem. An onerous regulatory burden is one of the main reasons that public offering financing is not competitive when compared with other sources of capital available to businesses seeking financing.

Striking a better balance between compliance costs for issuers and investor protection is essential today. Introducing an access equals delivery model for documents in order to enable issuers to

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meet their obligations is clearly a logical step forward in modernizing the regulatory framework and achieving this goal.

Below are our comments in response to the consultation questions:

1. Do you think it is appropriate to introduce an access equals delivery model into the Canadian market?

Absolutely. It is essential to acknowledge the technology-based environment that we are operating in today. An access equals delivery model offers issuers an effective way (in terms of both information access and costs) to satisfy their regulatory obligations and will ensure that shareholders are able to access information quickly.

2. In your view, what are the potential benefits or limitations of an access equals delivery model?

The access equals delivery model offers a number of advantages over the current model. First, the access equals delivery model makes documents that are important to shareholders available far more quickly.

Second, it should reduce issuers' costs significantly (printing, paper, mailing costs).

Lastly, electronic transmission addresses environmental concerns.

3. Do you agree that the CSA should prioritize a policy initiative focussing on implementing an access equals delivery model for prospectuses and financial statements and related MD&A?

Financial statements and MD&As should be given priority, since they have to be produced and filed frequently and are also large documents.

Provided that including prospectuses does not delay the project, it is also appropriate to include prospectuses from the outset.

Since a large number of issuers carry out other types of financing solely via prospectus, we believe that it is essential to move forward as soon as practicable with extending the access equals delivery model to include all financing documents (information circulars, notices, etc.).

4. If you agree that an access equals delivery model should be implemented for prospectuses:

a. Should it be the same model for all types of prospectuses (i.e. long-form, short-form, preliminary, final, etc.)?

Yes. In our opinion, there is no reason to discriminate between them.

b. How should we calculate an investor's withdrawal right period? Should it be calculated from (i) the date on which the issuer issues and files a news release indicating that the final prospectus is available electronically, (ii) the date on which the investor purchases the securities, or (iii) another date?

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The withdrawal right period should be the later of the following 2 dates (if different): (i) the date on which the document is available electronically; and (ii) the date on which the news release is issued.

c. Should a news release be required for both the preliminary prospectus and the final prospectus, or is only one news release for an offering appropriate?

Issuing a news release when the final prospectus is filed is sufficient. The news release issued upon filing of the final prospectus corresponds to the start of the investor's withdrawal right period. In most cases, it is also when the issue price of the securities and all distribution conditions are known.

5. For which documents required to be delivered under securities legislation (other than prospectuses and financial statements and related MD&A) should an access equals delivery model be implemented? Are there any investor protection or investor engagement concerns associated with implementing an access equals delivery model for rights offering circulars, proxy-related materials, and/or take-over bid and issuer bid circulars? In your view, would this model require significant changes to the proxy voting infrastructure (e.g. operational processes surrounding solicitation and submission of voting instructions)?

As mentioned above, we believe that financing documents (rights offering circulars, listed issuer private placement offering memoranda) should also be made eligible quickly under the access model.

As regards proxy-related materials, we feel that it is appropriate to extend the access model to include notices of meetings and information circulars. The objective would be the same: to make information available quickly while avoiding significant costs for issuers.

As for proxies, we believe that the current practice of mailing out proxy-related materials should be maintained until transfer agents implement a system that gives shareholders the option of receiving proxies electronically.

The access model could be expanded to include take-over and issuer bid circulars.

6. Under an access equals delivery model, an issuer would be considered to have effected delivery once the document has been filed on SEDAR and posted on the issuer's website.

a. Should we refer to "website" or a more technologically-neutral concept (e.g. "digital platform") to allow market participants to use other technologies?

First, we prefer "website" over "digital platform." The access model should initially refer to the website and availability on SEDAR. If an issuer wishes to use another platform (Facebook, Twitter, etc.), it should be an additional tool for disseminating the information, as is currently the case when a news release is issued.

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In future, it will still be possible, in the event further technological advances are made, to refer to other digital platforms.

b. Should we require all issuers to have a website on which the issuer could post documents?

Yes, all issuers should be required to have a corporate website that has a clearly identifiable shareholder information section. Issuers should also make it possible for shareholders who ask to do so to sign up to a mailing list to receive alerts when documents are filed/available.

7. Under an access equals delivery model, an issuer would issue and file a news release indicating that the document is available electronically and that a paper copy can be obtained upon request.

a. Is a news release sufficient to alert investors that a document is available?

As regards the issuer, a news release is sufficient.

b. What particular information should be included in the news release?

The following information should be included:

- i) Type of document;
- ii) Date filed on SEDAR;
- iii) Website link that takes the investor directly to the document.
- iv) Contact details for resource persons.

8. Do you have any other suggested changes to or comments on the access equals delivery model described above? Are there any aspects of this model that are impractical or misaligned with current market practices?

The key word in an access model is, of course, “access”. In our view, it is imperative that the CSA modernize SEDAR and/or the next version of SEDAR in order to make it easier for investors to access documents (searches, sorting, etc.). We feel that it is also important to modernize SEDAR by adding a system to alert investors when issuers identified on their alert list file documents.

It is essential that the access model be implemented and that the CSA prioritize its implementation. We agree that the CSA should initially give priority to financial statements, MD&As and offering documents.

The access model could subsequently be extended to include take-over bid and issuer bid documents.

In conclusion, the access model is essential and issuers’ expectations for it are high. We hope that the CSA will be able to act quickly.

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We are available to meet with you, at your convenience, to discuss our comments and answer your questions. We would also be pleased to take part in any CSA-led initiative or working group related to the implementation of the initiatives to reduce regulatory burden.

Thank you in advance for your attention to our comments.

Yours truly,

Louis Doyle  
Executive Director, Québec Bourse