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1. Introduction

The Office of the Chief Accountant (OCA) of the Ontario Securities Commission is publishing this bulletin to highlight observations about asset impairment and segment disclosures in reporting issuer financial statements prepared in accordance with International Financial Reporting Standards (IFRS). The objective of this bulletin is to provide useful information to market participants that may assist in preparing future financial reports.

2. Executive summary

International Accounting Standard 36 *Impairment of Assets* (IAS 36) and International Financial Reporting Standard 8 *Operating Segments* (IFRS 8) require comprehensive disclosures that are designed to provide users of financial statements with useful information. This includes insights about important areas such as the valuation of assets, how assets are being used within an organization, and how management has exercised its judgement in making the determinations that result in the information provided in the financial statements. Staff in the OCA (we or Staff) have recently been focussing on disclosures provided by reporting issuers in the area of asset impairment and segment reporting in order to assess the overall quality of disclosures and identify areas of concern in the application of the two standards.

Our observations in the area of **asset impairment** disclosures identified the following areas that could be improved to provide investors with useful and meaningful disclosure:

- description of the issuer's cash generating units (CGUs);
- explanations of the events and circumstances that contributed to the impairment loss; and
- explanations of the basis of key assumptions and the valuation approach used to determine the recoverable amount

Our observations in the area of **segment reporting** identified the following areas where we believe reporting issuers should pay particular attention when applying IFRS 8:

- identification of the Chief Operating Decision Maker (CODM);
- identification of operating segments;
- aggregation of operating segments to form reportable segments;
- change in reportable segments; and
- entity-wide disclosures

Our observations have been derived from OCA and Corporate Finance involvement in the review of selected annual IFRS financial statements and interim financial reports through various reporting periods in 2011 and 2012.

3. Asset Impairment

Given the challenging economic environment that has been present for several years in Canada and throughout various regions of the world, Staff have been interested in how reporting issuers have been complying with the disclosure requirements of IAS 36 with the objective of assessing the overall quality of disclosure and to identify areas where disclosure could be enhanced. In addition, the application of IAS 36 is an area of interest to Staff given that it contains different recognition, measurement and disclosure requirements compared to pre-changeover Canadian generally accepted accounting principles (GAAP) that was in effect prior to 2011.

A. Determination of cash-generating units (CGUs)

Determination of a CGU and the allocation of goodwill to each CGU is an important initial step in performing annual and periodic goodwill impairment testing. IAS 36 defines a CGU to be the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. IAS 36 paragraph 130(d) requires specific disclosures about CGUs when an impairment loss is recognized. We note the following observations pertaining to CGU disclosure:

- In many instances, reporting issuers who recognized an impairment loss did not provide a description of the CGU (such as whether it is a product line, a plant, a business operation, a geographical area, or a reportable segment). Without this required information, financial statement users will not have sufficient context regarding the impact of the impairment on the overall activities and operations of the entity.

- In circumstances where an entity changed how it had aggregated its assets into CGUs from the prior year, reporting issuers often failed to provide disclosures to identify the change in the aggregation and the reason for the change. Since a change in the grouping of assets for a CGU from year to year may affect impairment testing results, a description and reason for the current and former aggregation approach is important since it provides financial statement users with insight as to why management is making this change.

3A.1 EXAMPLE – description of CGUs that did not meet Staff's expectation

***Problems*:**

- **lacks substance (boilerplate)**
- **vague disclosures to describe the CGUs**

For the purposes of assessing impairment, Issuer ABC's assets are grouped and tested at the cash generating unit (CGU) level. ABC's CGUs are the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

3A.2 EXAMPLE – improved CGU disclosure

***Improvements*:**

- **greater specificity about the CGUs**
- **informs users of the level tested for impairment**

For the purposes of assessing impairment, Issuer XYZ's assets are grouped and tested at the cash generating unit level. Issuer XYZ owns 20 retail stores in various cities in Ontario, with no more than one store residing in each city.

Each store is managed at the corporate level, with internal reporting organized to measure performance of each retail store. Management has determined that its cash generating units are identifiable at the individual retail store level since the assets devoted to and cash inflows generated by each store are separately identifiable and independent of each other.

