November 13, 2026

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, Service NL
Northwest Territories Office of the Superintendent of Securities
Office of the Yukon Superintendent of Securities
Nunavut Securities Office

Submitted via: https://www.securities-administrators.ca/consultations/

And via email to:
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Corporate Secretary and Executive Director, Legal Affairs
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Dear Sirs and Mesdames,

Re: CSA Consultation Paper 51-406 Modernizing the Regulation of Public Companies

The CSA has issued *Consultation Paper 51-406 Modernizing the Regulation of Public Companies* (the Consultation).

CCGG's members are Canadian institutional investors that together manage approximately $6.4 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.

We are pleased to have the opportunity to provide our views on this important and wide ranging consultation. Below are our general comments on those topics most relevant to CCGG's mandate.

We have provided answers to the specific Consultation questions relevant to CCGG and its mandate in the attached Appendix A. We have not commented on all the Consultation questions.

GENERAL FEEDBACK:

Preliminary considerations:

The Consultation is focused on different ideas and options to modernize Canada's regulatory framework for reporting issuers to facilitate access to capital, support the competitiveness of Canadian capital markets and appropriately balance investor protection.

The Consultation raises important questions at an appropriate point in time. Canada's economic future is at a clear inflection point. Relevant factors include geopolitical shifts in trade relationships and flows, and rapidly advancing new technologies such as artificial intelligence that offers both a potential new source of IPO ready companies, and also new and as yet unknown systemic risks and opportunities to established companies, markets and economies. Changes to global climate patterns are also increasingly being experienced year over year with related financial impacts beginning to be realized[1].

The CSA has an important role to play in addressing these challenges and positioning Canada as a competitive jurisdiction into the future. We understand and agree with the imperative articulated in the consultation that in order to be healthy, Canada's capital markets need to attract, retain and nurture public companies. Companies are motivated to become public because of access to capital and liquidity that facilitates growth. In exchange, public companies agree to adhere to requirements with respect to corporate governance and disclosure.

Canada's capital markets are both challenged and supported by their proximity to the U.S.. To thrive, Canadian capital markets must find the relative areas of competitive strength that can set them apart as a destination of choice for both listing companies and investors.

Our response provides the perspective of what Canadian institutional investors are looking for in modernized public company regulation.

[1] Insurance Bureau of Canada, "Severe weather-related insured losses in Canada exceed $2.4 billion in 2025" (20 January 2026) as cited by Canadian Climate Law Initiative, "Submission to CSA Re: Consultation Paper 51-406 Modernizing the Regulation of Public Companies" (3 November 2026 at p. 5.

Strong shareholder rights:

Investors are increasingly concerned that shareholder rights are seen by regulators and companies as a competitive drag rather than an essential component of effective and efficient public markets. Investors believe that strong shareholder rights regimes increase access to capital, a reduced cost of capital, higher valuations and more liquid capital markets[2].

Canada's capital markets have traditionally been seen as supportive of shareholder rights. This should be leveraged as a competitive advantage because "robust shareholder rights give long-term investors confidence to remain invested through volatile periods when short-term funding withdraws, supporting steady allocation of investment to its most productive use"[3].

High quality, timely, comparable and material disclosures:

The concept of proportionality in regulation will be increasingly important to capital markets' regulatory disclosures but it must be anchored in the principle that the underlying purpose of disclosure is to address some of the information asymmetry that exists between investors and companies by providing information that is material to investors.

In an era where the volume and pace of information is increasing and becoming less reliable, modernization needs to focus on the quality, usefulness and trustworthiness of information. Investors support initiatives to remove duplication or non-material, non-decision useful information and to improve the quality and reliability of disclosure. Comparability is a key driver for both investors and issuers. Most investors are globally focused, and comparability of material information and financial disclosures is critical. Issuers also seek to be compared to peers in their own and foreign exchanges.

Recognized taxonomies[4] and standardized frameworks anchored in materiality[5] are important components of high quality, reliable and comparable disclosures. They also reduce burden for issuers over the long-term because they are predictable and give issuers control over the information investors are using. Investors fill disclosure vacuums from other sources where material disclosures are not available.

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[2] Carine Smith Ihenacho & Snorre Gjerde, "Shareholder rights under pressure: Our view on why market participants should act together to protect shareholder rights" (29 September 2026) Norges Bank Investment Management. [Hereinafter, *Shareholder rights under pressure*]
[3] Ibid.
[4] For example, Canada's proposed sustainable finance taxonomy, see: Business Future Pathways which is "focused on establishing and advancing the foundations for sustainable investment in Canada" with a mission "to provide practical, science-based and internationally aligned guidance that unlocks opportunities for sustainable investment in Canadian companies, communities and national priorities".
[5] For example, Canada's adherence to IFRS accounting standards and the Canadian Sustainability Standards Boards's adoption of voluntary sustainability standards. Accounting, auditing and assurance, and sustainability standards boards are all housed within Financial Reporting & Assurances Standards Canada (FRAS).

Predictable and stable regulatory environment:

Recent research by the CPP Investments Insights Institute highlights some interesting observations on global capital allocation decisions and how markets compete for capital. The research found, among other principles, that investors distinguish the Canadian market for its "stability, openness, regulatory trust, policy stability and transition relevance"[6].

Regulatory consistency, adherence to the rule of law and due process for considering or implementing changes or amendments to established rules or regulatory approaches has been recognized by investors as being very important to investor protection[7].

With this in mind we would urge the CSA to 'unpause' the pause it placed on sustainability disclosure regulatory work[8]. The rationale for the pause on moving forward with the expected regulatory consultation was to provide time to adapt to changes in Canada's economic relationship with the US, notably how tariffs would impact Canadian public companies. It is clear now that tariff's are not temporary. The CSA should continue with its work as planned noting that the next step identified by the CSA was a public consultation[9].

