

December 2, 2025

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 of New Brunswick  
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island  
Nova Scotia Securities Commission  
Office of the Superintendent of Securities, Newfoundland and Labrador  
Northwest Territories Office of the Superintendent of Securities  
Office of the Yukon Superintendent of Securities  
Superintendent of Securities, Nunavut

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Dear Madam/Sir,

**Re: CSA Notice of Publication and Request for Comment – Proposed Coordinated Blanket Order 51-933 Exemptions to permit semi-annual reporting for certain venture issuers; and Proposed Ontario Securities Commission Rule 51-507 Exemptions to permit semi-annual reporting for certain venture issuers**

We have reviewed the above referenced CSA Notice of Publication and Request for Comment – Proposed Coordinated Blanket Order 51-933 Exemptions to permit semi-annual reporting for certain venture issuers; and Proposed Ontario Securities Commission Rule 51-507 Exemptions to

permit semi-annual reporting for certain venture issuers (collectively, the SAR Pilot) and we thank the Canadian Securities Administrators (CSA) for the opportunity to provide you with our comments.

CCGG's Members are Canadian institutional investors that together manage approximately \$5.8 trillion in assets on behalf of pension funds, mutual fund unit holders, and other institutional and individual investors. CCGG promotes good governance practices, including the governance of environmental and social matters, at Canadian public companies and assists institutional investors in meeting their stewardship responsibilities. CCGG also works toward the improvement of the regulatory environment to best align the interests of boards and management with those of their investors and to increase the efficiency and effectiveness of the Canadian capital markets. A representative list of our members is attached to this submission.

## BACKGROUND

The proposed SAR Pilot is voluntary and permits eligible issuers to report on their second and fourth quarter financial disclosures and not to prepare first and third quarter financial disclosures.

To be eligible an issuer must have:

- securities listed on the TSXV or the CSE;
- revenue of no more than \$10 million;
- at least a 12-month continuous disclosure record;
- filed all periodic and timely continuous disclosure documents required to be filed; and
- issued and filed a news release on SEDAR+ announcing adoption of SAR.

## GENERAL COMMENTS

Consistent with our long standing policy positions, in principle CCGG is not supportive of moving away from quarterly reporting. The privilege of access to public markets comes with corresponding obligations of accountability and responsibility.

CCGG has consistently advocated against Canadian regulators pursuing changes to the current disclosure reporting cycle that would remove information from the public realm that is useful to investors and that would have the effect of creating different disclosure cycles for different kinds of issuers. Further, we continue to be of the view that smaller cap venture companies, especially those relatively new to public markets, benefit from the discipline of quarterly reporting in the monitoring of changes to operating performance and risk management. Finally, we observe that the burden reduction arguments, when looked at holistically, may not be as persuasive given that companies eligible for the SAR Pilot are also required to make more frequent financial disclosures to their bankers, creditors and others while such disclosures are not publicly available for use by investors.

Rather than reiterate the arguments we have made in prior submissions, we would refer the CSA to our responses to prior public proposals put forward by the CSA in [2011](#), [2017](#) and most recently in [2021](#)<sup>1</sup>.

## SPECIFIC QUESTIONS

- 1. Do you agree with the eligibility criteria and conditions in the Blanket Order for the SAR Pilot? Are there any other eligibility criteria that should disqualify issuers from participating in the SAR Pilot? Are there any other conditions that issuers participating in the SAR Pilot should be subject to?**

We were pleased to note that with the SAR Pilot Project, the CSA has walked back from the framework originally proposed in 2021 that would have enabled all venture issuers to opt in to semi-annual reporting.