B. Indicators of impairment

An asset is impaired when its carrying amount exceeds its recoverable amount. An entity is required to assess at the end of each reporting period whether there is any indication that an asset is impaired, and if any such indication is present, an entity is required to estimate the recoverable amount of the asset. If an entity determines that there is an impairment loss to be recognized, or reversed, during the period, IAS 36 paragraph 130(a) requires an entity to disclose the events and circumstances that led to the recognition or reversal of the impairment loss.

We noted that in many instances reporting issuers provided only general disclosure about the events and circumstances that led to a material impairment loss. The disclosures were broad, vague and did not explain the entity-specific factors of the main events and circumstances that resulted in the impairment.

3B.1 EXAMPLE – disclosure of events and circumstances which led to an impairment loss – that did not meet Staff's expectation

***Problems*:**

- **lacks substance (boilerplate)**
- **not entity-specific**

During the period, ABC company recorded an impairment charge in CGU X due to weaker than expected performance.

3B.2 EXAMPLE – improved disclosure of events and circumstances which led to an impairment loss
***Improvements*:** ➢ **greater specificity about the indicators of and reasons for impairment**
Issuer XYZ considers both qualitative and quantitative factors when determining whether an asset may be impaired. In the fourth quarter management noted indications that CGU X may be impaired in light of the following conditions: ○ *The technology underlying CGU X's products has recently been challenged by newer products that offer additional functionality that the CGU X product is not able to support. In order to remain competitive in the marketplace CGUX has reduced CGU X's product prices.* ○ *The primary customers for CGU X's products have informed Issuer XYZ that future orders will be lower than originally anticipated in light of the recent functionality limitations noted above.* ○ *CGU Y recently introduced a new product that has received a strong response in the marketplace, which unexpectedly resulted in customers who were anticipated to purchase CGU X's products to instead early adopt CGU Y's new product sooner than anticipated.*

A plan to discontinue or restructure the operation to which the asset, CGU or group of CGUs belong

Significant changes with an adverse effect on the entity that have taken place, or are expected to take place in the near future, are an important source of internal information that is identified in paragraph 12(f) of IAS 36. A significant change, specifically, includes a plan to discontinue or restructure the operation that the asset belongs to. Staff have observed instances where the statement of comprehensive income would identify a loss from discontinued operations that includes asset disposals, yet there were no impairment losses recorded in prior periods when the reporting issuer had originally identified the asset as held for sale. We remind management that a **plan by management to dispose of an asset**, or discontinue or restructure a CGU is an indicator of impairment, and that the asset should be assessed when the decision to dispose, discontinue, or restructure is made.

Market capitalization lower than net book value

> ***Consider and assess*:**
>
> - Are there identifiable factors that contributed to the decline in market capitalization?
> - How do these factors affect the cash inflows of your product line, business line etc., in the current period and in future periods?

In the current economic climate, reporting issuers' market capitalization may be less than the carrying amount of the issuer's net assets. We remind reporting issuers that IAS 36, paragraph 12 (d) specifically states that when an entity's carrying amount of the net assets is more than its market capitalization, this is an external source of information which <u>may indicate impairment</u> that **must be carefully considered by management**. Although this factor alone may not lead to a determination that an asset is impaired, management should understand what factors may have contributed to the decline in market capitalization in order to assess whether there are additional indications of impairment that may be present.

C. Allocating goodwill to CGUs and timing of impairment

For the purpose of impairment testing, IAS 36 requires that goodwill be allocated to the company's CGUs, or groups of CGUs that are expected to benefit from the synergies. IAS 36 states that each CGU or group of CGUs to which the goodwill is allocated should represent the <u>lowest level</u> within the entity at which the goodwill is monitored for internal management purposes, and not be larger than an operating segment (as defined in IFRS 8).

During the course of our work, we observed reporting issuers disclosing that they monitored goodwill at the <u>operating segment level</u>. We recognize that this represents the highest level at which goodwill is allowed to be tested for impairment, however in some instances we questioned whether the operating segment level is in fact, the lowest level where other disclosures within the financial statements as well as other public documents (e.g., management's discussion and analysis) indicated that management monitored its operations, including its goodwill, at a lower level than an operating segment.

D. Measuring the recoverable amount

The recoverable amount of a CGU is determined to be the higher of its fair value less cost to sell (FVLCS) or value in use (VIU). Measuring the recoverable amount (whether it is FVLCS or VIU) is a critical step in the impairment analysis as it determines whether an impairment charge should be recognized in the financial statements. This step often involves significant judgement on the part of management to develop assumptions and estimates in determining its recoverable amount.