We further encourage the CSA to consider the cumulative impact of the proposals laid out in the Consultation and the impacts that implementing one set of proposals may have on the others. The sequencing and pacing of change will be important to preserve policy stability and the capacity of market participants to absorb changes.

Collaboration and harmonization beyond the CSA:

Canada's multijurisdictional regulatory environment means that many of the levers driving investment decisions and the competitive landscape that create incentives or disincentives for issuers to enter the public capital markets, and for investors to provide capital, fall outside the jurisdiction of the CSA. Policy changes in areas such as corporate law and shareholder rights, tax, international trade, and competition law all impact Canada's capital markets but fall to different levels of government, standard setters and regulators[10].

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[6] CPP Investments Insights Institute, "Competing for Capital: How Global Investors Choose Markets" (September 2026)
[7] Supra Note 2, *Shareholder rights under pressure*
[8] News Release, "CSA updated market on approach to climate-related and diversity-related disclosure projects" (23 April 2025).
[9] Recent research highlights that 13 of Canada's 15 largest trading partners require climate disclosures. Shareholder Association for Research and Education (SHARE), The Price of the Pause: How Canada's standstill on climate disclosures puts Canadian companies at a global disadvantage, (28 October 2026).
[10] A recent example is found in the anti-greenwashing amendments to the federal *Competition Act*, which resulted in significant confusion and a pull back in voluntary climate related disclosures that investors had been advocating be mandated and regulators had been poised to move forward on. Subsequent amendments have removed some but not all of the concerns. See CCGG's related submissions to the Competition Bureau consultations dated September 27, 2024 and February 27, 2025. Also see Competition Bureau updated guidance, "Environmental claims and the *Competition Act*" (October 23, 2026).

By way of example, investors are increasingly concerned with existing and emerging systemic risks such as climate impacts, geopolitical tensions and the financial and other impacts of rapid adoption and deployment of artificial intelligence. These are global issues facing all countries.

Such issues will require collaborative, cross jurisdictional policy and legal responses. Mutual recognition of Canadian standards and taxonomies as they evolve and mature (such as those adopted by the Canadian Sustainability Standards Board and developed by the Canada Sustainable Finance Taxonomy[11]) by different government departments and regulatory bodies may also support policy coherence. The feasibility of establishing national oversight frameworks, such as potentially overseeing systemic capital market risks and serious offences could be considered, where appropriate[12].

We raise these ideas here not by way of endorsement but to highlight that securities regulators cannot modernize capital markets absent policy coherence in other areas significant to market participants and potentially some of the most impactful initiatives and ideas may fall outside the CSA's jurisdiction. The CSA's efforts to harmonize securities regulation across Canadian jurisdictions are a good template for endeavouring to co-ordinate in other policy areas in ways that are additive to modern capital market regulation.

Future fit regulation:

Related to the above point, one area we did not see addressed in the consultation paper was the potential impact of advances in artificial intelligence (AI). We see two areas where this is relevant to public company regulation:

1. Are current regulatory requirements adequate to capture the risk and opportunity presented by this rapidly evolving technology. We have the following areas of concern:

    a. Are enterprise risks being adequately captured and disclosed?

    b. How is governance evolving to ensure that directors have both the appropriate level of oversight, and the appropriate level of education?

2. Are there opportunities for regulation, particularly in the context of how continuous disclosure documents and other filings, are filed, presented, organized, searched and

[11] Supra note 4; and supra note 5.
[12] The C.D. Howe Institute has recently published recommendations to revive efforts to establish a national framework for managing capital markets' financial systemic risks combined with a federal agency to strengthen investigative and prosecutorial capacity for serious, criminal capital markets offices, Paul C. Bourque & Douglas M. Hyndman, "Finish the Job: Completing Canada's Capital Markets Reform Agenda", Commentary No. 722 (July 2026) C.D. Howe Institute; Note, the authors are not calling for the revival of national securities regulator for reasons articulated in the paper. In the past CCGG has supported a national capital markets enforcement authority.

accessed that could streamline the efforts of issuers while at the same time providing investors with the information they need?

We recognize these are complex issues. A statement as to how the outcome of the recent consultation conducted by the CSA on the applicability of Canadian securities laws and the use of artificial intelligence systems in capital markets connects to the modernization of public company regulation initiative would be welcomed[13].

CONCLUSION

We thank you again for the opportunity to provide you with our comments. Please do not hesitate to contact our Chief Executive Officer, Catherine McCall, at cmccall@ccgg.ca or our Director of Policy Development, Sarah Neville, at sneville@ccgg.ca if you would like to discuss the matters in this letter further or if we can be of any assistance.

Yours truly,

Dawn Jia

Dawn Jia, Chair
Canadian Coalition for Good Governance

[13] CSA Staff Notice and Consultation 11-348 – Applicability of Canadian Securities Laws and the use of Artificial Intelligence Systems in Capital Markets (December 5, 2024); also see, OSC, "How are Issuers Discussing AI in their Financial Disclosures?" (2025) which provides trend analysis of AI references in MD&A published by the OSC in 2025, details the OSC's use of AI. This approach is helpful and could inform the recommended commentary. We further note that in the days immediately prior to the Consultation's deadline the OSC has published OSC Staff Notice 33-763 Focused Compliance Examination of Artificial Intelligence Systems Use and Governance (12 November 2026), which focuses on the use and adoption of AI by registered firms; and OCS Q-Bits Series #1 Quantum Computing and Capital Markets: Opportunities, Risks, and Timelines to Readiness (10 November 2026), the first in a series of articles on quantum computing implications for capital markets under its new OSC Q-Bits Series. We are reviewing these publications with interest.

APPENDIX A:

CONSULTATION QUESTIONS

PROPORTIONATE REGULATION

Proportionate Regulation:

A1. Does the current method of delineating between venture and non-venture issuers based on exchange listing continue to draw an appropriate line between issuers that should be subject to more or less extensive reporting issuer obligations, i.e., should the status quo be maintained? Why or why not? If you support a change, which of the three Options, if any, do you support and why?

