cenovus ENERGY

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British Columbia Securities Commission
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Authorité 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

To the Attention of:

The Secretary
Ontario Securities Commission
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Me Philippe Lebel
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Dear Sir/Mesdames:

RE: CSA Notice and Request for Comment - Proposed Amendments to National Instrument 51-102 Continuous Disclosure Obligations and Changes to Certain Policies Related to the Business Acquisition Report Requirements

We are pleased to provide our comments on the above proposed amendments.

We strongly support the CSA's efforts to reduce the cost and regulatory burden of continuous disclosure requirements. We support the amendments to National Instrument 51-102 *Continuous Disclosure Obligations*

("NI 51-102"), which will: (i) require any acquisition to be significant by triggering two threshold tests as opposed to the current rules, which trigger the filing of a business acquisition report ("BAR") if only one significance test is triggered, and (ii) increase the significance test threshold from 20% to 30%.

While we appreciate that requiring the triggering of two significance tests and increasing the thresholds for the tests is likely to reduce the number of BARs filed and thereby generally lower the burden of regulation, we believe the CSA should go further to reduce costs and the regulatory burden by eliminating the requirement to file a BAR altogether.

The requirement to file a BAR carries significant costs associated with financial statement preparation, including the preparation and filing of pro forma financial statements. These costs can be especially burdensome when acquisitions are for a business that is other than an entire entity. The necessary carve-out financial statements when this occurs are time consuming and expensive.

The filing of a BAR up to seventy-five days after the acquisition date results in information being conveyed to the market that is no longer current at the time of filing and therefore is of limited value. As such, it is our assertion that the BAR does not provide timely information to market participants and does not assist investors with making an investment decision. Fundamentally, if a costly and time-consuming disclosure requirement fails to provide useful information to investors, the disclosure requirement should be eliminated. We respectfully submit that the CSA would be doing a service to both investors and issuers by concentrating its efforts on ensuring that all required disclosure is timely and useful to market participants.

Thank you for the opportunity to comment on the proposed amendments.

Sincerely,

[redacted]

Blaine Young
Senior Legal Counsel