



August 1, 2017

**SENT BY ELECTRONIC MAIL**

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  
Superintendent of Securities, Northwest Territories  
Superintendent of Securities, Yukon  
Superintendent of Securities, Nunavut

The Secretary  
Ontario Securities Commission  
20 Queen Street West, 22nd Floor  
Toronto, Ontario M5H 3S8  
Fax: 416-593-2318  
Email: [comments@osc.gov.on.ca](mailto:comments@osc.gov.on.ca)

Me Anne-Marie Beaudoin  
Corporate Secretary  
Autorité des marchés financiers  
800, rue du Square-Victoria, 22e étage  
C.P. 246, tour de la Bourse  
Montréal (Québec) H4Z 1G3  
Fax: 514-864-6381  
E-mail: [consultation-en-cours@lautorite.qc.ca](mailto:consultation-en-cours@lautorite.qc.ca)

Dear Sirs/Mesdames:

**Re: CSA Consultation Paper 51-404 *Considerations for Reducing Regulatory Burden for Non-Investment Fund Reporting Issuers* (the “Consultation Paper”)**

---

Canadian Tire Corporation, Limited (“CTC”) appreciates the opportunity to provide comments in response to the Consultation Paper published by the Canadian Securities Administrators (“CSA”).

CTC is a family of businesses that includes a retail segment, a financial services division and CT Real Estate Investment Trust. CTC’s retail business is led by Canadian Tire, which was founded in 1922 and provides Canadians with products for life in Canada across its Living, Playing, Fixing, Automotive and Seasonal categories. PartSource and Gas+ are key parts of the Canadian Tire network. The retail segment also includes Mark’s, a leading source for casual and industrial wear, and FGL Sports (Sport Chek, Hockey Experts, Sports Experts, National Sports, Intersport, Pro Hockey Life and Atmosphere), which offers the best active wear brands. Our approximately

**CANADIAN TIRE CORPORATION, LIMITED**  
2180 YONGE ST. P.O. BOX 770, STATION K, TORONTO, ONTARIO, CANADA M4P 2V8  
TELEPHONE (416) 480-3000 FAX (416) 544-7715



1,700 retail and gasoline outlets are supported and strengthened by CTC's Financial Services division and the tens of thousands of people employed across the country by the company and its local dealers, franchisees and petroleum retailers. CTC's Common Shares and Class A Non-Voting Shares are listed and traded on the Toronto Stock Exchange under the symbols "CTC" and "CTC.a", respectively.

As a public reporting issuer, CTC is committed to comprehensive and transparent reporting on matters of importance to our shareholders. As such, we appreciate the opportunity to provide our comments on those areas of securities legislation where a reduction of undue regulatory burden could be of benefit, all with a view to protecting the interests of investors and the efficiency of the capital markets. In this response, we will comment selectively on certain of the identified potential regulatory options that are most applicable to our business.

## **Comments on Regulatory Options**

### Part 2.3 – Reducing ongoing disclosure requirements

#### *Reducing disclosure requirements in annual and interim filings*

CTC supports the initiative to refocus information currently provided in annual and interim filings on key information that is relevant to investors and analysts in understanding the business of a reporting issuer. Focusing on key information and judiciously reducing disclosure requirements that are not relevant to an investor will help to explain and convey critical information in a clear and concise manner.

We are mindful that the volume of information investors receive in the current information economy often obfuscates the purpose of providing material and relevant disclosure to investors. We believe that disclosure requirements should not be removed solely on the basis that the information may be 'burdensome' to prepare. In our view, the principal consideration should be whether the information provided is relevant to an investor's decision to make an investment decision, understanding that the appropriate level of disclosure for a particular issuer may increase or decrease accordingly based on such guiding principle. We also support the proposal that the CSA provide issuers with more clarity on expectations surrounding what they view to be relevant disclosure requirements.

We are in favour of providing an option for issuers to remove discussion of prior period results from the management's discussion and analysis ("MD&A") or to remove the summary of quarterly results of the eight most recently completed quarters in the MD&A on the basis that historical results can easily be retrieved from the issuer's previous continuous disclosure record. In addition, we are of the view that certain disclosure requirements in the interim MD&A may not be relevant information for a company's particular industry. For example, given the seasonal nature of the retail business, providing a comparison of a retail company's interim financial condition (i.e., balance sheet) to its financial condition as at the end of the most recently completed financial year is not relevant information to investors in the retail industry.

