

POWER CORPORATION OF CANADA

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September 17, 2021

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
Office of the Superintendent of Securities, Service NL
Northwest Territories Office of the Superintendent of Securities
Office of the Yukon Superintendent of Securities
Superintendent of Securities, Nunavut

Me Philippe Lebel
Corporate Secretary and Executive Director, Legal Affairs

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The Secretary

Ontario Securities Commission
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Re: Proposed Amendments to National Instrument 51-102 Continuous Disclosure Obligations and Other Amendments and Changes Relating to Annual and Interim Filings of Non-Investment Fund Reporting Issuers and Seeking Feedback on a Proposed Framework for Semi-Annual Reporting - Venture Issuers on a Voluntary Basis (the “Proposed Amendments”)

We welcome the opportunity to provide this submission to the Canadian Securities Administrators (the “CSA”) concerning the Proposed Amendments. As both a reporting issuer and an investor, directly or indirectly, holding controlling and minority positions in other reporting issuer investees, we are particularly interested in any opportunity to participate in public dialogue regarding potential revisions to the continuous disclosure regime under securities laws in Canada.

Our Submission Documents

We are part of the working group referred to in the comment letter of Norton Rose Fulbright Canada LLP dated September 17, 2021 and confirm and reiterate the comments made therein, including, in particular, with respect to the proposed changes to the risk factor disclosure requirements in the Proposed Amendments.

The Proposed Amendments also present an opportunity for further consideration of the application of the continuous disclosure regime to reporting issuers (like Power Corporation of Canada (“Power”)) holding interests in reporting issuer investees, to ensure that the regime functions efficiently within such context, without imposing any unnecessary burden on reporting issuer investors that is significantly disproportionate to the potential benefit, if any, for their securityholders.

The Power Group

Power (TSX: POW) is an international management and holding company that focuses on financial services in North America, Europe and Asia. We are major long-term shareholders of companies, including Canadian reporting issuer subsidiaries Great-West Lifeco Inc. (TSX: GWO)¹ and IGM Financial Inc. (TSX: IGM)², in which we hold a controlling interest. Power also indirectly through its alternative asset investment platforms, holds a significant non-controlling equity interest in The Lion Electric Company (TSX: LEV).

Incorporation by Reference

With respect to the ability of a reporting issuer to incorporate by reference disclosure located elsewhere outside of the Annual Disclosure Statement, the Proposed Amendments provide in the General Instructions of Form 51-102F1 as follows:

¹ Power and IGM Financial Inc. hold 66.7% and 4.0%, respectively, of Great-West Lifeco Inc.’s common shares, representing, in aggregate, approximately 65% of the voting rights attached to all outstanding Great-West Lifeco Inc. voting shares.

² Power and The Canada Life Assurance Company, a subsidiary of Great-West Lifeco Inc., hold 61.9% and 3.9%, respectively, of IGM Financial Inc.’s common shares, representing, in aggregate, an approximately 65.8% voting interest in IGM Financial Inc.

(16) Your company may incorporate information required to be included under Part 2 or Part 3 of this Form by referencing another document filed on its SEDAR profile, other than a prior MD&A or AIF (unless expressly permitted by this Form). If incorporating by reference, your company must clearly identify the document or any excerpt of it in the text that incorporates it. Unless your company has already filed under its SEDAR profile the referenced document or excerpt, including, for greater certainty, any documents incorporated by reference into the document or excerpt, your company must file it with the annual disclosure statement or standalone AIF, as applicable. Your company must also disclose that the referenced document is on SEDAR at www.sedar.com.

This is a welcome development, facilitating a reduction in duplicative disclosures, while recognizing the ability of readers to easily locate other clearly identified, publicly available documents on SEDAR to access the applicable information. As a holding company of investments in businesses, including Canadian reporting issuer subsidiaries, we submit that the ability of a reporting issuer investor to incorporate by reference disclosures should also extend to documents (and extracts thereof) filed under the SEDAR profiles of its reporting issuer investees.

For example, the description of the business of Power and its reportable segments necessarily includes a description of the business of Great-West Lifeco Inc. and IGM Financial Inc., which would already be described in detail by such reporting issuers in their Annual Disclosure Statement, as filed under their respective SEDAR profiles. Further, Power inescapably bears the exact same risks associated with being a significant shareholder of these reporting issuer investees, which risks would already be identified by management of such companies and described in detail in their Annual Disclosure Statement, as filed under their respective SEDAR profiles. As a final example, but not to limit the scope of applicability of such concept, to the extent that disclosure by Power includes (for example, per MD&A requirements concerning trends etc.) material forward-looking information disclosed by its reporting issuer investees, the corresponding material assumptions and risks, as identified by management of such reporting issuer investees, would already be included in the safe harbour cautionary statements concerning forward-looking information contained in their Annual Disclosure Statements, as filed under their respective SEDAR profiles.

Requiring a reporting issuer investor like Power to repeat or (extract and) refile extensive public disclosure already made by its reporting issuer investees is an unnecessary regulatory burden. The ability to incorporate by reference disclosure into an issuer's Annual Disclosure Statement from readily available disclosure filed on SEDAR is already an acceptable concept under the Proposed Amendments and should not be limited to disclosure filed under the reporting issuer investor's profile. Clearly identified documents or extracts of documents are just as easily available to readers regardless of whose profile under which they have been filed on SEDAR.

Further, the Proposed Amendments already go even further by (appropriately) eliminating requirements for an issuer to provide disclosure of information that is easily accessible on sources outside of SEDAR (e.g., the elimination of the current AIF requirement to disclose security price ranges and volumes traded on a Canadian marketplace given that this information can be easily obtained from the marketplaces).

Securities laws (e.g., s. 138.4 of the *Securities Act* (Ontario)) already provides for a reporting issuer investor to not be liable for a misrepresentation in disclosure it makes which is derivative information “contained in a document filed by or on behalf of another person or company, other than the responsible issuer, with the Commission or any other securities regulatory authority in Canada or an exchange” if the applicable conditions of such provision are met, including that “the document or public oral statement [of the holding company] contained a reference identifying the document that was the source of the misrepresentation”. Accordingly, requiring a reporting issuer investor to repeat or file such duplicative disclosure under its own SEDAR profile does not impact on the reporting issuer investor’s liability for a misrepresentation therein, meaning that investors do not gain anything by burdening the reporting issuer investor by denying it the ability to incorporate by reference such disclosure from the reporting issuer investee’s SEDAR profile.

The foregoing comments apply equally with respect to an Interim Disclosure Statement.

Conclusion

While we are certainly supportive of the burden reduction initiative underlying the Proposed Amendments, we are hopeful that the CSA will also take this opportunity to consider changes to the continuous disclosure regime that would impact particular burdens borne by reporting issuer investors that are significantly disproportionate to the potential benefit, if any, for their securityholders.

Representatives of Power would be pleased to discuss the foregoing with representatives of the CSA if that would be of assistance.

Yours very truly,

(signed)

Stéphane Lemay
Vice-President, General Counsel and Secretary
Power Corporation of Canada