

Goodmans^{LLP} Update

Canadian Securities Regulators Announce Upcoming Policy Projects Aimed to Reduce Regulatory Burden on Canadian Public Companies

On March 27, 2018, the Canadian Securities Administrators (“**CSA**”) announced six new policy projects based on feedback received in response to Consultation Paper 51-404 – *Considerations for Reducing Regulatory Burden for Non-Investment Fund Reporting Issuers* (the “**Consultation Paper**”), published in April 2017. For background information on the Consultation Paper, see our April 2017 update: *Canadian Securities Regulators Considering How To Reduce Regulatory Burden on Canadian Public Companies*.

The purpose of the Consultation Paper was to identify and evaluate opportunities to reduce the regulatory burden on Canadian public companies without compromising investor protection or the efficiency of Canada’s capital markets. The Consultation Paper sought feedback from market participants on a number of specific potential initiatives, as well as on other possible ways to reduce the regulatory burden on Canadian public companies.

As a result of feedback received from a broad range of market participants, the CSA will initiate new policy projects to explore:

- potential alternative prospectus models, including models that rely more heavily on continuous disclosure for offerings;
- reducing the regulatory requirements associated with implementing and conducting “at the market” offerings;
- providing greater clarity to issuers preparing an IPO prospectus, including the “primary business” definition and related financial statement requirements;
- removing or modifying the criteria to file a business acquisition report;
- revisiting other continuous disclosure requirements, which may include:
 - eliminating duplicative financial reporting,
 - consolidating two or more of the financial statements, MD&A and AIF into one reporting document, and
 - examining whether the volume of information in annual and interim filings can be reduced; and
- enhancing electronic delivery of documents.

It is unclear whether the initiation of these policy projects will ultimately lead to any specific changes to the existing regulatory regime. It is, however, encouraging to see Canadian securities regulators taking steps to help Canadian public companies remain competitive in the global marketplace.

For further information on these policy projects or to discuss potential changes to securities legislation that could impact your business, please contact any member of our Corporate Securities Group.

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