During the course of our work, we observed that, certain reporting issuers failed to comply with the disclosure requirements in IAS 36 in identifying whether FVLCS or VIU was determined to be the recoverable amount. Without this disclosure, investors are not able to fully understand and evaluate the reporting issuer's approach to determining the recoverable amount.

Disclosure of estimates and key assumptions

IAS 36 requires an entity to disclose information about the key assumptions used to determine the recoverable amount when it is based on VIU or FVLCS using a valuation technique (e.g., discount cash flow method). During the course of our work, we observed that the disclosure required for key assumptions was not always provided, such as management's approach for determining the discount rate or growth rate used for discounted cash flow calculations.

3D.1 *EXAMPLE – disclosure of the basis for management's key assumptions in determining FVLCS – that did not meet Staff's expectation*

***Problems*:**

- **valuation approach was not explained**
- **no explanations for the basis of the key assumptions used**

Issuer ABC recorded a goodwill impairment loss of $2 million. The recoverable amount of this CGU was based on the estimated fair value less cost to sell based on estimated cash flows over a 5 year period and a discount rate of 11%.

3D.2 *EXAMPLE – improved disclosure of the basis for management's key assumptions in determining FVLCS*

***Improvements*:**

- **enhanced explanations about the key assumptions used**

Issuer XYZ recorded a goodwill impairment loss of $2 million. The recoverable amount was based on FVLCS using discounted cash flow projections. The significant assumptions applied in goodwill impairment test are described below.

Cash Flows

Estimated cash flows are based on budgeted earnings before interest, taxes, depreciation and amortization (EBITDA) for the next three years. The forecast is extended for an additional two years based on an analysis of industry reports, historical and forecast volume changes, growth rates, and inflation rates.

Discount rate

The weighted average cost of capital (WACC) was determined to be in the range of 10% to 14% and is based on market capital structure of debt, risk-free rate, equity risk premium, beta adjustment to the equity risk premium based on a review of betas of comparable publicly traded companies, an unsystematic risk premium, and after-tax cost of debt based on corporate bond yields.

Terminal value growth rate

Five years of cash flows have been included in the discounted cash flow models. Maintainable debt-free net cash flow beyond the forecast period is estimated to approximate the 20X7 cash flows increased by a terminal growth rate in the range of 1% to 3% and is based on the industry's expected growth rates, forecast inflation rates, and management's experiences.

Sensitivity analysis

IAS 36 paragraph 134(f) states that, if a reasonably possible change in a key assumption on which management has based its determination of the CGUs' (group of CGUs') recoverable amount would cause the CGUs' (group of CGUs') carrying amount to exceed its recoverable amount, management should provide users of the financial statements with information on how much the key assumption must change in order for the recoverable amount to be equal to the carrying amount.

We observed that such analysis was often not provided. During this uncertain and volatile economic climate, we expect that changes in key assumptions are likely to occur more frequently than in stable conditions. We remind reporting issuers of the importance of critically analyzing the sensitivity of their key assumptions and providing material disclosures in their financial reports. **This information is especially important in a situation where key assumptions result in a recoverable amount that exceeds, but is very close to, the carrying amount of a CGU.**

4. Segment Reporting

Segment disclosures required by IFRS 8 assist investors in analyzing reporting issuers that are involved in diverse businesses. Financial information about business segments can be as important as information about the reporting issuer as a whole. Investors and analysts have emphasized the importance of transparent disclosure about operating segments because it gives a view of the business as it is seen through the eyes of management.

A. Identification of the chief operating decision maker (CODM)

The disclosure required by IFRS 8 is primarily driven by the determination of what information is used internally by the CODM. IFRS 8 identifies the CODM as the function that reviews the operating results of segments regularly to assess its performance and make decisions about allocation of resources. IFRS 8 further explains that the term CODM identifies a function, and not necessarily a manager with a specific title. Identification of such function may require an entity to exercise judgement in making such a determination.

While IFRS 8 does not require entities to identify the CODM in their disclosure, we observed that reporting issuers frequently provide this disclosure and most often identify the CODM as the CEO of the entity. However, we also noted that some other reporting issuers identified the CODM to be the entire Board of Directors or the executive team.

***Consider and assess*:**

- Is the CODM identified at an appropriate 'operating' level within the organization?
- Are investors receiving an adequate level of information about the various business operations of the entity?