The venture and non-venture distinction is clear, well understood and appropriate given the structure and characteristics of Canada's capital markets[14].

Proportionate regulation should be anchored in principles of transparency, fairness and certainty[15]. Proportionate regulation is intended to align the degree and complexity of regulatory compliance obligations with the size, scale and maturity of the issuer to facilitate issuer participation in the public capital markets including access to capital and liquidity. Ideally, the regulation is calibrated such that it supports a growth trajectory while facilitating the degree of regulatory oversight needed to protect investors and the integrity of the capital market. As an issuer grows and becomes more sophisticated it becomes more attractive to larger, more stable investors including institutional investors. Institutional investors, however, expect good corporate governance practices, high quality disclosure of material risks and strong financial oversight and internal controls. The venture/non-venture distinction should act as a pipeline and not a destination[16].

For this reason, Option C - mandatory graduation from the venture exchanges - should be explored with the exchanges. Option C facilitates the principles of transparency, fairness and certainty in the design of proportionate regulation. It maintains the clarity of the

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[14] As per the Consultation: 76% of listed issuers are listed on the venture exchange and 24% are non-venture listed issuers. Market value, however, is concentrated in only the approximately 12% of issuers exceeding $1 billion in market capitalization: CSA Consultation Paper 51-406 Modernizing the Regulation of Public Companies (2026), 49 OSCB 6264 at 6265 [hereinafter, *the Consultation*].

[15] Janis P. Sarra, "Proportionate Securities Regulation: The Potential for Scaled Treatment of Junior Issuers" (2008) at p. 26-27 [available at https://commons.allard.ubc.ca/fac_pubs] [hereinafter, *Sarra*].

[16] IGGN Letter to SEC, "Registered Offering Reform, File Number S7-2026-17, and Enhancement of Emerging Growth Company Accommodations and Simplification of Filer Status for Reporting Companies, File Number S7-2026-18" (20 July 2026): "Investors have generally supported these measures because they helped companies ease the transition into the public markets while preserving the material information needed for informed investment and voting decisions....These proposals represent a significant departure from that approach. Rather than providing proportionate or transitional relief, they would permanently reduce disclosure requirements for the overwhelming majority of public companies" at p. 4.

venture/non-venture distinction while preventing regulatory arbitrage that permits larger issuers to remain on venture exchanges and benefit from reduced disclosures. It also encourages issuers to develop the internal corporate governance frameworks and disclosure practices expected by larger investors, unlocking increased liquidity and access to capital along a predictable pathway.

A2. What factors influence an issuer's decision to maintain a listing on a venture exchange or a non-venture exchange? In particular, to what extent, if any, do senior issuers remain listed on venture exchanges because of less extensive reporting obligations applicable to venture issuers? Please provide details, including the most significant factors motivating issuers in choosing a listing venue.

CCGG is not responding to this question.

A3. Questions related to Option A:

a. Are there specific venture issuer requirements that should be extended to smaller non-venture issuers, such as reduced requirements relating to corporate governance disclosure, executive compensation disclosure or business acquisition reporting? If so, which ones and why? Are there other requirements in addition to those we have listed?

CCGG's starting point is that good corporate governance is not a burden and is an expectation of all public companies. CCGG would not support the non-venture exchanges' requirements being reduced in respect of corporate governance disclosure, executive compensation disclosure or business acquisition reporting. This is not to say that these disclosures cannot be improved and made more efficient for all non-venture issuers but there should be consistency and comparability.

Option A is problematic because it preserves the exchange distinction but blurs the line in a way that would add administrative burden to investors and potentially regulators to conduct additional due diligence to understand which venture accommodations or requirements had been extended to which non-venture issuers. Institutional investors tend not to invest in venture stage issuers through public markets due, in part, to concerns with respect to corporate governance maturity and a lack of decision useful material disclosures. Option A would likely exacerbate this problem for smaller non-venture issuers.

b. Conversely, are there aspects of non-venture issuer requirements that should be applied to larger or more complex venture issuers? If so, which ones and why?

This proposal creates the same challenges for investors as expressed in the answer to Question 1(a) above.

CCGG supports mandatory graduation for larger venture issuers. The goal should be to grow capacity and ambition in venture listed issuers to meet the additional investor

protection requirements of the non-venture exchanges in order to access more liquidity, and a lower cost of capital[17].

c. Should foreign exchange listings be considered in assessing venture/non-venture issuer status? Why or why not?

CCGG does not have a strong view on this question but would note that a contextual analysis should be applied when considering any amendments to the definition of venture issuer in the context of foreign exchange listings. The CSA should continue to take an exchange by exchange approach to ensure that there is substantive equivalency where a foreign listing may facilitate preservation of the venture status.

d. Are there specific foreign exchanges or marketplaces that should be considered as equivalent to Canadian venture or non-venture marketplaces for the purposes of determining venture issuer status? Why or why not?

See response to 3(c) above.

e. Are there additional accommodations that should be extended to smaller venture issuers?

See response to 3(c) above.

A4. Questions related to Option B:

See responses to A1-A3. CCGG does not support Option B.

a. What thresholds or criteria would be most appropriate? Considerations could include revenue, total assets, market capitalization, public float or other.

NA

b. At what point in time should these metrics be assessed, and how frequently should an issuer's status be reviewed to prevent issuers from moving repeatedly between venture and non-venture issuer status?

NA

c. How could this approach be designed to accommodate smaller non-venture issuers or larger venture issuers to effectively promote proportionality? For example, should there be further tailoring of reporting issuer obligations within the venture and non-venture issuer categories?

NA

[17] TSX Fact Sheet 199, Graduation to TSX, tsx.com

d. Are there other factors or market impacts that we should take into account in considering this approach?

