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

The Secretary
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Fax: 416-593-2318
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Me Philippe Lebel, Corporate Secretary and
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Dear Sirs/Mesdames:

Re: CSA Notice and Request for Comment
CSA Consultation Paper 51-405 – Consideration of an Access Equals
Delivery Model for Non-Investment Fund Reporting Issuers published for
comment on January 9, 2020 (the Consultation Paper)
Comments of the Investment Management Group of Borden Ladner
Gervais LLP

We are pleased to provide the members of the Canadian Securities Administrators (CSA) with comments on the above-noted Consultation Paper. Our comments are those of the individual lawyers in the Investment Management practice group of Borden Ladner Gervais LLP listed below, and do not necessarily represent the views of BLG, other BLG lawyers or our clients.

As we previously noted in our letters dated March 1, 2019 and December 11, 2019 commenting on the Ontario Securities Commission’s Staff Notice 11-784 – *Burden Reduction* and CSA Notice *Reducing Regulatory Burden for Investment Fund Issuers – Phase 2, Stage 1*, respectively, we are in favour of the access equals delivery model of document disclosure for certain documents that may be interest to some investors, but remain unread and unopened when received in paper form by others. We agree with the CSA’s latest commitment to reduce undue regulatory burden through such means. Given the widespread access to, and use of the internet by Canadian investors, we feel that implementing such a model would be a significant step forward in achieving the CSA’s objective of modernizing the way documents are made available to investors and significantly reducing the costs associated with printing and mailing such documents. It will also serve to reduce the environmental footprint of the financial services industry through the reduced use of paper, printing and mailing of these documents. Access equals delivery also recognizes the fact that many investors rely on financial advisors (registered dealing representatives) in making their investment decisions, including their decision to continue to hold any particular security. This reliance also reduces the need for individual investors to receive physical paper forms of documents.

We urge the CSA to extend the concepts summarized in the Consultation Paper, with particular emphasis on the access equals delivery model, to investment fund reporting issuers. This adjustment would permit investment fund reporting issuers and their investors to benefit from the model under the same requirements as non-investment fund reporting issuers listed in the Consultation Paper. While we recognize that in certain circumstances investment fund reporting issuers have differing disclosure obligations than non-investment fund reporting issuers, we nevertheless believe that these differences should not result in a regime which prevents such issuers from benefitting as policies such as those outlined in the Consultation Paper evolve to permit modern electronic forms of delivery.

BLG is a national law firm that has particular expertise on, among other things, the regulation of investment funds and their managers. In this capacity, we have worked on hundreds of investment fund-related matters that have required the physical mailing of materials to investors. We therefore have first-hand experience about how costly and burdensome these continuous disclosures are for investment fund reporting issuers, and wish to stress the fact that such resources could instead be used for other activities that would directly benefit fund investors.

We are of the view that the benefits gained by non-investment fund reporting issuers of the access equals delivery model would also be applicable to investment fund reporting issuers. The various documents described in the Consultation Paper to which the access and delivery model would likely apply for non-investment fund reporting issuers – namely, prospectuses, annual and interim financial statements and related management’s discussion and analysis (or the fund equivalent “management discussion of fund performance”) – are also required disclosures of investment fund reporting issuers. Furthermore, the many benefits of implementing such a model, including cost savings, increased efficiency, faster access to information and positive environmental impact, apply to both non-investment fund and investment-fund reporting issuers alike.

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We hope that our comments will be considered positively by the CSA and as helpful to advance the CSA's considerations of the important matters outlined in the Consultation Paper.

Please contact Rebecca Cowdery at rcowdery@blg.com and 416-367-6340 if you have any questions on our comments or wish to meet with us to discuss any or all of our comments.

Yours very truly,

Borden Ladner Gervais LLP

Rebecca Cowdery Lynn McGrade Justin Yee

(Investment Management Practice Group Lawyers)