When determining the CODM, reporting issuers should consider whether the management level identified is appropriate for the organization and whether the

disclosure is appropriately reflecting how operating decisions are made. IFRS 8 paragraph 5(b) defines an operating segment to be a component of an entity at the level at which the relevant operating decisions are made, rather than the overall strategic decisions. Identification of the CODM at a level that is too high within the organization (i.e. at the 'strategic level' vs. the 'operating level') could result in too low of a number of segments being identified, and inadequate information provided to investors about the various business operations.

B. Identification of operating segments

Correct identification of operating segments is also critical in ensuring appropriate segment disclosures are provided. IFRS 8 paragraph 5 defines operating segments as a component of an entity that:

- engages in business activities from which it may earn revenues and incur expenses,
- whose operating results are regularly reviewed by the entity's CODM to make decisions about resources to be allocated to the segment and assess its performance, and
- for which discrete financial information is available.

In assessing whether reporting issuers correctly identified operating segments, we considered financial statement disclosures as well as information presented in other continuous disclosure documents that might provide useful insights in the various segments of an issuer. These documents included a reporting issuer's management discussion and analysis (MD&A), press releases, annual information form, investor presentation materials and other information presented on company websites. In some cases, we noted that discrete financial information was available that appeared to be reviewed by the CODM, which suggests that an operating segment exists. In the absence of segment disclosures in such circumstances, Staff questioned whether the requirements of IFRS 8 had been complied with.

Consistency of segment disclosure

The financial information presented outside of the financial statements in some instances included quantitative information that was useful and appropriate. However, in some instances Staff observed that information in these other documents related to components of the business that were not consistent with the number of segments identified (and the resulting segment disclosure) in the financial statements, which raised questions relating to the inconsistencies. In Staff's view, when this type of information is provided outside of the financial statements that is not consistent with segment disclosures within the financial statements, investors would benefit from an explanation of the reason for the inconsistencies.

***Consider*:**

- Has the entity provided appropriate segment information throughout the various filings of financial information?
- Is the information consistent with the financial statements? If not, is there sufficient explanation provided to investors?

4B.1 EXAMPLE – inconsistent segment disclosure

***Concerns*:**

- **inconsistent presentation between financial statement note disclosure and the MD&A disclosure**

Financial statement note disclosure:

Segmented information

The Company has one reportable segment, MMM. Through its MMM segment, the Company enters into a variety of business in the media industry. It derives its revenues from advertising, marketing, circulation, distribution, printing and other. Segment profit or loss has been defined as operating profit which corresponds to operating profit as presented in the consolidated statement of income.

MD&A disclosure:

Business activities

The Company's primary business activities include the publication of hard copy subscription materials as well as online media. ABC Group (ABC) operations includes hard copy publications operating under the name AAA, BBB and CCC. XYZ Group (XYZ) operations comprise of the online media business including commercial and non-commercial.

Operating Results

The following table sets out operating earnings for the years ended December 31, 20X2 and 20X1.

	20X2			***20X1***		
In M's	***ABC***	***XYZ***	***Total***	***ABC***	***XYZ***	***Total***
Operating revenue	*53.4*	*46.6*	*100*	*53.3*	*46.7*	*100*

Single operating segment

Regardless of the different business activities and different economic characteristics of businesses, some reporting issuers' note disclosure indicated that they operated in only one segment since they were not earning any revenues in their various businesses. IFRS 8 paragraph 5 states that an operating segment can be one which engages in business activities for which it has **yet to begin to earn revenues**. For example, start-up operations may be considered operating segments before earning revenues. As such, it is not adequate to solely rely on the fact that the entity has yet to begin its generation of revenues to conclude that the entity operates in a single operating segment.

4B.2 EXAMPLES – insufficient disclosures about segment determination

<u>Example 1</u>

Concern:

- **segment determination based solely on the absence of revenue generation**

  The Company has not begun earning revenues. Accordingly, no segment information has been provided in these consolidated financial statements.

<u>Example 2</u>

Concern:

- **vague disclosure of management's assessment of operating segments and how the management has determined it operates in one reportable segment.**

  The Company reports its continuing operations in one reportable segment, 'marketing', based on the business activity of the Company and its subsidiaries. The Company provides various online and hardcopy advertising publications and online marketing services to various types of customers in the many different industries locally and internationally. Revenues are derived mainly from sales of online advertisements and other services.

