



March 9, 2020

VIA E-MAIL

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

M^e Philippe Lebel
Corporate Secretary and Executive Director,
Legal Affairs
Autorité des marchés financiers
Place de la Cité, tour Cominar
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The Secretary
Ontario Securities Commission
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E-mail: comments@osc.gov.on.ca

Dear Sirs/Mesdames:

Re: CSA Consultation Paper 51-405 – Consideration of an Access Equals Delivery Model for Non-Investment Fund Reporting Issuers

TSX Inc. and TSX Venture Exchange Inc. (collectively, the “**Exchanges**” or “**we**”) welcome the opportunity to comment on the consultation paper published by the Canadian Securities Administrators (“**CSA**”) entitled CSA Consultation Paper 51-405 *Consideration of an Access Equals Delivery Model for Non-Investment Fund Reporting Issuers* (“**Consultation Paper**”).

The Exchanges

The Exchanges are part of TMX Group Limited, a company that is strongly focused on supporting and promoting innovation, capital formation, innovation, good governance and financial markets in Canada and globally through its exchanges, including the Toronto Stock Exchange (“**TSX**”) and TSX Venture Exchange (“**TSXV**”) for equities, and the Montreal Exchange for financial derivatives. TSX is a globally recognized, robust stock exchange that lists growth-oriented companies with strong performance track records and is a top-ranked destination for global capital. TSXV is



Canada's leading global capital formation platform for growth stage companies looking to access public venture capital to facilitate their growth, and is an important part of Canada's vibrant and unique capital markets continuum.

Reducing Regulatory Burden

It is vital to our clients and to all investors that the capital markets in Canada remain fair, efficient and competitive. Our businesses rely on our customers' continued confidence and participation in Canada's capital markets. We believe that achieving the right balance between investor protection and regulatory burden is essential to creating an environment where companies and the Canadian economy can grow and successfully and sustainably compete on an international level. The Exchanges are very supportive of regulatory initiatives to reduce the regulatory burden on all market participants without impeding the ability of the CSA to fulfill its regulatory responsibility to protect investors. We therefore applaud the CSA for continuing to consider options to reduce the regulatory burden for all market participants.

Our recommendation below is given bearing in mind the importance of balancing the need to reduce regulatory burden and fostering fair and efficient capital markets, with the equally important mandate to safeguard the public interest and protect investors.

Access Equals Delivery

We agree with the CSA's view that information technology is an important and useful tool in improving communication with investors and the Exchanges are generally supportive of the access equals delivery model proposed in the Consultation Paper. We understand that the proposed delivery model would permit a non-investment fund reporting issuer to satisfy its delivery requirements of certain disclosure documents (such as prospectuses, and its financial statements and related MD&A) by: (i) filing the document on both SEDAR and on the issuer's website; and (iii) issuing a press release (and filed on SEDAR and posted on the issuer's website) stating where the document is available electronically and that a paper copy can be obtained by request. The Exchanges are generally of the view that this delivery model may help reduce the regulatory burden and costs borne by issuers associated with the printing and delivery of paper disclosure documents to its investors, and that this delivery model would facilitate the timely disclosure of information to investors and would not have an adverse impact on investor protection. In addition, electronic access to documents provides an environmentally friendly manner of communicating information to investors.

In order to facilitate investor protection and to ensure a level playing field among investors, the Exchanges believe that issuers should be required to post the disclosure documents prominently on their website in an easily accessible format, and without requiring the user to endlessly navigate the website in order to locate the disclosure document. In addition, any required press release under the proposed delivery model could include a hyperlink to the issuer's website, the particular webpage that hosts the document, or to the disclosure document itself.

While generally supportive of the access equals delivery model, the Exchanges are of the view that this delivery model may be more burdensome and expensive for certain issuers when compared with the current delivery requirements. For example, certain issuers, such as TSXV

listed issuers, are not always required to issue a press release when releasing financial statements¹. Instead, these issuers file their financial statements on SEDAR and send investors with a supplemental mail card with their proxy materials whereby investors can indicate whether they wish to receive financial statements of the issuer as permitted by National Instrument 51-102 *Continuous Disclosure Obligations*. We understand that the time and expense required to prepare, print and deliver a supplemental mail card may be considerably less than the cost of preparing and issuing a press release as required under the access equals delivery model. In addition, not all reporting issuers currently maintain, nor are required to maintain, a company website. For example, while TSX listed issuers are required to maintain a publicly accessible website where current copies of their corporate policy and governance documents must be posted, this is not required of TSXV listed issuers. Therefore, to require a TSXV listed issuer to set up and maintain a company website in order to fulfil the access equals delivery model may be considerably more burdensome and costly than the current disclosure documents delivery requirements under Canadian securities laws. As such, the Exchanges urge the CSA to consider whether it is appropriate to mandate that *all* issuers adopt the access equals delivery model, or whether it is appropriate to make this model optional, and thus permit issuers to continue with their current delivery methods.

To the extent that the proposed access equals delivery model may affect other types of documents as noted in the Consultation Paper (such as rights offering materials, proxy-related materials and take-over bid and issuer bid circulars), while generally supportive, the Exchanges urge the CSA to carefully consider the impact that the proposed delivery model may have on financial market infrastructures, including clearing agencies, central securities depositories, and other intermediaries. If, in the context of the present consultation, the CSA determines that the access equals delivery model does or will have a material impact on the operations and processes of the aforementioned intermediaries, further consultation prior to implementation will likely be warranted.

The Exchanges appreciate the opportunity to provide comments. Please do not hesitate to contact us if you have any questions regarding our comments.

Respectfully submitted,



Loui Anastopoulos
President Capital Formation and TSX Trust



Brady Fletcher
Managing Director & Head of TSX
Venture Exchange

¹ See TSXV Policy 3.3 – Timely Disclosure. Section 3.8 sets out what TSXV deems to be “Material Information” and therefore requires the issuance of a press release.