



March 9, 2020

Via email: comments@osc.gov.on.ca; consultation-en-cours@lautorite.qc.ca

The Secretary
Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario, M5H 3S8

and

Me Philippe Lebel
Corporate Secretary and Executive Director, Legal Affairs
Autorité des marchés financiers
Place de la Cité, tour Cominar
2640, boulevard Laurier, bureau 400
Québec (Québec) G1V 5C1

cc:

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 of New Brunswick
Superintendent of Securities, 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

Dear Sirs/Mesdames,

Re: CSA Consultation Paper 51-405 - Consideration of an Access Equals Delivery Model for Non-Investment Fund Reporting Issuers

This comment letter is being submitted by RBC Dominion Securities Inc. on behalf of RBC Capital Markets and RBC Wealth Management ("RBC" or "we"). We are writing in response to the Canadian Securities Administrators' ("CSA") *Consultation Paper 51-405 - Consideration of an Access Equals Delivery Model for Non-Investment Fund Reporting Issuers* (the "Consultation Paper") published on January 9, 2020. RBC appreciates this opportunity to comment on the Consultation Paper; our comments are below.

General Comments

RBC is pleased that the CSA continues to monitor industry developments to identify and consider areas of securities legislation applicable to non-investment fund reporting issuers that could benefit from a reduction of undue regulatory burden, without compromising investor protection and the efficiency of the capital markets. RBC

fully supports the CSA's goals underpinning the Consultation Paper and the development of an access equals delivery ("AED") model, including the recognition that electronic access to documents provides a more cost-efficient, timely and environmentally friendly manner of communicating information to investors than physical delivery.

Access Equals Delivery in the Canadian Market and Related Benefits

RBC is of the view that adopting an AED model is consistent with the standard in the United States, the European Union, and Australia, and in an industry where distributions by Canadian issuers are increasingly cross-border and global in nature, harmonization is imperative in terms of making Canadian capital markets efficient, accessible, competitive and serving the interests of Canadian individual and institutional investors, corporate issuers, and underwriters.

RBC believes an AED model is entirely appropriate and important, primarily because it will: (i) utilize existing technology to enhance access to offering documents and better inform investors on a timely basis; (ii) reduce the regulatory burden for Canadian issuers; and (iii) considerably reduce operational overhead costs to issuers and dealers, mailing and paper costs, and the considerable environmental impact of paper documents and their delivery (including cost of printing, waste, and carbon footprint).

Prioritizing Prospectuses, Financial Statements and related MD&A

RBC views prospectuses and related offering documents, quarterly financial statements, MD&A, as well as Annual Information Forms (AIFs) and other "normal course" documents (or documents that are common to all reporting issuers) evidencing matters of record ("Prioritized Documents") as a natural fit for an AED model and likely represent the easiest class or group of documents to introduce to AED as part of a staged process. These documents are typically "passive" in nature, in that they do not generally require a time-sensitive, reasoned response from investors, but are intended primarily to inform (as opposed to being action-oriented). RBC believes enhanced timeliness and access to fulsome information contained in the Prioritized Documents within an AED model better serves the interests of investors and other market participants.

Matters Specific to Prospectus Delivery

RBC believes it is prudent from an investor service and access to information perspective to require issuers to file both electronically on SEDAR and announce final prospectuses (only) via press release. Since deemed receipt of the final prospectus or other prescribed disclosure document is the determinative date for calculation of the commencement of the investor's withdrawal period under current applicable Canadian securities laws, RBC would propose an investor's withdrawal period under an AED model commence as of the time of the issuer's press release announcing that the final prospectus has been electronically posted and is accessible on SEDAR. This approach would foster certainty of when a withdrawal period commences and terminates, which would be transparent to all market participants and provide equality across investors.

RBC would expect at minimum the press release to contain information which may be currently required under applicable Canadian securities legislation, as well as a link or URL where the applicable prospectus may be obtained on SEDAR (and/or the issuer's website or other digital platform, if applicable), and contact information sufficient to notify potential investors where a request for a paper copy of the applicable document can be directed. RBC would suggest delivery of a paper copy of a final prospectus be considered separate from, and not impact, the timing of an investor's withdrawal period which would commence based on the press release only. CSA may consider whether a statement by the issuer with regard to deemed commencement of a withdrawal period should be included in a press release, for investor certainty.

Technology in Access Equals Delivery

While the Consultation Paper appears to indicate an AED model would require an issuer to maintain a website and post documents delivered under AED, RBC would recommend CSA consider whether it may be a best practice, as opposed to a requirement, for the issuer to post documents (or provide a link to the SEDAR document) on their corporate website or on any and all other publicly accessible digital platforms utilized by the issuer where the issuer regularly posts important investor documents or notices, only if the issuer has such a website or customarily utilized other platforms for this purpose. Consequently, a final prospectus or other prescribed offering document would be

deemed received once electronically posted and accessible on SEDAR, and the issuer has disseminated a corresponding press release only (as opposed to also being required to post on another website or platform).

Alternative and emerging technologies (including blockchain solutions) are worthy of consideration as additional or complementary means of access or facilitation. Currently, RBC believes SEDAR and the issuer's website or other existing digital platforms are the most intuitive and accessible technologic means for access and engagement by the majority of individual investors and institutional investors. However, RBC would recommend any new legislation be drafted to be inclusive and permissive of integration of emerging technologies as to not require further legislative amendment or allow uncertainty to arise as to whether a new technology can be integrated into the existing AED model.

Circulars (Take-Over Bid and Issuer Bid) and Proxy-Related Materials

RBC is of the view that while an AED model may become appropriate for various documents beyond the Prioritized Documents (such as take-over and issuer bid circulars and proxy-related materials that require more timely responses and active engagement from investors), RBC believes the CSA should focus its current AED model on the Prioritized Documents only at this time.

RBC expects shareholder engagement to be a priority consideration for documentation that impacts shareholder rights and/or opportunities. An AED model that may rely on indirect notification to shareholders via press release may not foster and facilitate shareholder engagement on important, outside of the ordinary course matters. Certain impacted shareholders may not have readily available access to or fluency with the requisite technology, and may therefore be potentially disadvantaged with respect to these particular forms of documentation.

With regard to documentation that may be characterized as impacting shareholder rights and/or opportunities requiring a time-sensitive active response, RBC would suggest the CSA consider an AED model whereby electronic delivery is an option for shareholders that they must positively elect well in advance of documentation being disseminated electronically, whereby shareholders also provide an email address in order that such relevant information (or notification thereof) can be sent to them directly by the issuer or through the appropriate intermediary. RBC would suggest CSA consider such positive election to be an annual requirement, including to address any changes or modifications to e-mail or other relevant contact information. RBC expects any such model could be harmonized in consideration of the existing "notice and access" regime for communication with shareholders.

Conclusion

We appreciate the opportunity to provide comments and welcome the opportunity to discuss the foregoing with you in further detail. If you have any questions or require further information, please do not hesitate to contact the undersigned.

"Gavin Higgs"

Gavin Higgs
Managing Director, Equity Capital Markets, Head of Equity Syndication
RBC Capital Markets

"Maarten Jansen"

Maarten Jansen
Head of Investments & Trading
RBC Wealth Management