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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  
Office of the Superintendent of Securities, Service NL  
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**RE: Proposed amendments to National Instrument 51-102 Continuous Disclosure Obligations and other amendments and changes relating to annual and interim filings of non-investment fund reporting issuers (“Proposed Amendments”); and Proposed framework for semi-annual reporting – venture issuers on a voluntary basis (“Proposed Framework”)**

Dear Sirs/Mesdames,

We are pleased to provide our comments on the Proposed Amendments including the proposed repeal of Form 51-102F1 *Management’s Discussion and Analysis* and Form 51-102F2 *Annual Information Form* and the proposed introduction of Form 51-101F1 *Annual Disclosure Statement* and Form 51-102F2 *Interim Disclosure Statement*, as well as the proposed changes to the companion policy, and amendments and changes to existing rules, policies and securities laws. We are supportive of the Proposed Amendments, and have provided our comments on the following specific matters.

With respect to risk factor disclosures, we believe that it would be beneficial for reporting issuers to be provided additional clarity on what “seriousness” means and how to determine the “seriousness” of a risk, particularly as it relates to “material” information (as defined in the general instructions for Part 2 and Part 3 of the Proposed Amendment) or specific risk factors that, if omitted from the disclosure, may be viewed by a reasonable investor as having altered the relevant information available when making an informed investment decision.

Adopting similar requirements to the SEC’s amendments would enhance the informational value of the risk factor disclosures for investors by consolidating similar risks in such a way that enhances readability of risk factor disclosures and makes it easier for an investor to identify those risks which may be more relevant. We also believe that adopting similar requirements would better align entity disclosures across the North American capital markets.

With respect to the impact of the Proposed Amendments on the auditor’s report, we understand that the annual disclosure statement will be comprised of different parts which will allow a reporting issuer to refile individual documents within the annual disclosure statement, as well as in its entirety, so we do not foresee any impact on auditing requirements if a reporting issuer is required to refile one or all of these documents.

In Canada, it is currently understood that the AIF is not within the scope of “other information” defined in CAS 720 upon which the auditor is required to consider when issuing an audit opinion on the financial statements. The standard references the “annual report” which is defined as:

- A document, or combination of documents, prepared typically on an annual basis by management or those charged with governance in accordance with law, regulation or custom, the purpose of which is to provide owners (or similar stakeholders) with information on the entity's operations and the entity's financial results and financial position as set out in the financial statements. An annual report contains or accompanies the financial statements and the auditor's report thereon and usually includes information about the entity's developments, its future outlook and risks and uncertainties, a statement by the entity's governing body, and reports covering governance matters.

In light of the introduction of an “annual disclosure statement”, we expect that amendments will be required to CAS 720, specifically paragraph CA5A, to clarify that an “annual disclosure statement” is akin to an annual report considered under CAS 720, and as such the AIF when included in an “annual disclosure statement” will also be considered other information as defined under CAS 720.

We will be pleased to discuss any of our comments further if required. Any questions can be directed to Deanne Kennedy ([deakennedy@deloitte.ca](mailto:deakennedy@deloitte.ca)) or Andrew Macartney ([amacartney@deloitte.ca](mailto:amacartney@deloitte.ca)).

Yours truly,

Chartered Professional Accountants  
Licensed Public Accountants