NA

A5. Questions related to Option C:

a. What metrics would be relevant in determining whether issuers should graduate from venture to non-venture exchange or tiers and why?

A market capitalization approach would be the most appropriate primary metric. This should be supplemented by confirming metrics such as annual revenues and/or assets to avoid circumstances where sector market volatility is driving share price gains in a venture issuer that is early stage or pre-revenue. Graduation should not occur until after a period of several years of exceeding the market share threshold and other confirming metric thresholds and following a transition period to ensure that any venture issuer triggering the graduation thresholds has a viable pathway to listing on a senior exchange. We acknowledge that this approach adds a degree of complexity to venture/non-venture distinction but in our view it promotes the principles of proportionality and the goal of enabling larger public companies to access the liquidity and patient capital available on the non-venture exchanges which will support business growth.

b. Are there other factors or market impacts that we should take into account in considering this approach?

The CSA should consider how implementing a mandatory graduation to non-venture exchanges for larger more complex venture issuers may impact issuer incentives to manipulate market capitalization or secondary metrics to either exceed or fall below threshold triggers[18].

A6. Are there aspects of regulatory regimes in other jurisdictions, or alternative or hybrid approaches beyond the options described above, that could inform the Canadian framework? If so, please provide details.

Regulators in both the United States and the United Kingdom are also considering modernizing initiatives. Both of those consultations are exploring changing the thresholds governing aspects of public company disclosure obligations with a view to decreasing the number of companies subject to more extensive corporate governance, executive compensation and financial disclosures[19]. The CSA should monitor those processes as they

[18] Supra note 15, *Sarra* at p.37.
[19] SEC, Proposed Rule S7-2026-18: Enhancement of Emerging Growth Company Accommodations and Simplification of Filer Status for Reporting Companies, (21 May 2026); and Department for Business, Innovation, Science and Trade (UK), Modernising corporate reporting, (7 September 2026).

move forward with a view to understanding the positions of global capital providers in response to such initiatives[20].

ALTERNATIVE FINANCIAL REPORTING REQUIREMENTS

Consultation Questions

B1. Should the CSA reconsider the current reporting requirements in financial statements for a subset of venture issuers?

CCGG does not support alternative financial reporting requirements.

a. If yes, what outcomes or improvements would you like to see?

NA

b. If not, why do you think the current requirements remain appropriate or necessary for all issuers regardless of size?

CCGG is of the view that audited IFRS financial statements are important for all public companies regardless of size for the following reasons:

- A 'permission' based (voluntary) model for modified IFRS will reduce comparability and transparency.
- Enabling fragmented financial disclosures shifts costs of analyzing financial data onto investors and may increase the cost of capital to issuers.
- A modified approach to IFRS may lead institutional investors to draw an adverse inference in respect of the issuer, raising its perceived risk profile. Retail investors may not be adequately aware that there are compliance gaps in the financial statements.
- Adhering to an accounting standard and obtaining audited financial statements is supported by the development of internal controls, accounting procedures, and financial oversight by the Board and its Audit Committee.

[20] Supra note 16, see ICGN response to SEC at 1: "Reliable corporate reporting enables investors to assess risk, allocate capital efficiently, and exercise informed stewardship. Investor confidence is one of the principal competitive strengths of the U.S. capital markets". Also see NEI response to SEC File Number S7-2026-18 July 20, 2026: "As the proposed rule would impact disclosures at 81% of public companies, we are concerned that the proposed changes would impede our ability to make informed investment and voting decisions. We urge the Commission to reconsider its position on the issues we raise below particularly regarding compensation-related disclosures". NEI raises the role of say on pay in voting decisions, the role of auditor attestation of internal controls of financial reporting in our company evaluations, compensation disclosures informing evaluation and proxy voting decisions. All comments received by the SEC are published here: SEC.gov | Comments on Enhancement of Emerging Growth Company Accommodations and Simplification of Filer Status for Reporting Companies

- Modifications will lead to qualified audit opinions which may impact other commitments and covenants (e.g. reporting obligations to lenders or other capital providers).

B2. What characteristics (e.g., stage of development, operating complexity, industry, revenue level, or financing frequency) should determine which venture issuers might be eligible for an alternative or proportionate financial statement reporting approach?

NA

B3. What specific IFRS Accounting Standards requirements or disclosures present the greatest challenges for venture issuers in terms of cost or complexity? For example, are there particular standards or types of disclosures that require significant judgments, external valuations or specialised advisors?

NA

B4. As an investor, which aspects of a venture issuer's financial statements are most important to your decision making and which are less relevant, and why?

See answer to B1(b) above.

B5. What other considerations should the CSA take into account when evaluating whether alternative or proportionate financial statement reporting approaches may be appropriate for certain venture issuers?

See answer to B1(b) above.

B6. Are there aspects relating to the regulatory regime for financial reporting requirements in other jurisdictions that we should consider? If so, please provide details.

NA

HOLD PERIODS FOR PRIVATE PLACEMENTS BY REPORTING ISSUERS

C1. Should we reconsider the current hold period regime for reporting issuers? Why or why not?

The CSA should consider a comprehensive review of hold periods for securities of reporting issuers that are issued in reliance on a prospectus exemption. The developments in Canadian capital markets highlighted by the CSA in the consultation document, including, notably, the speed at which information is now available to investors and processed by the market, warrant a dedicated review of the regulatory framework applicable to hold periods[21].

[21]Supra note 14, at p. 6269 of the Consultation.

C2. If we were to reconsider the current hold period regime for reporting issuers,

a. Should we consider a continuous market access regime like the BCSC proposed in 2004? Why or why not?

The proposals put forward by the BCSC continuous market access regime should be an input into a comprehensive review but should be considered holistically and in light of other evolutions both implemented and proposed in respect of market access (e.g. LIFE) and the continuous disclosure regime (e.g. semi-annual reporting). For example, consideration should be given as to whether issuers taking account of a continuous market access type regime or other prospectus exemptions should not be able to elect to report semi-annually in order to ensure that investors are receiving standardized information that has been subject to board oversight at predictable intervals.

b. What other areas of securities regulation should be considered in connection with potential changes to the hold period regime?

