



December 4, 2019

VIA E-MAIL

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The 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
Superintendent of Securities, Newfoundland and Labrador
Superintendent of Securities, Yukon Territory
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Nunavut

M^e Philippe Lebel
Corporate Secretary and Executive Director,
Legal Affairs
Autorité des marchés financiers
Place de la Cité, tour Cominar
2640, boulevard Laurier, bureau 400
Montréal (Québec) G1V 5C1
Fax : 514-864-6381
E-mail: consultation-en-cours@lautorite.qc.ca

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

Dear Sirs/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

TSX Inc. and TSX Venture Exchange Inc. (collectively, the “**Exchanges**” or “**we**”) welcome the opportunity to comment on the notice and request for comment published by the Canadian Securities Administrators (“**CSA**”) entitled 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 (“**Request for Comments**”).



The Exchanges

The Exchanges are part of TMX Group Limited, a company that is strongly focused on supporting and promoting innovation, capital formation, innovation, good governance and financial markets in Canada and globally through its exchanges, including the Toronto Stock Exchange (“**TSX**”) and TSX Venture Exchange (“**TSXV**”) for equities, and the Montreal Exchange for financial derivatives. TSX is a globally recognized, robust stock exchange that lists growth-oriented companies with strong performance track records and is a top-ranked destination for global capital. TSXV is Canada’s leading global capital formation platform for growth stage companies looking to access public venture capital to facilitate their growth, and is an important part of Canada’s vibrant and unique capital markets continuum.

Reducing Regulatory Burden

It is vital to our clients and to all investors that the capital markets in Canada remain fair, efficient and competitive. Our businesses rely on our customers’ continued confidence and participation in Canada’s capital markets. We believe that achieving the right balance between investor protection and regulatory burden is essential to creating an environment where companies and the Canadian economy can grow and successfully and sustainably compete on an international level. The Exchanges are very supportive of regulatory initiatives to reduce the regulatory burden on all market participants without impeding the ability of the CSA to fulfill its regulatory responsibility to protect investors. We therefore applaud the CSA for continuing to consider options to reduce the regulatory burden for all market participants.

Our recommendation below is given bearing in mind the importance of balancing the need to reduce regulatory burden with the equally important mandate to safeguard the public interest and protect investors.

Eliminating the Requirement to file a Business Acquisition Report

Corporate mergers and acquisitions are a commonplace element of the modern economy, and reducing unnecessary burden associated with this activity is an important pursuit. While the Exchanges support the CSA’s efforts to reduce the regulatory burden associated with filing a business acquisition report (“**BAR**”) with its proposed amendments included in the Request for Comments, the Exchanges believe that the requirement for an issuer to file a BAR should be eliminated for all issuers (venture and non-venture issuers).

The Exchanges have canvassed representatives of both issuers and representatives for feedback on the BAR requirements. Many stakeholders indicated that the BAR serves no useful purpose, particularly due to the lapse of time before the information in the BAR is made available to the public. While certain stakeholders indicated that the financial statements of the acquired business and the pro forma financial statements included in a BAR may be useful to investors when making investment decisions, especially where no historical information exists, since the BAR can be filed up to 75 days after the completion of an acquisition the information included in the BAR is stale or irrelevant. Moreover, in many cases the issuer prepares a prospectus in connection with the acquisition, making the BAR completely irrelevant as it provides no new information that is not



already provided in the prospectus. There are several scenarios in which the need to file a BAR is an unnecessary regulatory burden on businesses. In those cases, if not entirely, the BAR requirement should be eliminated for all issuers.

The Exchanges appreciate the opportunity to provide comments. Please do not hesitate to contact us if you have any questions regarding our comments.

Respectfully submitted,



Loui Anastasopoulos
President Capital Formation and TSX Trust



Brady Fletcher
Managing Director & Head of TSX
Venture Exchange