

Activity Report for the Continuous Disclosure Review Program

September 2016

Companies

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Note: For the sake of conciseness, the full name of regulations and notices are provided only in an appendix.

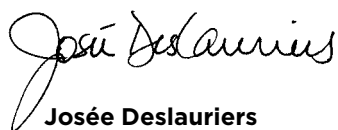
MESSAGE FROM THE DIRECTOR, COMPLIANCE – ISSUERS AND INSIDERS

I am pleased to present the 2015-2016 Activity Report for the Continuous Disclosure Review Program (CDR Program) of the *Autorité des marchés financiers* (“AMF”). Our purpose in issuing this report is to provide constructive feedback on our oversight activities conducted during the past fiscal year.

In this 14th edition of the report, we present the findings of our review of companies’ presentation of non-GAAP measures. We also outline our compliance oversight strategy with respect to Regulation 52-109, which sets out the requirements respecting certification of disclosure in annual and interim filings. Lastly, we identify the recent regulatory amendments relating to continuous disclosure obligations.

We draw your attention in particular to the findings of the reviews of disclosure of non-GAAP measures. A significant number of issuers still do not comply with the guidance in CSA Staff Notice 52-306 (revised) and are disclosing non-GAAP measures in such a way that could mislead investors. Therefore, we ask that you remain vigilant when preparing your next continuous disclosure filings. In the event of non-compliance with the requisite disclosures in this notice, we may require that these materials be amended and restated.

Quality disclosure benefits all market stakeholders!



Josée Deslauriers

Director, Compliance – Issuers and Insiders

INTRODUCTION

This report is intended for companies, their advisers and other market participants. It outlines the results of certain continuous disclosure reviews of companies conducted within the scope of the AMF's CDR Program. It supplements [CSA Staff Notice 51-346](#), published on July 18, 2016, which presents the activities of the pan-Canadian Continuous Disclosure Review Program.

This report also discusses the continuous disclosure topics on which the AMF will focus in 2016-2017 and provides an overview of regulatory amendments relating to companies' continuous disclosure obligations.

The reviews conducted within the scope of the CDR Program are based on the Harmonized Continuous Disclosure Review Program established by the Canadian Securities Administrators (CSA). [CSA Staff Notice 51-312 \(revised\)](#) provides a more detailed description of the program and how it works.

NON-GAAP FINANCIAL MEASURES

The AMF has noticed an increase over the past few years in the number of non-GAAP financial measures (“NGMs”) presented by companies. In addition, the gap between NGMs and the most directly comparable measures presented in companies’ financial statements is widening.

Given this situation, the AMF reviewed several major Québec companies listed on the TSX for compliance with the guidance in [CSA Staff Notice 52-306 \(revised\)](#). The review focused primarily on NGMs presented in annual reports, including in the management’s discussion and analysis (MD&A). This notice sets out the disclosure that should accompany NGMs.

WHAT IS THE PURPOSE OF THE REVIEW?

The purpose of this review is to ensure that companies comply with the guidance provided in [CSA Staff Notice 52-306 \(revised\)](#). It is also intended to raise awareness about the deficiencies observed in the presentation of NGMs and to provide important reminders about the guidance in this notice.

Reminder: An NGM is a numerical measure of financial performance, financial position or cash flow that is not specified, defined or determined under the company’s GAAP and is not presented in the financial statements.

Many NGMs are derived from profit or loss determined under GAAP and, by omission of selected items, present a more positive picture of financial performance.

WHAT ARE THE MAIN NGMS PRESENTED?

The main NGMs presented by companies are:

- ◆ Adjusted net income;
- ◆ Adjusted EBITDA;
- ◆ Free cash flow.

WHAT ARE THE MAIN DEFICIENCIES IDENTIFIED?

Most companies did not comply with one or more elements of the guidance in [CSA Staff Notice 52-306 \(revised\)](#). The following is a list of the most frequent deficiencies identified by order of importance.

NGMs presented at the beginning of the annual report

Several companies presented NGMs at the beginning of their annual reports,¹ in particular in the message to shareholders, which is not in compliance with one or more elements of the guidance in [CSA Staff Notice 52-306 \(revised\)](#).

Example:

In the message to shareholders, the chairman indicates that adjusted net income for the year stood at \$50 million. However, the message does not provide the following information:

- ◆ *that adjusted net income is an NGM;*
- ◆ *that the net loss in the financial statements is \$2 million;*
- ◆ *the reconciliation of adjusted net income of \$50 million to the net loss of \$2 million;*
- ◆ *the usefulness of adjusted net income;*
- ◆ *that adjusted net income does not have any standardized meaning and that it might not be possible to compare it with adjusted net income presented by other companies;*
- ◆ *referencing to the above information which was presented later in the MD&A.*

Reminder: NGMs presented at the beginning of the annual report should be accompanied by the disclosure set out in the guidance in [CSA Staff Notice 52-306 \(revised\)](#) or be cross-referenced if this information is presented later in the annual report.