We are interested in seeking further guidance from the CSA as to the form and content of a proposed 'quarterly highlights' document, which could help us assess whether the information

presented in such document would be more helpful to an investor than the current form of interim MD&A.

### *Permitting semi-annual reporting*

CTC supports the proposal of permitting issuers to move to a semi-annual reporting model, rather than a quarterly reporting model. A semi-annual reporting model may be very relevant in industries where quarterly results inadvertently encourage investors to focus too heavily on short-term results, rather than a longer time horizon. However, we believe the overarching principle should continue to be balancing the need to provide relevant and timely information to shareholders at appropriate intervals for a particular industry, cognizant that a 'one size fits all' model may not equally apply among all companies. To this end, we encourage exploring the option and benefits of permitting semi-annual reporting, but believe it is important to preserve optionality and discretion for issuers to choose, based on their circumstances, whether they feel it appropriate to report quarterly or on a semi-annual basis.

### Part 2.4 – Eliminating overlap in regulatory requirements

We believe it is important to be transparent and robust in our disclosure to our shareholders, but agree that there is merit in the initiative to reduce or consolidate duplicative disclosure requirements, particularly if information is already available to investors through different continuous disclosure filings.

In particular, we would be supportive of integrating the MD&A and the annual information form ("AIF") requirements into one consolidated disclosure document. At CTC, significant effort and a high degree of coordination is required among the different business work-streams to ensure consistency, continuity and accuracy of CTC's disclosure between the different continuous disclosure documents that are filed. The ability to reduce overlapping disclosure requirements reported through different documents (for example, risk factors are reported in the MD&A, the AIF and financial statements) would be of assistance from an efficiency perspective, as it reduces the overlap of work among different business work-streams in the business organization and safeguards against the risk of potentially inconsistent disclosure between documents. We also suggest that it is more helpful for an investor to receive all information in one document, rather than having to refer to multiple documents to fully understand the business of the company.

We also note that certain disclosure requirements for the AIF, which provides information at one point in time in the context of an issuer's historical development (including, for example, recent market information such as trading price history and dividends and distributions), can quickly become stale dated and is not particularly helpful to investors.

Modifying or consolidating certain disclosure requirements would not be inconsistent with the current provisions of the Canadian securities regulatory regime. For example, in the preparation of an AIF, the instructions to Form 51-102F2 *Annual Information Form* indicate that issuers may incorporate information required to be included in an AIF by reference to another document, other than a previous AIF. Companies often already adopt that approach and often incorporate information from the MD&A into the AIF and vice versa. In that regard, it is clear

that removing duplicative disclosure does not result in a loss of significant information to an investor.

Part 2.5 – Enhancing electronic delivery of documents

Although notice-and-access has not yet been adopted by CTC, we have followed recent regulatory developments in electronic delivery of documents with great interest. We appreciate that a number of our peers have moved to using the notice-and-access regime to fulfil the delivery requirement of materials to security holders, citing significant cost savings from printing fewer materials as the main advantage (although we are aware that implementation of notice-and-access does not always produce significant cost savings), a lower environmental footprint, and a reduction in delay between the printing and mailing of meeting materials.

We are receptive to the notion of allowing reporting issuers to satisfy the delivery requirements under securities legislation by making materials available electronically only, but our foremost priority is to be responsive and attuned to the requests of our shareholders, whose delivery preferences may change over time. As new methods of delivery continue to be explored or refined, we encourage the CSA to continue preserving the flexibility for issuers to determine the best method of delivery of materials to their security holders (either in electronic format or paper format), depending on the company's specific circumstances, the industry and the nature of their investor base.

**Conclusion**

We appreciate the opportunity to respond to the CSA's initiative to alleviate the regulatory burden on reporting issuers. We are committed to providing accurate and relevant information on matters of importance in a timely manner and will continue to seek better ways to effectively deliver key information to our shareholders. We are very interested in following the progress of this potential regulatory reform and look forward to further opportunities to discuss this initiative in the future.

Sincerely,

  
Doug Nathanson  
General Counsel and Corporate Secretary

cc. Dean McCann, Executive Vice-President, Chief Financial Officer