The secondary market civil liability regime should be reviewed as part of a comprehensive review of the current hold period regime.

Adequate resourcing of the continuous disclosure review program in provincial securities commissions and related enforcement mechanisms where disclosure is found to be inadequate would also be an essential element of any shift toward a continuous market access regime.

C3. What are the current benefits to reporting issuers and their investors from a four-month hold period? In what circumstances? Would a different hold period be more appropriate to maintain those benefits?

NA

C4. LIFE allows a reporting issuer to issue free trading securities without a prospectus. Are there other circumstances in which a reporting issuer might be permitted to offer securities without a hold period, for example, if it has filed an annual information form and confirms that there are no undisclosed material facts or if investors are provided enhanced civil rights of action in relation to any disclosure provided, similar to the rights in connection with prospectus disclosure?

See answers to C1-C2 above.

C5. If we were to reconsider the need for hold periods by reporting issuers, how might this affect the use of prospectuses and the benefits associated with the due diligence process that is conducted in connection with a prospectus including by underwriters and experts?

NA

C6. **There are differences between the primary market civil liability regime applicable to misrepresentations in a prospectus and the secondary market civil liability regime applicable to misrepresentations in certain continuous disclosure documents. For example, the secondary market civil liability regime does not generally extend liability to underwriters and the limits on liability are lower. In addition, the secondary market civil liability regime generally includes seeking permission from the Court before an investor can bring a claim. Could these differences impact whether reporting issuers take adequate care to ensure that their disclosure is fair, balanced and not misleading? Why or why not?**

See answers to C1-C2.

(b) Qualified Institutional Purchaser Exemption

C7. **Would an exemption such as the QIP exemption benefit capital raising in Canada? Please explain.**

CCGG strongly supports the QIP exemption.

C8. **Would you agree with a definition of "Qualified Institutional Purchaser" that aligns with the following?**

"Institutional Permitted Client" means a "permitted client" as defined in section 1.1 of NI 31-103, except for: (a) an individual, (b) a person or company acting on behalf of a managed account of an individual, (c) a person or company referred to in paragraph (p) of that definition unless that person or company qualifies as a permitted client under another paragraph of that definition, or (d) a person or company referred to in paragraph (q) of that definition unless that person or company has net assets of at least $100 million as shown on its most recently prepared financial statements or qualifies as a permitted client under another paragraph of that definition;

This definition appears to appropriately capture fiduciary investors.

C9. **We are proposing to limit the proposed QIP exemption to investments by institutional investors because we have heard that institutional investors may be subject to restrictions in the types of investments they may hold under their governing legislation and, as a consequence, may be forced to enter into "swap" transactions to allow them to be able to purchase securities that are not subject to resale restrictions. Are there other types of investors that may be subject to similar restrictions? Would this exemption create an unlevel playing field as between Qualified Institutional Purchasers and other types of investors?**

NA

C10. **Do you agree with the conditions for determining whether an issuer should be considered a qualified issuer (being essentially similar conditions to those required to file a short form prospectus under NI 44-101 or to use LIFE)?**

These conditions are appropriate and tied to the issuer's compliance with requirements for continuous disclosure obligations.

C11. Should a reporting issuer relying on the QIP exemption be expected to confirm that there is no undisclosed material information such that there is no risk of information asymmetry as between the initial investor and a purchaser on resale from the Qualified Institutional Purchaser?

Yes, this is an important factor in ensuring that appropriate due diligence is integrated into the reporting issuer's internal processes. The confirmation should be at the level of the C-suite or board.

C12. Should there be restrictions on use of the exemption, for example, where the investor has entered into a short sale agreement or similar agreement involving shares of the same class as the shares being purchased?

A narrowly scoped restriction on short selling would be appropriate. Care must be taken, however, not to restrict institutional investors from carrying out portfolio hedging as a component of risk management (such as index and derivative hedging).

C13. Do you agree with the proposed condition that distributions must be made through a registered dealer? Why or why not? Is there an alternative approach to requiring the involvement of a registered dealer? For instance, should we require that the institutional investor provide a certificate to the issuer certifying that the investor is purchasing as principal without a view to distribution?

For direct issuer-to-QIP placements a purchaser certificate alternative should be considered. Mandatory dealer involvement adds costs without obvious incremental protection where a sophisticated and qualified institution certifies intent.

C14. We have suggested that a RED would be required in connection with distributions under the QIP exemption. Do you agree with this requirement? Why or why not? Are there alternative forms of reporting that we should consider given that the exemption would be limited to sophisticated institutional investors?

An RED report would be appropriate.

C15. Are there other factors or considerations we should consider?

NA

MATERIAL CHANGE REPORTING

D1. Does the filing of a material change report provide useful and timely information to the market beyond what is typically disclosed in the news release?

See response to D3 below.

D2. Is there a more effective alternative to the current material change reporting framework for disclosing the occurrence of a material change to the market? If so, please describe it.

See response to D3 below.

D3. We continue to think it is important that material changes be immediately disclosed. However, should we consider allowing a reporting issuer to satisfy the material change

report requirement by filing a news release on SEDAR+ in the category for a material change report if the news release contains all information otherwise required in Form 51-102F3?

The obligation to disclose material changes forthwith is an essential component of an effective continuous disclosure regime relied upon by investors. The form of the report is less important than the substance, quality, timeliness and ability of investors to predictably find the information. A news release could satisfy the material change report requirements provided that it contains all the information otherwise required in Form 51-102F3 and is filed on SEDAR+ in the material change category. The news release should also be deemed a "core document" for secondary market civil liability purposes to retain appropriate investor protection.

