

December 4, 2019

The Secretary
Ontario Securities Commission
20 Queen Street West
22nd Floor, Box 55
Toronto, Ontario
M5H 3S8
Fax: 416-593-2318
E-mail: comment@osc.gov.on.ca

Me Philippe Lebel
Corporate Secretary and Executive Director, Legal Affairs
Autorité des marchés financiers
Place de la Cité, tour Cominar
2640, boulevard Laurier, bureau 400
Québec (Québec) G1V 5C1
Fax: 514-864-8381
E-mail: consultation-en-cours@lautorite.qc.ca

CC: Canadian Securities Administrators (CSA)
British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission (New Brunswick)
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island
Nova Scotia Securities Commission
Superintendent of Securities, Newfoundland and Labrador
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon Territory
Superintendent of Securities, Nunavut

Dear Secretary and Me Lebel,

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

The Canadian Investor Relations Institute (CIRI), a professional, not-for-profit association of executives responsible for communication between public corporations, investors and the financial community, is pleased to provide comments on the above referenced CSA Notice and Request for Comment, issued September 5, 2019. CIRI membership represents over 230 non-investment fund reporting issuers with a combined market capitalization of \$1.9 trillion. More information about CIRI is provided in Appendix 1.

General Comment

CIRI is generally supportive of the efforts being made by the CSA to reduce the regulatory burden on participants in the Canadian capital markets. While a relatively small number of non-venture issuers are required to file a Business Acquisition Report (BAR) each year, as indicated in the Notice and Request for Comment, CIRI believes that the proposed Amendments to NI 51-102 are a step in the right direction to further

reduce regulatory burden.

Issuers have indicated that preparation of a BAR can entail significant time and cost. The proposed revisions would reduce such costs while still providing the capital markets with appropriate disclosure in support of investment decisions, particularly in the case of significant acquisitions.

Incorporation of a “Two-trigger” Test Regime

CIRI believes that the proposed amendment to modify the criteria (“triggers”) for filing a BAR such that two significance tests must exceed the threshold rather than just one of the three current significance tests is an improved approach. The CSA analysis of the potential impact of this proposed change appears to reduce the number of BARs required to be filed by approximately 50%, which will have a significant positive impact on the issuer community while still providing appropriate disclosure to investors.

That said, CIRI does note that several previous commenters have questioned whether the current significance tests are appropriate and even whether BAR disclosure itself is actually of value to investors. Such comments reference a lack of timeliness, the cost and time associated with the preparation of a BAR, particularly for resource-constrained smaller issuers, and in certain instances the process that may negatively impact the completion of a transaction. While the proposed amendments will undoubtedly reduce the number of BAR filings, CIRI believes that they do not specifically address such concerns for those reporting issuers that will still be required to file a BAR under this two-trigger regime.

Threshold for Significance Tests

CIRI agrees with the CSA that the proposed amendment to increase the threshold for significance tests from 20% to 30% will result in a reduced regulatory burden for a number of those issuers involved in a business acquisition transaction.

However, it is not clear why the threshold increase was set at 30%. In CSA Staff Notice 51-353 (*Update on CSA Consultation Paper 51-404 Considerations for Reducing Regulatory Burden for Non-Investment Fund Reporting Issuers*) it was reported that 14 commenters supported increasing the significance test thresholds for non-venture issuers, with 50% being the most commonly recommended threshold. CIRI believes that 50% is a reasonable threshold level for non-venture reporting issuers, particularly given that the CSA has previously reduced regulatory burden for venture issuers in 2015 by increasing the significance test threshold substantially from 40% to 100%.

CIRI is pleased to provide the CSA with its comments regarding the proposed amendments to National Instrument 51-102 associated with the criteria for filing a Business Acquisition Report and looks forward to further proposals contributing to the ongoing initiative to reduce the regulatory burden for capital market participants, particularly reporting issuers. Should you wish to discuss this submission further, please let me know.

Sincerely yours,



Yvette Lokker
President and Chief Executive Officer
Canadian Investor Relations Institute

Appendix 1

The Canadian Investor Relations Institute

The Canadian Investor Relations Institute (CIRI) is a professional, not-for-profit association of executives responsible for communication between public corporations, investors and the financial community. CIRI contributes to the transparency and integrity of the Canadian capital market by advancing the practice of investor relations, the professional competency of its members and the stature of the profession.

Investor Relations Defined

Investor relations is the strategic management responsibility that integrates the disciplines of finance, communications and marketing to achieve an effective two-way flow of information between a public company and the investment community, in order to enable fair and efficient capital markets.

The practice of investor relations involves identifying, as accurately and completely as possible, current shareholders as well as potential investors and key stakeholders and providing them with publicly available information that facilitates knowledgeable investment decisions. The foundation of effective investor relations is built on the highest degree of transparency in order to enable reporting issuers to achieve prices in the marketplace that accurately and fully reflect the fundamental value of their securities.

CIRI is led by an elected Board of Directors of senior IR practitioners, supported by a staff of experienced professionals. The senior staff person, the President and CEO, serves as a continuing member of the Board. Committees reporting directly to the Board include: Human Resource and Corporate Governance; Audit; Membership; and Issues.

CIRI Chapters are located across Canada in Ontario, Quebec, Alberta and British Columbia. Membership is close to 500 professionals serving as corporate investor relations officers in over 230 reporting issuer companies, consultants to issuers or service providers to the investor relations profession.

CIRI is a founding member of the Global Investor Relations Network (GIRN), which provides an international perspective on the issues and concerns of investors and shareholders in capital markets beyond North America. The President and CEO of CIRI has been a member of the Continuous Disclosure Advisory Committee (CDAC) of the Ontario Securities Commission. In addition, several members, including the President and CEO of CIRI, are members of the National Investor Relations Institute (NIRI), the corresponding professional organization in the United States.