As the CSA has the benefit of our prior submissions we will provide a high level summary of our key concerns with the SAR Pilot, as follows:

- A voluntary disclosure requirement leads to inconsistent reporting among issuer peers, decreasing comparability among issuers reporting in different time frames.
- The approach increases the burden on investors and will therefore make the smallest venture issuers less attractive to important sources of institutional investor capital<sup>2</sup>.
- The SAR Pilot requires only one news release to be filed on SEDAR+ announcing adoption of the SAR Pilot and the initial interim period it intends to opt into the SAR Pilot. In the semi-annual reporting framework floated in 2021, eligible issuers were expected to file a notice opting in or out of the semi-annual reporting cycle annually at the beginning of the issuer's fiscal year for a minimum commitment of one year. In our view, while not alleviating the burden on investors to monitor companies, an annual confirmation that the issuer intends to continue (or not continue) to participate in the SAR Pilot is more transparent. This will also

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<sup>1</sup> CCGG Submission to CSA re Proposed amendments to National Instrument 51-102 Continuous Disclosure Obligations and Other Amendments and Changes Relating to Annual and Interim Filings for Non-Investment Fund Reporting Issuers and Seeking Feedback on a Proposed Framework for Semi-Annual Reporting – Venture Issuers on a Voluntary Basis September, 2021; CCGG Submission to CSA Consultation Paper 51-404 Considerations for Reducing Regulatory Burden for Non-Investment Fund Reporting Issuers, July 2017; CCGG Submission to CSA re Proposed National Instrument 51-103 Ongoing Governance and Disclosure Requirements for Venture Issuers, October 2011; Also see CCGG Submission to the Ontario Capital Markets Modernization Taskforce of [September 2020](#), which responded to a similar semi-annual reporting recommendation in the context of the recommendations made by the Taskforce.

<sup>2</sup> One member noted that smaller capitalization companies typically trade at a discount as compared to their larger peers. Small cap companies that opt in to semi-annual reporting may be viewed more negatively by investors which could result in a further incremental valuation discount; see also the research referenced below in footnote 3.

provide a degree of due diligence comfort that the issuer continues to be eligible to participate.

- In addition, the SAR Pilot does not have a requirement for an issuer to file a notice advising investors that they have opted out of the SAR Pilot or no longer qualify, but rather such a filing should merely be “considered”. This is problematic because absent a notice or an annual confirmation of continued participation, investors will not be looking for the first and third quarterly reports and/or may not know in a timely manner that an issuer is no longer eligible for the SAR Pilot or has opted out. Monitoring venture issuer news releases in order to determine which issuers are in which reporting framework increases the administrative and resource burden on investors, reducing the attractiveness of issuers participating in the SAR Pilot to investors.

2. **The SAR Pilot is intended to be a multi-year pilot project. The CSA intends to engage in a formal rule-making project to consider whether the SAR Pilot should be adjusted in terms of scope, eligibility and conditions. Please provide any feedback in respect of criteria or conditions that could be considered as part of the future rule-making project. Please note that the planned rule-making project related to SAR will include a request for comment.**

In principle, we would not be supportive of future proposals to expand the scope, eligibility and conditions beyond those in the SAR Pilot Project. In addition, we would encourage the CSA to consider the following factors when considering future rule-making.

#### **Timeframe and evaluation of SAR Pilot Project:**

It would be helpful if the CSA communicated how long they expect the SAR Pilot Project to run and what criteria/factors the CSA intends to assess in order to determine the project’s success or failure. Some criteria could include:

- Is there a threshold number of participants required to be opted in for a pre-determined period in order to effectively evaluate the SAR Pilot? As we referenced in our 2021 submission to the CSA, a 2019 study of EU reporting practices after the deregulation of mandatory quarterly reporting in Europe revealed that only 11.1 percent of eligible firms had stopped reporting quarterly two years after the requirement to report quarterly was removed.
- Issuer costs of preparation of quarterly reports are only one side of the equation. We would encourage the CSA to consider whether access to capital is enhanced/cost of capital is decreased among issuers that opt to participate as opposed to those who do not. The same study of EU reporting practices referenced above also observed that companies which did opt-in to a reduced reporting schedule experienced a reduction in liquidity, which the authors attributed to the idea that “incremental transparency” is important to investor decision-

making and that investors were unable to obtain the information they needed from other publicly available sources<sup>3</sup>.