Presentation of comparable financial measure

Guidance 4 of [CSA Notice 52-306 \(revised\)](#)

Several companies did not present the most directly comparable financial measure presented in the financial statements with equal or greater prominence to that of the NGM. This deficiency is particularly recurrent when NGMs are presented in the initial pages of the annual report.

Example:

The company presents a graph illustrating growth in adjusted net income over the prior five years but does not present an equivalent graph for net income, which would have actually shown a decline in net income.

Reminder: The presentation of an NGM without presenting the most directly comparable financial measure presented in the financial statement could mislead investors, especially if there is a significant gap in the these measures.

¹ Including similar documents such as activity reports.

Reconciliation

Guidance 5 of CSA Staff Notice 52-306 (revised)

Several companies did not reference to the reconciliation between an NGM and the most directly comparable financial measure presented in the financial statements when the NGM was presented for the first time in the document.

Example:

The company presents adjusted EBITDA in the financial highlights of the annual report without referencing to the reconciliation found in the MD&A on page 38.

Reminder: Reconciliation is essential to understanding the composition of NGMs.

Naming of NGMs

Guidance 2 of CSA Notice 52-306 (revised)

Some companies presented NGMs for which the names were not appropriate. The name did not comply with the composition of the NGM or did not distinguish the NGM from a financial statement line item.

Examples:

- ◆ *The company presents EBITDA, but excludes stock-based compensation expense from the calculation.*
- ◆ *The company provides a graph showing changes in its gross profit. This gross profit does not match the gross profit reported in the financial statements. According to a footnote, the gross profit was adjusted to eliminate the impact of foreign exchange rate exposure.*

Reminder: An NGM should not have the same name as a financial statement line item. Using the same name and adding a footnote to indicate that an adjustment was made could lead to confusion.

Identification of an NGM

Guidance 1 of CSA Staff Notice 52-306 (revised)

Some companies did not clearly identify an NGM and, consequently, did not comply with most of the guidance in [CSA Staff Notice 52-306 \(revised\)](#).

Example:

The company indicates in its MD&A that if impairment of intangible assets, restructuring costs and losses on derivatives were excluded, its net income would have been \$20 million. In this example, the company omitted the following information:

- ◆ *adjusted net income of \$20 million is an NGM;*
- ◆ *the reconciliation of adjusted net income to net income reported in its financial statements;*
- ◆ *the usefulness of adjusted net income;*
- ◆ *that adjusted net income does not have any standardized meaning and it may not be comparable to adjusted net income presented by other companies.*

Reminder: If a company adjusts its profit or loss by omitting certain line items, the resulting measure is an NGM and must be identified as such.

Usefulness of an NGM

Guidance 3 of CSA Staff Notice 52-306 (revised)

Deficiencies were also noted in the descriptions of the usefulness of NGMs. Descriptions were often partially boilerplate.

Example:

The company indicates that adjusted EBITDA is used to assess its operational performance.

Reminder: When a company adjusts its EBITDA by omitting certain line items, the usefulness for investors and the additional purposes for which management uses this non-GAAP financial measure should be explained.

WHAT STEPS ARE TAKEN BY THE AMF?

The AMF expects companies to comply with the guidance in CSA Staff Notice 52-306 (revised) when presenting NGMs in disclosure documents. It contacts issuers who do not comply with this guidance and, as necessary, requires that they amend and restate their documents. The AMF will monitor these companies and, if significant deficiencies persist despite its requests, will take other corrective action.

Note: The AMF reminds companies that although NGMs may provide investors with additional information to assist them in understanding critical components of the company's financial performance, the way in which they are presented can also confuse or obscure the measures presented in the financial statements and mislead investors.

Companies that disclose information in a manner considered to be misleading and harmful to the public interest are liable to regulatory action.



TIPS

Companies that elect to present NGMs should focus on the disclosures accompanying these measures and the following in particular:

- ◆ Avoid giving prominence of disclosure to NGMs over financial measures presented in the financial statements, such as in the chairman's message, highlights and graphs presented in annual reports.
- ◆ Provide the disclosures accompanying NGMs in website content, including corporate presentations.
- ◆ Educate persons who help draft disclosure materials, including the annual report and press releases, about the guidance in [CSA Staff Notice 52-306 \(revised\)](#).