D4. If we were to remove the requirement to file a material change report but instead require that the news release disclosing the material change be a designated news release containing the same information currently required in a material change report,

a. would this meaningfully reduce burden?

NA

b. would this create challenges for investors and regulators in readily identifying which news constituted a material change?

See response to D3. As long as the news release is filed in the material change category on SEDAR+ it should not be problematic

c. are there any consequences we should consider?

See response to D3. Format changes should not impact the substantive content and secondary market civil liability regime.

D5. Should we consider designating certain events and changes as material changes for greater certainty, in addition to (and not in place of) the current principles-based definition? If so, what events and changes should automatically be material changes?

Designating certain events and changes as material changes, in addition to (and not in place of) the current principles-based definition should be explored.

There are events that are more clearly material changes without a reporting issuer needing to conduct further analysis. In the context of corporate governance, it would be our position that unplanned board or C-suite appointments or resignations, may be examples where designation could be helpful. Designations, however, should not replace or attempt to narrow the material changes regime which has been recently clarified by the Supreme Court of Canada in its decision in *Lundin Mining Corp. v. Markowich*[22].

It is important, however, that any designation should be additive, with a view to providing clarity and removing uncertainty in a few core areas where material change filings are routinely made.

[22] *Lundin Mining Corp. v. Markowich*, 2025 SCC 39. (hereinafter, *Lundin*)

D6. Should we consider providing updated guidance (for example, through updates to National Policy 51-201 *Disclosure Standards*) to identify examples of events typically considered to be material changes?

The CSA should consider providing updated guidance,

In *Lundin*, the Court found that what constitutes a "change" should be interpreted broadly and that there is no "bright line test" for determining a material change. Reporting issuers are expected to assess each specific circumstance in its context and apply judgment as to whether a material change has occurred. The Court provided guiding principles anchored in the purpose underlying material change disclosures in securities regulation, which is to address the informational asymmetry that exists between issuers and investors such that as opposed to a material fact (which does not need to be disclosed forthwith) a material change is internal to the issuer, reflects a dynamic situation within the issuer, and requires something more than negotiations or internal discussions.

Guidance and analysis of the decision has highlighted the purpose of remedying the informational asymmetry for investors as a reason for issuers to err on the side of caution when determining whether a material change has occurred and disclosure is required[23]. Regulatory guidance could support issuers in understanding and applying the principles identified in *Lundin* when identifying potential material changes. A strong and well understood material change disclosure regime supported by clear and well understood principles is an essential component of a modernized public company regulatory regime.

D7. Do you have any other concerns or suggestions regarding the existing requirements to disclose material changes?

CCGG has concerns that many of the proposals outlined in the consultation are built on the robustness of the continuous disclosure regime and the frequency, availability and scope of information provided to investors. The CSA should consider how the proposals interact with one another with a view to identifying unintended consequences. For example, combining a shift to semi-annual reporting places a greater emphasis on reporting issuers to get material change disclosures right over a longer period of time and could potentially make the determination of what constitutes a "material change" verses a "material fact" more complex especially in the context of emerging social or environmental situations that may overtime have increasingly internal impacts on business, operations or capital such as prolonged recovery from natural disasters, and related supply chain disruptions or impacts on employees.

The CSA may want to consider the sequencing and pacing of how any initiatives it determines to move forward with are implemented. It may be prudent to begin with adapting the market to any changes or updated approach to material change disclosure, before moving into other areas of proposed modernization.

[23]See, BLG, Lundin Mining v. Markowich: Has there been a material changes to "material change"? (December 1, 2025).

DEVELOPMENTS IN THE UNITED STATES

E1. Would expanding our current semi-annual reporting framework to all issuers on a voluntary basis be beneficial for Canadian capital markets? Why or why not?

CCGG has a long standing position in support of retaining quarterly reporting, most recently articulated in our response to the CSA's pilot project for venture issuers including:

- A voluntary disclosure requirement leads to inconsistent reporting among issuer peers, decreasing comparability among issuers reporting in different time frames; and
- The approach increases the burden on investors and will therefore make the smallest venture issuers less attractive to important sources of institutional investor capital[24].

Quarterly reporting provides standardized, disclosure on a predictable cadence for all issuers. Reducing frequency and providing a voluntary option to shift to semi-annual reporting is likely to reduce transparency and may increase selective communication not subject to audit or oversight, making comparability more difficult and less reliable for investors. We would also refer to the recent submission made by the International Corporate Governance Network (ICGN) to the U.S. SEC in response to its recent consultation on a proposed shift to voluntary semi-annual reporting. The ICGN highlighted the following risks identified in empirical research:

- Less frequent reporting creates volatility and can cause excessive swings in stock prices harming the efficiency of the financial markets.
- Having timely, accurate, and comparable information allows long-term investors to make more informed investment and voting decisions.
- Neither the United Kingdom (UK) nor the European Union has enjoyed better valuations, better capital raising, or a healthier IPO market as the result of their voluntary quarterly reporting framework[25].

Notwithstanding this long held position, which continues to be strongly supported by a significant number of our Members, we would be open to reconsidering the potential expansion of voluntary semi-annual reporting in Canada for all issuers if such a practice is adopted in the U.S..

[24] See, Canadian Coalition for Good Governance, "Submission to CSA Notice of Publication and Request for Comment – Proposed Coordinated Blanket Order 51-9933 Exemptions to permit semi-annual reporting for certain venture issuers; and Proposed Ontario Securities Commission Rule 51-107 Exemptions to permit semi-annual reporting for certain venture issuers" (2 December 2025). In that submission we observed 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.

