

October 18, 2019

BY EMAIL

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
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
22nd Floor, Box 55
Toronto, Ontario M5H 3S8
comment@osc.gov.on.ca

Me 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
consultation-en-cours@lautorite.qc.ca

Dear Sirs/Mesdames:

**Re: Proposed Amendments to National Instrument 51-102 Continuous Disclosure
Obligations and Changes to Certain Policies Related to the Business
Acquisition Report Requirements (the “Proposed Amendments”)**

The Canadian Advocacy Council of CFA Societies Canada ¹ (the CAC)
appreciates the opportunity to provide the following general comments on the Proposed
Amendments.

We understand the purpose of the Proposed Amendments is to reduce the
regulatory burden imposed on issuers by the business acquisition report (“BAR”)

¹ The CAC is an advocacy council for CFA Societies Canada, representing the 12 CFA Institute Member Societies across
Canada and over 18,000 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 165,000 CFA charterholders worldwide in 164
markets. CFA Institute has nine offices worldwide and there are 156 local member societies. For more information,
visit www.cfainstitute.org.

requirements, without threatening investor protection. In general, we are very supportive of the principles behind this and the various CSA burden reduction initiatives.

The Proposed Amendments will require non-venture issuers to file a BAR upon the acquisition of a business or related business only if at least two, and not just one, of the existing significance tests are triggered. In addition, the significance threshold for these reporting issuers would be increased to 30% from the existing 20% threshold.

As stated in our comment letter dated July 28, 2017 to the CSA², we support efforts that result in high quality information flowing to the investing public, in a manner that reflects today's technological realities. We agree that the Proposed Amendments may not have a negative impact on the ability of investors to review relevant information in their decision-making process, although we note the estimated drop in the number of BARs filed is substantial. However, if the purchased asset(s) are viewed as material by market participants, the acquisition will in our view most likely trigger two (if not all three) of the tests.

The increased threshold appears reasonable given the large number of smaller reporting issuers. In addition, if an acquisition is for a particular asset or assets rather than an entire business with a full set of audited financial statements, it is often difficult for the issuer to compile the required statements, particularly for more than the most recent 12-month period.

The Proposed Amendments will reduce regulatory burden, as evidenced by the data set out in Table 4 of Annex E of the notice describing the Proposed Amendments. As indicated, the number of reports would be reduced from an average per year of 56 to 24 reports, representing a 43% reduction and thus potentially a significant reduction in the aggregate financial information available to investors in future on these issuers/transactions.

Given the expected reduction in BAR filings, as with other burden reduction initiatives, the CSA should focus on improving the quality of other disclosure obligations. If an acquisition is not described in a BAR because it does not meet the significance thresholds, then the information provided in the next MD&A disclosure should be supplemented with additional descriptive information about the acquisition in plain language to assist investors.

We agree that no further changes are required to the BAR requirements as they relate to venture issuers at this time.

Concluding Remarks

We thank you for the opportunity to provide these comments. We would be happy to address any questions you may have and appreciate the time you are taking to

² Comment on CSA Consultation Paper 51-404 *Considerations for Reducing Regulatory Burden for Non-investment Fund Reporting Issuers*



consider our points of view. 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*

**The Canadian Advocacy Council of
CFA Societies Canada**