4B.3 EXAMPLE – improved disclosure on identification of operating segments

Significant Accounting Policies

The Company's operating segments, before aggregation, have been identified as the Company's individual operating and development stage mines. Each operating and development mine is reviewed by the CODM in reviewing their profitability so that the information can be used to ensure adequate resources are allocated to that part of the Company's operations.

In Staff's view, the significant accounting policy disclosure in the above example provides entity specific and improved disclosures regarding the application of IFRS 8 criteria in the identification of operating segments, compared to the examples in 4B.2 above.

Multiple operating segments based on geographic locations

Depending on how the CODM reviews the operations, operating segments may be based on geographical area. Staff have observed instances where reporting issuers that identified operating segments by geographical area have provided only the entity-wide disclosures set out in paragraphs 31 to 34 and omit the disclosure requirements in paragraphs 20 to 30. Regardless of whether an operating segment is defined by the

nature of products or services or the geographical area, reporting issuers must provide complete information of all material disclosures required by IFRS 8.

C. Aggregation of operating segments to form reportable segments

IFRS 8 permits reporting issuers to aggregate operating segments when certain qualitative criteria are met, as well as certain quantitative thresholds.

Currently, IFRS 8 does not require detailed disclosure on aggregation of operating segments. However, paragraph 22(a) requires the disclosure of factors used to identify the entity's reportable segments, including the basis of organization and whether segments have been aggregated.[1]

***Consider*:**

- Has the entity provided sufficient information such that the investor would be able to determine what segments have been aggregated, if any?

Staff found that many reporting issuers provided sufficient disclosure to comply with paragraph 22(a) of IFRS 8. However, the following are the common areas of deficiency that we noted from our work:

- Lack of explicit disclosure as to whether aggregation was used to identify reportable segments,
- For some entities where it was apparent that aggregation was applied, it was unclear to Staff as to how the specific aggregation criteria in IFRS 8 were met after considering other information presented in an entity's MD&A or other notes to the financial statements. In certain cases, this led Staff to question whether the aggregation applied was appropriate.
- Information presented in other documents, including MD&A, press releases and investor presentations, where the disclosure of quantitative data indicated that the quantitative thresholds for segment disclosure were exceeded.

Presentation of "all other segments"

Staff observed instances where relatively smaller segments had been aggregated with certain reportable segments. Staff note that IFRS 8 paragraph 16 requires operating segments which are not reportable to be combined and disclosed in an "all other segments" category rather than aggregating with an identifiable reportable segment.

[1] The Annual Improvements to IFRS cycle 2010 – 2012 included an amendment to IFRS 8 proposing additional disclosure regarding what aggregation criteria was applied in determining reportable segments. In their February 2013 meeting, the International Accounting Standards Board tentatively decided to amend the Standard as proposed.

4C.1 EXAMPLE – entity-specific disclosure on aggregation of operating segments

Note X: Operating Segments

The Company's reportable segments are components of the Company's operating segments after aggregation and consist of the geographical regions in which the Company operates. The Company's chief operating decision maker reviews the financial and operational performance of the Company on a mine by mine basis which share similar economic, operational and regulatory characteristics. Management uses the information presented for each mine in setting the budget and dedicate other resources to the individual mine.

The Company has three reportable segments, as follow (where each mine has been identified as an operating segment):

- *Brazil: Mine 1, Mine 2, and Mine 3*
- *Columbia: Mine 5 and Mine 6*
- *Canada: Mine 4 - development stage.*

'Other' consists of the Company's business activities of exploration properties which are not operating segments on their own.

D. Change in reportable segments

IFRS 8 paragraph 29 requires an entity to reflect any changes in reportable segments in the comparative financial statements by restating the segment data for a prior period to be consistent with that of the current period unless the information is not available and the cost to develop it would be excessive.

***Consider*:**

- Are the segment disclosures providing sufficient information to allow investors to **easily understand** how the segments have changed?

Staff observed instances of reporting issuers that had not restated prior period data to reflect a change in reportable segments and did not provide the additional disclosure required by IFRS 8 paragraph 30. Restated financial statement information is important as it allows investors to compare year over year trends in the reportable segments.