CERTIFICATION OF DISCLOSURE IN COMPANIES' ANNUAL AND INTERIM FILINGS

The recent supervisory strategy to ensure compliance with Regulation 52-109 applies to companies required to establish and maintain internal control over financial reporting (“ICFR”) and disclosure controls and procedures (“DC&P”) as well as companies that have elected to file full certificates with the AMF.² This strategy is implemented through issuer-oriented reviews.³

WHAT IS THE PURPOSE OF THE REVIEW?

The purpose of the review is to ensure that the certifying officers of the selected companies have designed and maintained ICFR and DC&P and have evaluated their operation in accordance with the disclosures in their certificates.

The AMF issues comment letters requiring that companies describe:

- ◆ their processes for evaluating ICFR effectiveness, their documentation and the evaluation tools used;
- ◆ the steps taken to ensure ongoing oversight of the design and maintenance of ICFR;
- ◆ how the design was documented;
- ◆ coverage of the evaluation of ICFR effectiveness, if they have several establishments.

Lastly, the review could prompt the AMF to identify material weaknesses which a company has failed to disclose. It is not intended to determine whether the design of ICFR and DC&P and the conclusions of the certifying officers about their effectiveness are adequate or to determine the presence of material weaknesses in ICFR.

WHAT ARE THE PRINCIPAL REVIEW FINDINGS?

AMF reviews conducted to date show that most companies selected for review have designed and maintained ICFR and DC&P and have implemented a process for evaluating their effectiveness. However, the reviews also revealed that some issuers do not have sufficient knowledge of the provisions of [Regulation 52-109](#), despite the fact that they have established ICFR and DC&P.

² Under subsections 4.2. (2) and 5.2.(2) of [Regulation 52-109](#), venture issuers may file the prescribed form of annual certificate (Form 52-109F1) or the prescribed form of interim certificate (Form 52-109F2), as applicable.

³ Issuer-oriented reviews conducted by the AMF are based on the CSA Harmonized Continuous Disclosure Program ([CSA Staff Notice 51-312 \(revised\)](#))

WHAT ARE THE MAIN DEFICIENCIES IDENTIFIED?

The main deficiencies identified are as follows:

- ◆ Some companies were unable to demonstrate adequately that they had evaluated the effectiveness of ICFR and DC&P. The purpose of these evaluations is to determine whether the company's ICFR and DC&P designs are operating as intended. To support a conclusion that these controls are effective, certifying officers should obtain sufficient appropriate evidence at the date of their assessment that the components are operating as intended.

Reminder: Regulation 52-109 requires certifying officers to certify that they have evaluated the effectiveness of DC&P and ICFR.⁴

- ◆ Some companies were unable to demonstrate that they had established a process to maintain design of ICFR and DC&P to reflect the new risks they faced. Following their initial development and implementation of ICFR and DC&P, and prior to certifying design each quarter, certifying officers should consider a number of aspects, including whether the company faces any new risks.⁵

Reminder: Under section 3.1. of Regulation 52-109, ICFR and DC&P must be established and maintained.

- ◆ Some companies downplayed the significance of the deficiencies in ICFR given that they did not cause a misstatement of the financial statements. If a deficiency or combination of deficiencies in the design or operation of one or more components of ICFR is identified, certifying officers should assess the significance of the deficiency, or combination of deficiencies, to determine whether a material weakness exists. Their assessment should generally include both qualitative and quantitative analyses.

Reminder: The severity of a deficiency in ICFR does not depend on whether a misstatement has actually occurred but rather on whether there is a reasonable possibility that ICFR will fail to prevent or detect a material misstatement on a timely basis.⁶

- ◆ Some companies downplayed the significance of a deficiency given that it was corrected post year-end or was caused by human error. Certifying officers should assess the significance of the deficiency to determine whether a material weakness exists.

Reminder: Under Regulation 52-109, certifying officers are required to certify that they have disclosed in the issuer's MD&A each material weakness which exists as at the end of the financial year.

- ◆ One company did not state in its certificates and MD&A that it had limited the scope of the design of ICFR and DC&P of a business it acquired. If the company decides to rely on this limitation, it must state this in the certificates and in the MD&As.

Reminder: Section 3.3 of Regulation 52-109 allows companies to limit the scope of their design of ICFR and DC&P of businesses they have acquired not more than 365 days before the end of the financial period to which the certificate relates.

4 See paragraph 6 of Full Certificate (Form 52-109F1 of [Regulation 52-109](#)).

5 See section 6.13 of [Policy Statement to Regulation 52-109](#).

6 See section 9.2 of [Policy Statement to Regulation 52-109](#).

WHAT STEPS ARE TAKEN BY THE AMF?

