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December 4, 2018

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
Securities Commission of Newfoundland and Labrador
Financial and Consumer Services Commission, Northwest Territories
Superintendent of Securities, Yukon
Superintendent of Securities, Nunavut

Anne-Marie Beaudoin
Secrétaire de l'Autorité
Autorité des marchés financiers
800 Rue du Square-Victoria, 22ième étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Fax: 514 864-6381
Email: consultation-en-cours@lautorite.qc.ca

The Secretary
Commission des valeurs mobilières de l'Ontario
20 Queen Street West
19th Floor, Box 55
Toronto (Ontario) M5H 3S8
Télécopieur : 416 593-2318
comment@osc.gov.on.ca

Re: CSA consultation – Draft Regulation 52-112 respecting Non-GAAP and Other Financial Measures Disclosure and Draft Policy Statement 52-112

Dear Sirs/Mesdames:

Québec Bourse would like to thank the Canadian Securities Administrators (the "CSA") for allowing interested parties to comment the Draft Regulation 52-112 respecting Non-GAAP and Other Financial Measures Disclosure and the related draft Policy Statement.

Québec Bourse is the association that brings together Québec's public companies and the stakeholders that make up the public market ecosystem. Québec Bourse currently has 93 members. Listed companies' members of Québec Bourse are of various sizes and from all industries. Listed companies' members of Québec Bourse have an aggregate market capitalization of more than \$40 billion. Québec Bourse is particularly well placed to convey the views of listed companies and its other members.

First, it is essential to emphasize the importance of reducing the regulatory burden in order to ensure that the stock market remains competitive and relevant. We believe that the primary purpose of replacing SN 52-306 with Draft Regulation 52-112 should be to simplify compliance for issuers rather than to provide CSA staff with a more efficient enforcement tool. Furthermore, reading the questions in the consultation document, we noticed that most of them appear to be intended for investors rather than issuers.

We recognize that investors should be provided with reliable and quality financial information. We believe that non-GAAP financial measures must be analyzed taking into account all disclosure obligations and all GAAP financial information, and therefore made available to all investors (on SEDAR and issuers' websites). It should also be acknowledged that when management uses non-GAAP financial measures, it does so out of a strong desire to provide investors with financial information that provides a better appreciation of the issuers' financial performance. Some components of the International Financial Reporting Standards (such as fair market value of assets and accounting for leases) create major accounting fluctuations (from one period to the other) that do not optimally serve investors' information needs.

With respect to regulatory requirements for non-GAAP financial measures, we agree that issuers who use non-GAAP financial measures should be required to describe and explain the measures used.

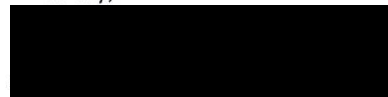
We understand that Draft Regulation 52-112 does not apply to oral statements. In our view, it should also not apply to press releases and corporate presentations in cases where the non-GAAP financial measures are already reconciled in the issuer's financial documents (such as management's discussion and analysis) that are available on SEDAR. It may suffice to mention in the press release or presentation that the document contains non-GAAP financial information and readers should refer to the financial documents on SEDAR.

We also wonder whether it is necessary to require a non-GAAP financial measure to be equally prominent to the most directly comparable financial measure presented in the primary financial statements. The reconciliation is what matters. Reliance on a footnote could achieve the regulatory objective without overloading the press release or corporate presentation.

We understand that issuers in industries such as real estate, bolstered by the work of their industry organization, use non-GAAP financial measures and find themselves having to use a number of reconciliation techniques, resulting in information overload and the potential for confusion. We believe the CSA should work with such industry organizations to come to a consensus and identify the reconciliation factors that are most meaningful to investors.

Thank you in advance for your consideration.

Sincerely,

A black rectangular redaction box covering the signature of Louis Doyle.

Louis Doyle
Executive Director
Québec Bourse Inc