#### Importance of appropriate and timely continuous disclosures:

The CSA should also consider enhancing its continuous disclosure reviews in respect of material change reporting to understand if issuers are appropriately understanding their obligations in respect of keeping investors informed of material changes.

- The Supreme Court of Canada has recently released its decision in *Lundin Mining Corporation, et al. v Markowich* on the question of what constitutes a material change. CCGG was an intervenor in this proceeding and the Court has rejected a narrow interpretation<sup>4</sup>. The analysis of what constitutes a material fact, which is typically disclosed quarterly, and what constitutes a material change, which must be disclosed forthwith will become even more important following the decision in *Lundin Mining* given the length of time between disclosures under a semi-annual model.
- As we have noted in prior submissions, notwithstanding the issuer's material change reporting obligations, it is important to note that often the smallest venture capital companies are issuers with less experience in the capital markets and therefore less experience in assessing whether or not disclosure of specific information and corporate developments will have a material positive or negative impact on its share price, making regular quarterly reporting a key protection for investors. We would argue that this is an even greater risk given the recent volatility of markets resulting from unpredictable geopolitical events such as sudden changes in tariffs and trade policies.

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<sup>3</sup> Hitz, Joerg-Markus and Moritz, Florian, Turning Back the Clock on Disclosure Regulation? – Evidence from the Termination of the Quarterly Reporting Mandate in Europe (September 11, 2019). Available at SSRN: <https://ssrn.com/abstract=3451938> or <http://dx.doi.org/10.2139/ssrn.3451938>; Robert Pozen, Suresh Nallareddy & Shivaram Rajgopal, [Research Foundation Briefs: Impact of Reporting Frequency on UK Public Companies](#), CFA Institute Research Foundation (March 2017). Also see Bar-Hava, Keren, Switching to Semi-annual Financial Statement Reports -Market Reaction, Audit Fee and Corporate Governance Quality (October 25, 2021). Available at SSRN:

<https://ssrn.com/abstract=4889438> or <http://dx.doi.org/10.2139/ssrn.4889438> which examined the impact of switching from mandatory quarterly reporting to voluntary semi-annual in Israel. The research found that stock price dropped an average of 2% in price in the five day window around reporting for issuers that switched to semi-annual whereas the stock price for companies that retained quarterly reporting rose an average of 2.5% in the same period. The same study also found an overall deterioration of governance quality for companies reporting semi-annually including less diversity and financial expertise among directors and reduced external audit oversight (which the authors observe did result in a reduction of external audit fees); for a good summary of the paper see: Keren Bar-Hava, [How Shifting to Semi-Annual Financial Reporting Affects Market Dynamics and Governance](#), The CLS Blue Sky Blog, July 18, 2024,

<sup>4</sup> *Lundin Mining Corp. v. Markowich*, 2025 SCC 39; See CCGG's arguments as set out in: [Factum of the Intervener, Canadian Coalition for Good Governance](#), SCC Court File Number: 40853 (October 1, 2024) which was cited favourably by the Court at para 269 of the judgement.

### Think strategically about alignment with other jurisdictions:

While it may sound counterintuitive, recent comments by the Chair of the US Securities Exchange Commission (SEC) that the SEC is considering a shift toward a semi-annual model, may give Canadian regulators pause<sup>5</sup>. In the past, CCGG has advocated that Canadian regulators should remain aligned with the US SEC on such matters as quarterly reporting cycles to remain competitive given the extent to which Canadian companies are cross-listed with the US. However, the US economy is being rapidly reshaped through significant policy and de-regulatory changes such that supporting Canadian issuers to provide transparent and timely disclosures to domestic and global investors, rather than removing information and reducing transparency during a period of change and volatility may prove, over the longer term, to drive trust and confidence in Canadian capital markets, the bulk of which is comprised of smaller and venture issuers.