[25] ICGN, Comment Letter to SEC, "Proposed Rule on Optional Semiannual Reporting, S -7-2026-15" (6 July 2026); The ICGN references the work of the US based Council of Institutional Investors with respect to the identified risks: Council of Institutional Investors Comment Letter to SEC, "File Number S7-2026-15, Semiannual Reporting" (25 June 2026) [footnotes omitted]

Support would depend heavily on how such a framework is structured and overseen by securities regulators. We would not recommend that Canada be a first mover on any shift to semi-annual reporting. Prior U.S. consultations on a proposal to permit semi-annual reporting by the SEC in 2018 did not lead to adoption after public feedback. In response to its current consultation the SEC received 209,287 letters with 208,389 opposing adoption[26]. Leading rationales for those submitting responses to the SEC opposing moving toward semi-annual included erosions of investor protection (nearly 40% or respondents); fraud and insider trading risks (approximately 26% of respondents); and information asymmetry including as between retail and institutional investors (approximately 17% of respondents). The leading rationales for those supporting the proposal cited compliance burden (approximately 3% of respondents) and short-termism (approximately 0.004% or 865 submissions).

Additionally, consistent with our feedback under Section D above, adoption of a voluntary semi-annual reporting regime must be accompanied by strengthened requirements to ensure the timely disclosure of all material changes, thereby maintaining transparency and providing investors with access to current and decision-useful information.

E2. If we expanded our current semi-annual reporting framework to all issuers on a voluntary basis:

a. what would be the potential impacts – both positive and negative – on investor protection, market transparency, cost of compliance and market competitiveness?

In addition to the concerns articulated in our prior submissions on this topic and our response to Question E1 above, a shift to semi-annual reporting may have knock on impacts to issuer corporate governance. Quarterly reporting supports governance discipline and supports a robust oversight process within public companies (e.g. most companies align board oversight and related audit, risk and financial oversight committee meetings with the quarterly reporting cycle which drives internal due diligence, internal controls and accountability processes). A semi-annual reporting structure may lead to an adverse assumption with respect to internal governance processes and frequency leading to a decline in investor interest or an increase in cost of capital. Investors may request additional insight as to how internal governance mechanisms continue to ensure adequate oversight.

It may not lead to compliance cost reductions due to reporting requirements issuers may have to other stakeholders such as banks or other lenders or larger investors who can continue to require disclosures. This could have the potential to drive further informational asymmetry and reduce market transparency.

In our response to the semi-annual venture pilot project we recommended that the CSA identify the criteria/factors that the CSA is using to determine the project's success. In an evidence based regulatory structure, it would be helpful to investors and

[26] See tracker by Professor Tzachi Zach at Ohio State University Fisher College of Business, noting that letters continue to be released by the SEC and are added to the data on the tracker after release. Number of submissions cited above are current as of October 12, 2026. Additionally 400 support and 493 are conditional.

issuers to understand what the uptake has been under the pilot project and whether this has lead to increased capital formation, access to capital, reduced cost of capital, or increased internal capacity for longer term strategy development and implementation.

b. should any criteria or restrictions apply for issuers that choose to use semi-annual reporting when filing a prospectus? Why or why not?

Financial disclosure criteria should be considered for issuers using semi-annual reporting when filing a prospectus to ensure that financial offering time disclosure is current.

c. should we consider requiring additional or alternative disclosure or otherwise revise our material change and timely disclosure requirements for issuers that choose to use semi-annual reporting? Why or why not?

See response to D7 above. The material change disclosure regime needs to be reinforced, well understood and subject to regulatory guidance and oversight. The continuous disclosure regime should likewise be closely monitored.

E3. Are there any aspects from the statements or proposals made by the SEC that would be beneficial for Canadian capital markets? Please explain and comment on any expected impacts of those proposed amendments on investor protection or any potential competitive disadvantages that could arise if similar approaches are not adopted in Canada.

There may be some aspects of the statements or proposals made by the SEC that could be considered in the context of Canadian capital markets, potentially in some of the reforms/proposals around reducing duplication and complexity in disclosures required under Regulation S-K.

Canadian regulators, however, should tread carefully in an enthusiastic embrace of a deregulatory mandate. The U.S. is regulated at the Federal level and leans toward a more prescriptive regulatory model. Canada's capital market is very different from the U.S. in size, depth, and liquidity but also in culture and regulatory approach. Canada's securities regulatory regime is primarily principles based and consensus driven due to the decentralization of jurisdictional authority within the Canadian provinces.

Whether an SEC initiative will be beneficial to Canadian capital markets should be considered on a case by case basis with a view to its appropriateness to the size and relative strengths of the Canadian capital markets and also with a view to how it will position Canadian public companies to attract and retain domestic and global capital. Part of the strength of the US capital market is the depth of its liquidity and capital pools.

Modernized capital markets require diverse sources of capital. Adoption of initiatives that erode shareholder rights protections, and reduce timely, high quality, comparable material disclosure will ultimately not support the CSA's mandates to support competitiveness and capital formation.

There are a number of initiatives recommended by the SEC that CCGG would view as detrimental to Canadian capital markets these include:

- Proposals to reduce or eliminate corporate governance and executive compensation disclosures for large portions of larger public companies.
- Permitting the implementation of an auto voting regime in support of management.
- Proposals to reduce the ability of proxy advisors to provide voting recommendations aligned with investor preferences.
- Rescission of climate change disclosures and an abdication of jurisdiction over financially material climate risks.
- A pull back on existing diversity disclosures.

GENERAL FEEDBACK

F1. Which of the proposed changes would have a positive impact on Canadian competitiveness? Would any of the proposed changes have a negative impact on competitiveness or investor protection? Please provide details.

Ensuring that material change reporting is appropriately calibrated to support any regulatory modernization initiatives that rely on an effective and high integrity continuous disclosure regime will be an important pillar in ensuring effective investor protection.

F2. Beyond the matters addressed in Sections A to E, what other changes or initiatives do you think could improve opportunities for capital raising or reduce regulatory burden?

While CCGG's long held position is that one share/one vote is the best mechanism for holding board's accountable, Canada has a long history of dual class share companies and well developed principles-based best practices.