E. Entity-wide disclosure

Regardless of whether an entity has single or multiple reportable segments, IFRS 8 paragraphs 31 to 34 require entity-wide disclosures, where applicable unless the information is not available and the cost to develop it would be excessive. These include information relating to products and services of the entity, geographic areas of operations, as well as major customers.

Products and services

Staff observed this to be an area of deficiency where information was not always provided, or was unclear. Information on products and services provides valuable information as it assists users of financial statements in the assessment of both past performance and future prospects for growth of the entity.

Geographic information

IFRS 8 requires disclosures of the revenues and non-current assets attributed to individual countries if they are material. Staff observed instances of reporting issuers not providing this disclosure when it appeared, from an examination of other disclosure documents, that these amounts were material. We remind reporting issuers that when determining whether information about individual countries is material, management should consider whether the information would influence the economic decisions of users. For example, requests by analysts and users for this type of information would be a strong indicator of the material nature of this information.

In addition, Staff observed instances of reporting issuers not providing the required disclosure of the **basis for attributing revenues** from external customers to individual countries. Information about the extent of operations in foreign countries can be useful information to investors as it allows them to understand the extent of foreign operations and the exposure to foreign economies, and how this is changing year over year.

4E.1 EXAMPLE – geographic disclosure that did not meet Staff's expectation

***Concerns*:**

- **significant portion of revenue attributed to "Other" category, which should be further expanded to identify all material individual countries, if applicable.**
- **basis for attribution of revenues to the individual countries is not provided**

%of total revenue	***December 31, 20X2***	***December 31, 20X1***
Canada	6	5
United States	20	40
Australia	10	10
Other	64	45
Total	**100**	**100**

4E.2 EXAMPLE – improved geographic disclosure

Informative Disclosure:

- **Provides clear and detailed revenue information for individual countries for which the amounts are considered to be material**

% of total revenue	***December 31, 20X2***	***December 31, 20X1***
Canada	6	5
United States	21	40
Australia	10	10
China	26	24
Japan	15	9
Germany	13	10
Other	9	2
TOTAL	**100**	**100**

The revenue has been attributed to the individual countries based on the location of the customer. In the above table, "Other" represents revenues attributed to countries to which the attributable revenues are less than 10% of total consolidated revenues.

Major Customers

IFRS 8 paragraph 34 requires an entity to provide information about the extent of its reliance on its major customers by providing specific disclosure relating to the amount of revenues attributed to its major customers. This includes separate disclosure of revenues from each customer and the identity of the segment or segments reporting the revenues.

Staff found that for those reporting issuers that disclosed major customers, many only presented aggregated revenue information, as shown in the example below.

4E.3 EXAMPLE – major customer disclosure that did not meet Staff's expectation

Approximately 70% of the Company's consolidated revenues are generated from sales made to three customers.

4E.4 EXAMPLE – improved major customer disclosure

During the year ended December 31, 20X2, the Company earned significant sales revenue from two customers in the amount of $633 (20X1 - $650) and $563 (20X1 - $642). The two customers were located in Brazil and Colombia, with each having their entire revenue reported in the Brazil and Colombia reportable segments, respectively.

Competitive harm

We have encountered instances where the segment disclosure omitted the entity-wide information required by IFRS 8. The absence of this information was due to concerns related to a potential competitive harm; however, we note that IFRS 8 does not exempt issuers from providing these important disclosures for reasons of competitive harm. We note the Board's explicit consideration of this point in IFRS 8 BC paragraph 44, "Lack of a competitive harm exemption"

> *BC44 The Board concluded that a 'competitive harm' exemption would be inappropriate because it would provide a means for broad non-compliance with the IFRS. The Board noted that entities would be unlikely to suffer competitive harm from the required disclosures since most competitors have sources of detailed information about an entity other than its financial statements.*

This information is important in meeting the overall objective of IFRS 8 to provide insights as to the different types of business activities that an entity engages in and the different economic environments in which it operates, as well as to provide some comparability amongst entities.

5. Questions

If you have any questions about this report, please contact:

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Guidelines for Consultations with the OCA:

http://www.osc.gov.on.ca/en/Companies_oca_20111130_rfc-with-oca.htm

As the regulatory body responsible for overseeing the capital markets in Ontario, the Ontario Securities Commission administers and enforces the provincial Securities Act, the provincial Commodity Futures Act and administers certain provisions of the provincial Business Corporations Act. The OSC is a self-funded Crown corporation accountable to the Ontario Legislature through the Minister of Finance.