



**BY ELECTRONIC MAIL:** [comments@osc.gov.on.ca](mailto:comments@osc.gov.on.ca), [consultation-en-cours@lautorite.qc.ca](mailto:consultation-en-cours@lautorite.qc.ca)

**March 13, 2020**

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, Northwest Territories  
Superintendent of Securities, Yukon Territory  
Superintendent of Securities, Nunavut

The Secretary  
Ontario Securities Commission  
20 Queen Street West, 22<sup>nd</sup> Floor, Box 55  
Toronto, Ontario M5H 3S8

M<sup>e</sup> 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

Dear Sirs / Madames:

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

Thank you for the opportunity to provide comments to the Canadian Securities Administrators (the “CSA”) on the Consultation Paper.

Fidelity Investments Canada ULC (“Fidelity”) is the 4<sup>th</sup> largest mutual fund company in Canada. Fidelity currently manages over \$124 billion in retail mutual funds, exchange traded funds and institutional assets. Many Canadians entrust us with their savings and we take their trust very seriously.

Fidelity is very pleased with the CSA’s decision to pursue an “access equals delivery” model (“AED Model”) in Canada. We were, however, surprised that the CSA did not consider this

initiative for investment fund reporting issuers. The rationale for supporting such a model is equally, if not more, applicable to investment fund reporting issuers. According to StatCan, the share of Canadians aged 15 and older who use the Internet is 91%, with more seniors reporting Internet use (71%) - overall, 94% of Canadians have home Internet access<sup>1</sup>. In this day in age, we are no longer experimenting with Internet technology and we believe that the online experience is superior for Canadian investors. Accordingly, we believe that the AED Model should be the default for offering and continuous disclosure documents in Canada - with snail mail available for request by investors who prefer that form of delivery. Electronic delivery is more cost-effective and wastes fewer resources, and it would relieve regulatory burden on investment fund reporting issuers while enhancing the investor experience.

As at January 31, 2020, mutual fund assets totalled \$1.66 trillion in Canada. Over 5 million (33%) Canadians save for their future through mutual funds. It is clear from this Consultation Paper that Canadian retail investors will be disadvantaged by the CSA's missed opportunity. Many of our investors tell us that they prefer electronic delivery. Fidelity has also heard customer complaints over the years about the mass proliferation of regulatory required mailings they receive. We believe that the AED Model will enhance the investor experience because it provides investors instant access to current information about their investments that is more navigable than paper disclosures. It also allows for innovative features, including hyperlinks, document search capabilities, etc. Current delivery rules for investment fund reporting issuers are not consumer friendly and out of touch. For example, Canadian investors interested in electronic delivery must affirmatively opt-in to receive documents electronically for each document on an account-by-account basis. In this day in age, we cannot imagine that this is what the average Canadian desires.

With respect to our continuous disclosure documents, we have seen a very low percentage of securityholders opt-in to receive annual financial statements and MRFPs. For example, in 2019, approximately 1.81% of all our securityholders requested the annual financial statements. Similarly, during the same period, approximately 0.72% of all our securityholders requested the annual MRFPs. Based on these low take-up figures, we believe that these documents are not meaningful to investors. As such, we believe that financial statements and MRFPs may be effectively delivered through the AED Model. We note that a similar approach has been adopted by the Securities and Exchange Commission ("**SEC**") in the United States - Rule 30e-3 under the *Investment Company Act of 1940* provides registered investment companies with the ability to make financial statements, among other documents, available online if a paper notice is sent to securityholders.

In conclusion, we agree with the CSA's view that information technology is an important and useful tool in improving communication with investors. In fact, in 2020, we believe that the online experience is superior for Canadian retail investors. We believe, however, that limiting the scope of this Consultation Paper to non-investment fund reporting issuers excludes the consideration of all affected market participants and is a missed opportunity for the CSA.

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<sup>1</sup> October 29, 2019, <https://www150.statcan.gc.ca/n1/daily-quotidien/191029/dq191029a-eng.htm>.

Once again, we would like to thank the CSA for the opportunity to comment on the Consultation Paper and we would be pleased to discuss any of our comments.

Yours sincerely,

***“W. Sian Burgess”***

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Fidelity Investments Canada ULC

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Rob Sklar, Manager, Legal Services and Senior Legal Counsel  
Aleks Ramsvik, Legal Counsel