



BY ELECTRONIC MAIL: comment@osc.gov.on.ca, consultation-en-cours@lautorite.qc.ca

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

The Secretary
Ontario Securities Commission
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Corporate Secretary and Executive Director, Legal Affairs
Autorité des marchés financiers
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Dear Sirs / Mesdames:

RE: Proposed Amendments to NI 51-102 Continuous Disclosure Obligations and Other Amendments and Changes Relating to Annual and Interim Filings of Non-Investment Fund Reporting Issuers (“Proposed Amendments”)

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

Fidelity Investments Canada ULC (“Fidelity”) is the 3rd largest mutual fund company in Canada. Fidelity currently manages over \$200 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.

We commend the CSA for taking steps to reduce regulatory burden for non-investment fund issuers. We were, however, surprised that the CSA did not consider investment funds as part of this initiative. In our view, this was another missed opportunity. The rationale for supporting the Proposed Amendments are equally, if not more, applicable to investment funds than public issuer securities as nearly 50% of Canadians with savings or investments own investment funds and investment funds account for half of Canadians' retirement savings¹. Therefore, had the CSA included investment funds as part of this initiative, it could have had an even greater impact on Canadian investors than focusing on non-investment fund issuers alone.

Following the Ontario Capital Markets Modernization Taskforce's final recommendations published in January 2021 (the "**Taskforce Report**"), Fidelity thought this was a perfect opportunity for the CSA to coordinate its efforts among its members to: (i) streamline disclosure for investment funds at the same time as non-investment fund issuers; and (ii) proceed with a timely transition to an access equals delivery ("**AED**") model for all continuous disclosure and prospectus documents. A combined publication would have itself resulted in less burden on market participants, especially because there are many similarities between the documents referenced in the Proposed Amendments and the ones required for investment funds.

To quote the CSA from the Proposed Amendments, "Securities regulators have a role to play in **promoting disclosures that yield decision-useful information for investors.**" [*Emphasis added.*] In 2020 alone, 1.98% of our total accounts requested to receive a fund's annual financial statement and/or MRFP and 1.22% of our total accounts requested to receive a fund's interim financial statement and/or MRFP. We believe these figures are generally consistent with competitor opt-in rates as well. It is therefore evident from our extremely low opt-in rates that investors do not find that these documents provide meaningful or *decision-useful information*.

In the Taskforce Report, the Taskforce called for the elimination of the interim MRFPs in 2021. We encourage the OSC and CSA to remove this requirement altogether and in a 'time is of the essence' manner. There would be an immediate economic benefit to fund companies that are required to prepare and file the interim MRFPs – savings of approximately \$50 million across our industry that could be used to benefit investors in other ways. We also believe that this change would not negatively impact investors. Investors would continue to receive the audited financial statements and MRFPs on an annual basis and have access to meaningful financial information through other disclosure documents, which are updated more frequently. Of course, in a digitalized world, for investors that have opted-in to receive these documents and do not have access to the Internet or email, they should continue to receive them by mail.

Fidelity has consistently advocated for an AED model. In this day and age where the default should be online or electronic, rules are still written in a paper-based world. The Taskforce recommended that Ontario adopt an AED model for the disclosure documents of all issuers and investment funds within 6 months of the date of its report. The Taskforce recognized that this recommendation would likely be most effective when harmonized across Canada. We could not agree more and hope that the OSC and CSA work towards a quick transition.

¹ Investment Funds Institute of Canada - <https://www.ific.ca/en/articles/who-we-are-our-industry/>

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

Yours sincerely,

“Rob Sklar”

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