

Section 1

Identification questions submitted via e-form through the CSA website

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Publication title

CSA Consultation Paper 51-406 Modernizing the Regulation of Public Companies

Comment addressed to participating jurisdictions:

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
Office of the Superintendent of Securities, Service NL
Northwest Territories Office of the Superintendent of Securities
Office of the Yukon Superintendent of Securities
Superintendent of Securities, Nunavut

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Are you commenting on behalf of an organization?

No

CSA consultation Paper 51-406 – Modernizing the Regulation of Public Companies

October 15, 2026

As an investor, director and former executive, I am pleased to provide the following responses to the consultation questions. I have omitted questions where I may not have an opinion or the relevant experience to respond.

Section A

A1. Should status quo be maintained? Response: No.

Reducing reporting requirements for certain smaller reporting issuers should reduce their costs, thus improving the attractiveness of public markets. However, care should be taken to not create information asymmetry where retail investors have access to less timely or fulsome information about the reporting issuer, when compared to larger institutional investors.

I agree that issuer specific criteria should be identified (option B), including financial metrics tied to the level of operating activity of the issuer.

A3 a) none identified.

b) none identified.

e) for smaller venture issuers, consideration should be given to other means of reducing reporting requirements such as reduced/condensed financial filings, short form AIF, M,D&A, other means of eliminating duplication.

Consideration of exemptions or revisions to certain financial reporting standards that are onerous and cause disproportionate accounting and audit time. (examples include fair value accounting for biological assets such as cannabis, financial instruments and non-material disclosure requirements).

A6. The UK approach to accounting and auditing standards should be considered, where they adopt international standards with revisions where they consider that the international standards are not sufficient or appropriate.

Section B

B1 a) yes- outcome would be reduced cost in areas where there is limited incremental benefit to financial statement users.

B2. Stage of development and operations should be considered, together with revenue level.

B3. Financial instruments, biological assets.

B4. Key financial statements: statement of financial position, income statement, cash flows, related party disclosures, commitments, business combinations, segmented information. These are most important to me as they inform my investment decisions, assessment of solvency, and understanding of key transactions.

B5. The CSA should assess whether alternative approaches could result in increased risk of fraud or may delay investor access to information that could reasonably be expected to impact their investment decisions.

B6. See A6.

Section D

D4. b) yes, this would be a challenge to investors

D5. Yes- due to inconsistent application by reporting issuers.

D6. Yes, as there seems to be inconsistency in the application of the rules.

Section E

E1. Reducing the frequency of reporting would be detrimental. Most companies prepare financial information on a monthly basis with quarterly review by those charged with governance. There should not be a significant incremental cost to transparency of this financial information to investors. Making investment decisions based on outdated information creates a significant risk of loss to investors and as noted in the consultation paper, information asymmetry is a valid concern and the period of time where fraud may go undetected increases.

E2

- a) Reduced investor information, transparency, reduced foreign confidence in Canadian capital markets. Given the ever-increasing pace of change in our economic and business environment, it seems counter-intuitive to slow down reporting.
- b) Yes- minimal operations, development stage, no unusual transactions (related party, significant financing, new stock-based compensation).

- c) Yes- see list in E2b) in order to provide investors with adequate information on a timely basis.

E3. The US proposal to reduce executive compensation disclosures is troubling. This appears to solely benefit those executives and would significantly reduce the information that investors or creditors have available to them (while institutional or other significant investors would most likely still have access to this information).

Section F

F2. I frequently hear from reporting issuers that the lack of centralized securities regulator in Canada is problematic- it creates duplication, increased costs and confusion.

F3. Consideration of adopting a requirement to have independent audit committees for all reporting issuers and pension plans. Audit committees play an important role in oversight of financial reporting and risk management, and the lack of independent audit committees for investment funds and pension funds is a puzzling gap in investor protection.

One other item is SEDAR plus- this system is hard to navigate and to find relevant reporting issuer information. As such, many investors are left with the reporting issuer's website or social media as a source of information- thus significantly reducing the usefulness of the disclosure regime.

Regards,

Carol A. Paradine, FCPA