



# Securities Transfer Association of Canada

Lara Donaldson  
President

February 17, 2025

Delivered via e-mail

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Ontario Securities Commission  
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Superintendent of Securities, Newfoundland and Labrador  
Superintendent of Securities, Yukon Territories  
Superintendent of Securities, Northwest Territories  
Superintendent of Securities, Nunavut

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Dear Sirs:

Re: CSA Notice of Republication and Request for Comment  
*Proposed Amendments and Proposed Changes to Implement an Access Model for Certain Continuous Disclosure Documents of Non-Investment Fund Reporting Issuers ("Proposed Amendments")*

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This letter represents the comments of the Securities Transfer Association of Canada (STAC) in response to the above noted Proposed Amendments. STAC is a non-profit association of Canadian transfer agents that, among others, has the following purposes:

- To promote professional conduct and uniform procedures among its members and others;

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- To provide membership to firms engaged as transfer agents or registrars in the field of the issuance, transfer and registration of securities and associated functions;
- To study, develop, implement and encourage new and improved requirements and practices within the securities industry;
- To assist members with problems of a technical or operational nature;
- To develop solutions to complex industry-wide problems;
- To provide a forum and to act as a representative and spokesperson for the positions and opinions of its members, and, where appropriate, its clients and the holders of securities;
- To provide members and others with information and comments of an educational and technical nature relating to the securities transfer and corporate trust industry;
- To exercise any and all powers required to meet the needs and the obligations of this Association; and
- To ensure that its activities in relation to these purposes are communicated to all Members.

In Canada, transfer agents are retained by public and private companies to maintain records of the registered securityholders, specifically, those who hold securities directly in their name. Our records contain the shareholder's name and address, and, in some cases email address. We process transfers, mail disclosure material, such as proxies, financial statements, quarterly reports, and management information circulars, and distribute dividends and related tax slips.

STAC appreciates the opportunity to provide our comments related to CSA's Proposed Amendments published on November 19, 2024.

STAC generally supports the Proposed Amendments, as they modernize the availability of documents to investors and enable non-investment fund reporting issuers to expand electronic access to their annual financial statements, interim financial reports and related MD&A ("CD documents").

STAC respectfully submits the following comments:

### **Proposed Amendments to National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102")**

Proposed section 4.5.3 – *Sending a Separate Document*, requires reporting issuers to include with the proxy-related materials under section 9.1 of NI 51-102 or section 2.7.1 of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* "NI 54-101" a separate letter sized document on a different coloured paper from the proxy material, a notice describing how a holder may access the CD documents, either electronically or by requesting a physical copy.

While we acknowledge the intent behind providing this notice, this method does not effectively reduce initial mailing costs. It simply substitutes one paper form for another in the traditional proxy mailing method and increases the number of required documents when using Notice and Access ("N&A"). Additionally, mandating that the notice be printed on differently coloured paper imposes further burdens and will result in increased expenses for the issuer, as well as added complexities for service providers. This undermines the anticipated cost-saving benefits initially proposed by the CSA in April 2022. We recommend exploring alternative cost-effective solutions, such as the development of a standardized

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notice on white paper that can be utilized interchangeably by various issuers or when utilizing N&A, requiring issuers to incorporate the language regarding the availability of the CDs directly into the text of the notice included in the mailing, with appropriate bolding or underlining of important text.

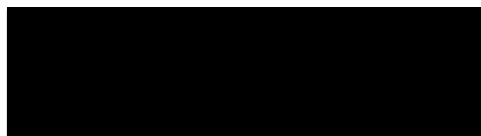
We also note that sections 9.1.1 of NI 51-102 and 2.7.1 of NI 54-101 impose restrictions on the documents that may be included in proxy solicitation packages. Specifically, section 2.7.1(2)(b) of NI 54-101 restricts the inclusion of any documents in the notice-and-access package except for the required notice and “financial statements of the reporting issuer to be approved at the meeting, and MD&A related to those financial statements, which may be part of an annual report.” The proposed language to include an annual one-page paper notice contradicts the referenced sections. To reduce confusion or conflict, we propose that if a separate document is required in the final rule changes, that section 9.1.1(2)(b) of NI 51-102 and section 2.7.1(2)(b) of NI 54-101 be amended to include reference to the new section. Possible amended language could read as follows, “...financial statements of the reporting issuer to be approved at the meeting and MD&A related to those financial statements, which may be part of an annual report, **or the notice set out under section \*.** “

Proposed section 4.5.5 *Ceasing to Provide Electronic Access to Financial Statements*, provides issuers with guidelines if they elect to no longer provide CD documents using the proposed electronic methods. STAC has concerns regarding the process by which issuers and their services providers would move back to the mailing of CD documents.

Service providers, including Transfer Agents, maintain lists of individuals who have requested copies of CD documents. These lists are typically compiled annually through solicitation by including a request form with the annual meeting package sent to registered and beneficial owners of securities, in accordance with Section 4.6 of NI 51-102. As this solicitation is conducted annually, the list is purged after one year, except for holders who have specifically requested standing instructions. If an issuer decides to discontinue the distribution of CD documents through the proposed access equals delivery (“AED”) model, the annual solicitation may not have occurred, resulting in the absence of a mailing list. STAC seeks clarification on whether specific timelines will be established for issuers to cease providing electronic access to CD documents. This is to ensure that unnecessary costs are not imposed on issuers due to the absence of a mailing list, such as the requirement to mail CD documents to every securityholder in the first year they discontinue the AED Model, as the solicitation process under section 4.6 of NI 51-102 would not have occurred. Should timelines not be established within the AED Model, we recommend considering cost-effective alternatives to address the inability of issuers and service providers to access a current mailing list of securityholders.

STAC would again like to extend our appreciation for the opportunity to provide our comments. We would be pleased to discuss the contents of our letter or provide any further feedback as the CSA may require.

Sincerely,



Lara Donaldson  
President

