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CIRI.org

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Me Philippe Lebel
Corporate Secretary and Executive Director, Legal Affairs
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cc – British Columbia Securities Commission
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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

Dear Secretary and Me Lebel,

**Re: CSA PROPOSED AMENDMENTS AND PROPOSED CHANGES TO IMPLEMENT AN ACCESS EQUALS
DELIVERY MODEL FOR NON-INVESTMENT FUND REPORTING ISSUERS**

The Canadian Investor Relations Institute (CIRI), a professional, not-for-profit association of executives responsible for communication between public corporations, investors and the financial community, is pleased to provide comments on the *Proposed Amendments and Proposed Changes to Implement an Access Equals Delivery Model for Non-Investment Fund Reporting Issuers* (Proposed Amendments). CIRI membership represents more than 230 non-investment fund reporting issuers with a combined market capitalization of \$1.9 trillion. More information about CIRI is provided in Appendix A.



General Comments

CIRI appreciates the opportunity to review and provide comments regarding the Proposed Amendments. CIRI further recognizes the efforts of the Canadian Securities Administrators (CSA) to generate discussion on the appropriateness of implementing access equals delivery (AED Model) in the Canadian market commencing with the 2020 issuance of CSA Consultation Paper 51-405 *Consideration of an Access Equals Delivery Model for Non-Investment Fund Reporting Issuers*. CIRI and our members agree in principle with the objective of the CSA to implement an AED Model and recognize that it will modernize the way documents are made available to investors. Issuers will benefit from reduced costs for printing and mailing documents while still providing investors with the key information they rely on to make investment decisions and without compromising investor protection. Add to this, the proposed AED Model is more environmentally friendly, which is beneficial to investors and issuers alike.

We note that the current proposal prioritizes the adoption of an AED Model for (a) prospectus documents and (b) annual financial statements, interim financial reports and related MD&A. CIRI will at this time limit its comments to the proposed AED Model as it pertains to financial statements and related MD&A.

Role of SEDAR

It is critical that investors have the ability to access all of an issuer's documents online through SEDAR; however, the current version of SEDAR does present users with challenges, both for the filing of documents by issuers and for accessing documents by users, including investors.

We understand that a new, improved version of SEDAR+ is forthcoming and we applaud this effort. In fact, we suggest that the implementation of SEDAR+ be given high priority, particularly given the central role it will play once the AED Model is fully implemented. CIRI and its members have previously suggested that the new SEDAR+ should be more user-friendly with functionality that more readily allows issuers to post their required documents. Currently, the process is so complicated that many issuers actually outsource the posting of documents to SEDAR to third parties – for a fee.

Further, for SEDAR+ to be as user-friendly as possible, we suggest it include an 'alert system' whereby an investor could be notified whenever a new document has been posted by an issuer, provided they have subscribed to that issuer. If technologically possible, CIRI further suggests that investors would be best served if a direct link to the specific documents on SEDAR be available for inclusion in the news release.

Role of the News Release

CIRI supports the use of a news release as a primary communication vehicle to notify investors that material documents have been filed on SEDAR; however, CIRI proposes that this notification be done as a one-time verification for all materials, after which investors will be able to monitor SEDAR filings. This simplifies procedures significantly and reduces news release and SEDAR-related expenses substantially.

We have assumed that the required news release would include (a) the documents that are being made available (e.g. financial statements and related MD&A); (b) that they are now available electronically on SEDAR; and (c) that paper versions are available to investors upon request and at no cost to the investor. We understand that the proposed rule contemplates that all of this information be required in the headline of the release. CIRI believes that this approach is not only unwieldy but unnecessary. A preferred alternative would be to provide the required disclosure as some form of boilerplate text below the headings but above the main body of the news release. Real world experience indicates that sophisticated investors and traders working in real-time react best to shorter headlines without cumbersome superfluous details, which is significantly impacted by Google's search results that only display the first 63 characters of the news release's headline.



In addition, once the AED Model is implemented and all issuers begin to issue AED-required news releases, the markets will quickly understand just what such releases are for and how to get the detailed information they seek via SEDAR.

Questions

In response to the two questions included in the AED proposal, CIRI has the following comments.

- a. *Would the requirement to issue and file a news release be unduly costly or onerous in these circumstances? If so, why? Would the burden differ depending on whether the issuer is a venture issuer or not?*

Given that issuers currently issue news releases regarding financial results, it would generally not be particularly onerous to adopt this element of the proposed AED Model and any additional costs may be offset by cost savings resulting from less printing and mailing of documents. It does make sense; however, to issue a single news release denoting the filing of annual and/or interim financial statements and the related MD&A rather than issuing separate news releases for each.

As indicated above, providing a means for issuers to more easily file their documents to SEDAR would be an improvement over the current system since many issuers turn to third parties, at a cost, to post these filings. This is particularly burdensome for smaller reporting issuers who often have significantly fewer resources.

- b. *Should we consider alternative ways to alert investors of the availability of a document that could be less onerous? Which ones and why?*

As mentioned above, CIRI proposes that the news release notification be done as a one-time verification for all materials and that SEDAR+ include an 'alert system' whereby an investor could be notified whenever a new document has been posted by an issuer, provided they have subscribed to that issuer.

CIRI appreciates the opportunity to provide comments on the Proposed AED Model and commends the CSA's efforts to reduce the associated costs and regulatory burden on issuers while protecting investors.

Sincerely yours,

Yvette Lokker

Yvette Lokker
President & Chief Executive Officer
Canadian Investor Relations Institute



Appendix A

The Canadian Investor Relations Institute

The Canadian Investor Relations Institute (CIRI) is a professional, not-for-profit association of executives responsible for communication between public corporations, investors and the financial community. CIRI contributes to the transparency and integrity of the Canadian capital market by advancing the practice of investor relations, the professional competency of its members and the stature of the profession.

Investor Relations Defined

Investor relations is the strategic management responsibility that integrates the disciplines of finance, communications, marketing, securities law compliance and sustainability to achieve an effective flow of information between a company, the investment community and other stakeholders, in order to support an informed valuation of the company's securities and enable fair and efficient capital markets.

The practice of investor relations involves identifying, as accurately and completely as possible, current shareholders as well as potential investors and key stakeholders and providing them with publicly available information that facilitates knowledgeable investment decisions. The foundation of effective investor relations is built on the highest degree of transparency in order to enable reporting issuers to achieve prices in the marketplace that accurately and fully reflect the fundamental value of their securities.

CIRI is led by an elected Board of Directors of senior IR practitioners, supported by a staff of experienced professionals. The senior staff person, the President and CEO, serves as a continuing member of the Board. Committees reporting directly to the Board include: Human Resource and Corporate Governance; Audit; Membership; and Issues.

CIRI Chapters are located across Canada in Ontario, Quebec, Alberta and British Columbia. Membership is close to 500 professionals serving as corporate investor relations officers in approximately 200 reporting issuer companies, consultants to issuers or service providers to the investor relations profession.

CIRI is a founding member of the Global Investor Relations Network (GIRN), which provides an international perspective on the issues and concerns of shareholders in capital markets beyond North America. The President and CEO of CIRI has been a member of the Continuous Disclosure Advisory Committee (CDAC) of the Ontario Securities Commission. In addition, several members, including the President and CEO of CIRI, are members of the National Investor Relations Institute (NIRI), the corresponding professional organization in the United States.