When material deficiencies are identified, the AMF takes the following steps:

- ◆ Companies that have not updated or documented their ICFR and DC&P, or that have not evaluated or documented the operational effectiveness of their ICFR and DC&P, must implement formal processes to comply with the provisions of [Regulation 52-109](#) and provide supporting evidence.
- ◆ Companies that do not disclose any material weakness in their ICFR in their disclosure documents prior to the review but identified such weaknesses in exchanges with the AMF must correct their MD&As and certificates by including an amended conclusion on the effectiveness of their ICFR and DC&P and refile these documents..

Important: The AMF reminds certifying officers that before signing certificates, they must ensure that the representations they include are accurate. The AMF may also take other steps to ensure compliance with the provisions of Regulation 52-109.



TIPS

Companies selected for review to ensure compliance with [Regulation 52-109](#) should consider the following when preparing their responses to the AMF:

- ◆ Do not confuse the concept of “design and maintenance” of ICFR and DC&P and the concept of “evaluation of effectiveness” of ICFR and DC&P.⁷
- ◆ Do not send a detailed description of ICFR as a response if the request concerns the process used to evaluate ICFR effectiveness.
- ◆ Do not confuse the concepts of “mitigating procedures” and “compensating controls.”⁸
- ◆ Provide all weaknesses identified in the design and operation of ICFR when requested, even if these weaknesses are not material weaknesses under [Regulation 52-109](#).

⁷ See Part 6, Design of DC&P and ICFR, and Part 7, Evaluation of effectiveness of operation of DC&P and ICFR, of [Policy Statement to Regulation 52-109](#).

⁸ See subsection (3) of section 9.1 of [Policy Statement to Regulation 52-109](#).

SUMMARY OF FREQUENTLY IDENTIFIED DEFICIENCIES

In addition to the deficiencies mentioned in [CSA Notice 51-346](#), this section presents a summary of other deficiencies frequently identified in connection with the CDR Program. In light of these recurring deficiencies, the AMF encourages companies to correct them and file better quality financial statements and MD&As.

Deficiencies frequently identified in financial statements

Impairment of assets

- ◆ Failure to disclose the information required by [paragraph 134 of IAS 36, *Impairment of Assets*](#), for each cash-generating unit for which the carrying amount of goodwill or intangible assets with indefinite useful lives allocated to that unit is significant in comparison with the company's total carrying amount of goodwill or intangible assets with indefinite useful lives.

Employee benefits

- ◆ Failure to disclose the characteristics of defined benefit plans and the risks associated with them. ([Paragraph 139 of IAS 19, *Employee Benefits*](#))
- ◆ Failure to disclose certain information, in particular the disaggregation of the fair value of the plan assets into classes that distinguish the nature and risks of those assets, subdividing each class of plan assets into those that have a quoted market price in an active market and those that do not. ([Paragraph 142 of IAS 19, *Employee Benefits*](#))

Accounting policies

- ◆ Failure to present information in the accounting policies that is specific to the company's activities. ([IAS 1, *Presentation of Financial Statements*](#))

Deficiencies frequently identified in MD&As

Discussion of operations

- ◆ Failure to present a complete discussion of revenue and significant factors that caused changes in revenue. ([Item 1.4 \(a\)\(b\) of Form 51-102F1](#))
- ◆ Failure to present a complete discussion of cost of sales or gross profit. ([Item 1.4 \(c\) of Form 51-102F1](#))

PRINCIPAL AREAS OF FOCUS FOR 2016-2017

During 2016-2017, the AMF will focus on the following areas as part of issue-oriented or full reviews under the CDR Program.

Non-GAAP financial measures (“NGMs”)

As mentioned, companies’ increased use of NGMs continues to be worrisome, especially with respect to the prominence of information disclosed to investors. It is essential to continue our reviews and our monitoring of NGMs.

Therefore, disclosures by companies in annual reports, press releases and website contents will be reviewed to ensure that they comply with the guidance in [CSA Staff Notice 52-306 \(revised\)](#) and that NGMs presented do not mislead investors. In the event of non-compliance with this guidance, the AMF could require companies to file amended and restated documents.

Reference: [CSA Staff Notice 52-306 \(revised\)](#)

Representation of women on the board and in executive officer positions

In the context where gender diversity in decision-making functions is the subject of increased interest and debate in Canada and elsewhere, the AMF considers it important to continue monitoring corporate governance disclosure requirements. These requirements relate to (a) the number and percentage of women on the board of directors (the board) and in executive officer positions; (b) director term limits or other mechanisms of board renewal; (c) policies relating to the identification and nomination of women directors; (d) consideration of the representation of women in the director identification and nomination process and in executive officer appointments; and (e) targets for women on boards and in executive officer positions.