We recognize that some (but not all) of those markets into which Canadian issuers may be seeking to gain entry already follow a semi-annual model, but we would posit that the transparency provided by retaining a quarterly reporting cycle, especially in times of economic and market volatility, enhances competitiveness.

### Give shareholders a voice:

Future rulemaking, if it moves forward, should consider the Ontario Capital Markets Modernization Task Force's recommendation that any move away from quarterly reporting should be subject to approval by shareholders (excluding related parties) which would be reconfirmed every three years.

## CONCLUSION

We thank you again for the opportunity to provide you with our comments. If you have any questions regarding the above, please feel free to contact our Executive Director, Catherine McCall at [cmccall@ccgg.ca](mailto:cmccall@ccgg.ca) or our Director of Policy Development, Sarah Neville at [sneville@ccgg.ca](mailto:sneville@ccgg.ca).

Yours truly,

*Amit Prakash*

Amit Prakash, Chair of the Board of Directors  
Canadian Coalition for Good Governance

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<sup>5</sup> To date the SEC has not initiated new rulemaking to implement semi-annual reporting but does have an [agenda item](#) identified as "Rationalization of Disclosure Practices" RIN: 3235-AN43 targeted for Spring 2026; transitioning the US capital markets to a semi-annual reporting model will be a complex exercise with wide reaching regulatory and operational implications for businesses that will take time to implement: See Alexander T. Yarbrough, Rakesh Gopalan & Joshua Eastwood, [SEC Considers Shift to Semi-annual Reporting for Public Companies](#), Troutman Pepper Locke (October 8, 2025)

## CCGG MEMBERS 2025\*

- Alberta Investment Management Corporation (AIMCo)
- Archdiocese of Toronto
- BlackRock Asset Management Canada Limited
- BMO Global Asset Management Inc.
- Burgundy Asset Management Ltd.
- Caisse de dépôt et placement du Québec (CDPQ)
- Capital Group Canada
- CIBC Asset Management Inc.
- Colleges of Applied Arts and Technology Pension Plan (CAAT)
- Connor, Clark & Lunn Investment Management Ltd.
- CPP Investments
- Desjardins Global Asset Management
- Fiera Capital Corporation
- Fondation Lucie et André Chagnon
- Foyston, Gordon & Payne Inc. (FGP)
- Healthcare of Ontario Pension Plan (HOOPP)
- Hillsdale Investment Management Inc.
- Investment Management Corporation of Ontario (IMCO)
- iA Financial Group
- Jarislowsky Fraser Limited
- Leith Wheeler Investment Counsel Ltd.
- Letko, Brousseau Global Investment Management
- Lincluden Investment Management Limited
- National Bank Investments
- NEI
- Ontario Municipal Employee Retirement System (OMERS)
- Ontario Teachers' Pension Plan (OTPP)
- OP Trust
- PCJ Investment Counsel Ltd.
- Pension Plan of the United Church of Canada Pension Fund
- Provident<sup>10</sup>
- Public Sector Pension Investment Board (PSP Investments)
- Qube Investment Management Inc.
- QV Investors Inc.
- RBC Global Asset Management Inc.
- Régimes de retraite de la Société de transport de Montréal (STM)
- RPIA
- Scotia Global Asset Management
- Sionna Investment Managers Inc.
- SLC Management
- Summerhill Capital Management
- Teachers' Pension Plan Corporation of Newfoundland and Labrador
- TD Asset Management
- Teachers' Retirement Allowances Fund
- UBC Investment Management Trust Inc.
- University Pension Plan Ontario (UPP)
- University of Toronto Asset Management Corporation (UTAM)
- Vestcor Inc.
- York University Pension Fund

\*As a coalition, CCGG strives to build and reflect a consensus but, while supportive of CCGG's mission and mandate, CCGG's Members are not individually bound by CCGG's positions.