An increasing number of jurisdictions are endeavouring to court new IPOS, particularly in the technology sector by facilitating dual class shares listings[27]. At the same time, a growing number of investors are expressing increasing concern with this practice and the governance risks that it embeds in respect of recent technology IPOs as a subset of broader concerns over the erosion of shareholder rights generally [28].

CCGG's dual class shares policy is well established in Canadian corporate governance best practices. It has long offered a set of widely recognized principles, including board independence and the implementation of sunset provisions that enable shareholders to approve the continuation of a dual class share structure if it is continuing to provide

[27] Financial Conduct Authority (UK), "PS24/6: Primary Market Effectiveness Review: Feedback to CP23/31 and final UK Listing Rules" (in effect 29 July 2024).
[28] See: Council of Institutional Investors, "Letter to Elon Musk and Space Exploration Technologies Corp. Board of Directors Re: Corporate Governance Provisions in the Proposed Initial Public Offering of Space Exploration Technologies Corp." (9 June 2026); New York City Comptroller Mark Levine, "Letter to SpaceX re: IPO From NYC Comptroller Levine, NYS Comptroller DiNapoli, and CalPERS CEO Frost" (13 May 2026).

value[29]. These guiding principles married to proportionate regulation could be considered by regulators as a competitive response mechanism for attracting both global and domestic capital to Canada as smaller technology companies scale from venture to non-venture.

F3. Are there changes to our regime that could enhance investor protection or provide enhanced disclosure to investors, particularly for retail investors?

We continue to advocate that the CSA should mandate financially material climate-related disclosures. The Canadian Sustainability Standards Board's (CSSB) Canadian Sustainability Disclosure Standard for climate related disclosures (CSDS 2) has been adopted in Canada.

CSDS 2 is anchored in financial materiality, has proportionality structured into the standard's framework, is designed to meet the information needs of institutional investors and establishes an interoperable global baseline by substantively aligning with the equivalent standard adopted by the International Sustainability Standards Board. Mandating CSDS S2 aligned disclosure where climate is material to Canadian issuers would reduce overall burden because it removes the 'guess work' for issuers as to what investors are looking for and also has the potential to offer safe harbours from greenwashing claims due to the oversight and due diligence brought to bear on regulated filings.

There is a potential competitive advantage for Canadian issuers from providing material climate-related disclosures. Investors who responded to the SEC's proposal to rescind its climate disclosure regulations were almost unanimously opposed[30]. Additionally, other jurisdictions are moving forward with climate disclosures. Australia has mandated ISSB aligned disclosures and the UK is intending to move forward with a comply or explain model (after originally consulting on a mandatory regime)[31].

F4. Are there any aspects from other recent international regulatory developments that could inform our regulatory proposals?

Related to the above response, climate change related developments in other jurisdictions, both domestic and international, may either effectively require Canadian companies (both public and in some circumstances private) to make disclosures or potentially face competitive disadvantages by not being able to provide data that supports compliance or investment decision making[32].

One example is the European and UK Carbon Border Adjustment (CBAM) which require Canadian exporters to provide verified emissions date for cement, iron, steel, aluminum,

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[29] Canadian Coalition for Good Governance, Dual Class Shares Policy, (September 2013)

[30] Supra note 26, according to the SEC response tracker – of 56 investors who responded, 54 opposed the recission. Also see also NEI, "The US SEC Proposed Recission of Climate-Related Disclosure Rules No. S7-2016-19" (2 August 2026).

[31] The Australian Securities and Investment Commission recently published its observations following the first year of mandatory sustainability reports filed for they year ending December 31, 2025 which highlights both progress and areas for improvement. See ASIC, "ASIC's review of sustainability reports lodged for 31 December 2025" (21 September 2026); also see Financial Conduct Authority (UK), "PS26/19: Aligning listed issuers' sustainability disclosures with international standards" (30 September 2026).

[32] Shareholder Association for Research and Education (SHARE) Blog, "Voluntary on paper, mandatory in practice: The case for a single Canadian climate disclosure standard" (6 June 2026) [hereinafter, *Share Blog*]

fertilizers, electricity and hydrogen and attach a carbon cost to related imports. These are sectors significantly exposed to U.S. tariff vulnerability and volatility. As Canada explores shifting and diversifying its trading relationships and deepening its economic ties to Europe[33], the importance of compliance with CBAM as a competitive advantage will increase. As noted in research by the Shareholder Association for Advocacy and Education (SHARE):

> "The stakes are higher because the affected Canadian sectors happen to be among the cleanest globally:
>
> - Canadian aluminium has by far the lowest carbon footprint of any major producer (hydroelectric smelters in Quebec and BC);
> - Canadian steel is among the lowest carbon globally (electric arc furnaces on clean Ontario and Western grids);
> - Canadian ammonia has the lowest net emissions intensity of any country in Fertilizer Canada's 2023 benchmarking.
>
> Without verified data audited to EU standards, Canadian exporters can't claim that advantage – they get the default plus mark-up instead"[34].

[33] Prime Minister of Canada, "Joint statement: Canada and the European Union building together for an Alliance for the Future" (30 October 2026).
[34] Supra note 32, *Share Blog*.

CCGG MEMBERS 2026*

- Alberta Investment Management Corporation (AIMCo)
- Archdiocese of Toronto
- Aviva Investors Canada Inc.
- BlackRock Asset Management Canada Limited
- BMO Global Asset Management Inc.
- Burgundy Asset Management Ltd.
- 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
- La Caisse
- Leith Wheeler Investment Counsel Ltd.
- Letko, Brousseau Global Investment Management
- Morguard Lincluden Global Investments
- National Bank Investments
- NEI
- Ontario Municipal Employee Retirement System (OMERS)
- Ontario Teachers' Pension Plan (OTPP)
- OPTrust
- PCJ Investment Counsel Ltd.
- Pension Plan of the United Church of Canada Pension Fund
- Provident[10]
- 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.**