

July 6, 2022

VIA EMAIL

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

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The Secretary, Ontario Securities Commission
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Re: *Proposed Amendments and Proposed Changes to Implement an Access Equals Delivery Model for Non-Investment Fund Reporting Issuers (the “Proposed Amendments”)*

The Canadian Advocacy Council of CFA Societies Canada¹ (the “CAC”) appreciates the opportunity to provide the following general comments on the Proposed Amendments and respond to the specific questions set out in the consultation.

¹ The CAC is an advocacy council for CFA Societies Canada, representing the 12 CFA Institute Member Societies across Canada and over 19,000 Canadian CFA Charterholders. The council includes investment professionals across Canada who review regulatory, legislative, and standard setting developments affecting investors, investment professionals, and the capital markets in Canada. Visit www.cfacanada.org to access the advocacy work of the CAC.

CFA Institute is the global association of investment professionals that sets the standard for professional excellence and credentials. The organization is a champion of ethical behavior in investment markets and a respected source of knowledge in the global financial community. Our aim is to create an environment where investors' interests come first, markets function at their best, and economies grow. There are more than 180,000 CFA Charterholders worldwide in 160 markets. CFA Institute has nine offices worldwide and there are 160 local societies. For more information, visit www.cfainstitute.org or follow us on [LinkedIn](https://www.linkedin.com/company/cfa-institute) and Twitter at [@CFAINstitute](https://twitter.com/CFAINstitute).

General Comments

In principle, we are supportive of an electronically enabled access equals delivery (“**AED**”) model, as it would modernize the method by which documents are made available to investors and would provide for more timely disclosure over paper delivery. We agree that the proposed model would reduce the regulatory burden on issuers and save both issuers and dealers significant costs relating to paper delivery. However, we continue to have overriding concerns that, as currently constituted and operated, SEDAR will remain difficult for many retail investors to locate, access, and navigate. As a result, a significant segment of investors may not be able to easily locate and access the documents that would have otherwise been mailed out to them. In particular, we understand that there are significant accessibility challenges that result from SEDAR’s current interface. In addition, there is no easy ability for related documents (or related issuers) to be electronically linked together. Documents can only be found if the person searching for the document is familiar with SEDAR’s unique navigation functions, the exact name of an issuer is known, and if the user can identify the type and name of the document containing the information sought. We expect that retail investors will be discouraged from proactively looking for documents given the time and process currently involved.

In our view, in order for the Proposed Amendments to have the intended effect and given the heavy reliance placed on SEDAR as the centralized source of disclosure information, SEDAR **must** function as an accessible, intuitive, and modern resource for these critical disclosure documents. Currently, it does not. The system is also important as a repository for historical information such as the date on which certain disclosure was posted (for investor rights, litigation purposes or otherwise). **Given the Proposed Amendments’ central reliance on SEDAR, we believe the implementation of AED should be delayed until the roll-out of SEDAR+ is complete.**

We are also of the view that SEDAR+ should expeditiously roll out an enhancement such that interested investors can subscribe to electronic (i.e. emailed) alerts for new filings on issuers of interest, in the event that they do not see a news release alerting them to a document’s release in a timely manner. In addition, SEDAR+ should facilitate the use of “open data”, such that value-added commercial solutions (e.g. providing position-aware issuer disclosure updates through integration with an investor’s broker) can be made available in addition to the more basic access and features available to the general public as core functionality of SEDAR+.

The initial proposal in 2020 relating to the AED model did not rely as heavily on centralization of disclosure information with SEDAR and therefore an investor’s ability to successfully access and navigate SEDAR. The initial draft required the documents to be posted on an issuer’s website, providing a mandated secondary potential source for issuer information. We do recognize that not all issuers post filings on their websites in a timely fashion, and that some documents may be difficult to locate. In addition, some websites only maintain the document for a short period of time (and thus historical information is not always available). However, we believe issuers should be encouraged to provide and maintain a website as a secondary point of reference for easy investor access to their disclosure information. It would be ideal if this was facilitated through the

open data protocols and easy electronic linking to the issuer's disclosure record on SEDAR+, as we understand this functionality is not currently available via SEDAR.

We agree with the proposal to implement an AED model in stages. Documents that require immediate shareholder attention such as take-over bid circulars should continue to be delivered in paper format until such time as an AED model has been in place for a sufficient length of time to raise investor awareness, and for commercial solutions to develop that better facilitate interaction with documents that are either time-sensitive and governance-critical. We are concerned that until the AED model is better understood by investors and supported by enhanced system access, the use of the model for documents requiring shareholder action could lead to challenges regarding the legitimacy of the voting results.

Specific Consultation Questions:

1. With regards to financial statements and related MD&A, the Proposed Amendments provide that an issuer must issue and file a news release on SEDAR announcing that the documents are available electronically and specifying that a paper or an electronic copy of the documents can be obtained upon request.

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?

We do not believe the requirement to issue and file a news release is unduly costly or onerous on any otherwise viable issuer. Based on our understanding, the cost to issue and file a news release is not a material cost in the context of the capitalization or expense profile of a public issuer of any size. Further, we believe that if notification in this fashion is not required for important new issuer information, it could potentially raise questions about the efficacy and reliability of news releases in other public disclosure contexts.

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

We do not believe it is necessary to consider alternative ways to alert investors; the cost to issue and file a news release should not be a material expense to any reporting issuer in Canada.

Concluding Remarks

While we understand the benefits of an AED model for issuers and other market participants, we remain strongly concerned that SEDAR's lack of functionality will severely hamper the goals of the Proposed Amendments. The implementation of the Proposed Amendments should be delayed until SEDAR+ is fully implemented. It is also important that enhancements be made available to SEDAR+, such as the ability for investors to subscribe to alerts for new filings and the enablement of open data protocols, as soon as possible. Such enhanced functionality will assist in furthering investor protection through robust and easily accessible disclosure information.



We thank you for the opportunity to provide these comments and would be happy to address any questions you may have. Please feel free to contact us at cac@cfacanada.org on this or any other issue in future.

(Signed) *The Canadian Advocacy Council of
CFA Societies Canada*

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