Therefore, disclosure provided by companies listed on the TSX will again be reviewed to ensure that these companies are complying with requirements aimed at increasing the transparency of disclosure to investors on the representation of women on the board and in executive officer positions.

Reference: [Regulation 58-101](#) and [CSA Multilateral Staff Notice 58-307](#)

Impairment of assets and disclosure for mineral projects

Due to poor market conditions, many mining companies are affected by the drop in metal prices and are facing financing challenges. A number of them do not anticipate substantive exploration expenditures and may not be able to renew their rights to explore in certain areas.

Consequently, disclosures in financial statements by mining companies will be reviewed to ensure that these companies are complying with the requirements of IFRS 6 and IAS 36, particularly those related to impairment of assets.

In addition, disclosures in MD&As, AIFs, press releases, website content and technical reports by mining companies will be reviewed to ensure that the representations of mineral projects’ economic analyses comply with the requirements of Regulation 43-101.

References: IFRS 6, *Exploration for and Evaluation of Mineral Resources*, *Viewpoints: Applying IFRSs in the Mining Industry*, *Impairment of Exploration and Evaluation Assets*, IAS 36, *Impairment of Assets*, and [Regulation 43-101](#)

Cyber Security

Strong and tailored cyber security measures are an important element of companies' controls in promoting the reliability of their operations and the protection of confidential information. To manage the risks of a cyber threat, companies should be aware of the challenges of cyber crime and should take the appropriate protective and security measures necessary to safeguard themselves and their clients and stakeholders.

Companies should consider whether the cyber crime risks to them, any cyber crime incidents they may experience, and any controls they have in place to address these risks, are matters they need to disclose in a prospectus or a continuous disclosure filing.

Therefore, the information presented by companies will be reviewed to ensure compliance with the guidance in CSA Staff Notice 11-326.

Reference: [CSA Staff Notice 11-326](#)

IMPORTANT NOTICE TO ISSUERS ENGAGED IN EXPLORATION FOR OR DEVELOPMENT OF MINERAL SUBSTANCES

[An Act respecting transparency measures in the mining, oil and gas industries](#) came into force on October 21, 2015. Under this Act, certain enterprises operating in these industries must declare certain payments made to certain payees. The purpose of the Act is to discourage and detect corruption, as well as foster the social acceptability of projects.

The Ministère de l'Énergie et des Ressources naturelles is responsible for the application of the Act, but its administration has been conferred on the AMF.



TIPS

The AMF encourages companies to check whether they are subject to these new reporting requirements.

- ◆ The Act provides for significant penalties for non-compliance.
- ◆ Further information is available on the [AMF website](#).

APPENDIX A – OVERVIEW OF REGULATORY AMENDMENTS

The following is an overview of regulatory amendments relating to the continuous disclosure obligations of companies that came into force during the past year, those that are pending and those that are proposed.

Note: New automatic reciprocity rules for certain decisions and agreements

Effective June 23, 2016, certain amendments to the *Securities Act* (Québec) came into force, in particular sections 308.2.1.1 to 308.2.1.6. As a result, when another securities regulatory authority in Canada issues a decision or enters into an agreement imposing sanctions, conditions, restrictions or requirements on a person, it will apply automatically in Québec. The decision or agreement will have effect as if it were made by the AMF or the *Tribunal administratif des marchés financiers*, according to their respective competence. This decision or agreement will have effect without giving the right to the person to make observations or to be heard in Québec.

If the decision or agreement is amended or revoked, the amendment or revocation will also apply automatically in Québec.

This means that where a securities regulatory authority in Canada issues a cease trade order, the order applies automatically in Québec, under the same conditions as those set out in the decision issued by the other regulatory authority, as if the decision had been issued by the AMF. If the decision is amended or revoked, the amendment or revocation will apply automatically in Québec.

Further information is available on the [AMF website](#).

Regulatory amendments that came into force during the past year		
Regulatory text	Summary of amendments	Date of coming into force
<p>Policy Statement on the issuance and revocation (including a variation) of failure-to-file cease trade orders</p> <ul style="list-style-type: none"> ◆ Policy Statement 11-207 respecting Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions ◆ Policy Statement 12-203 respecting Management Cease Trade Orders ◆ Policy Statement 12-202 respecting Revocation of Certain Cease Trade Orders 	<p>Policy Statement 11-207 provides guidance to issuers, investors and other market participants regarding how the Canadian Securities Administrators will generally respond to certain types of continuous disclosure defaults by a reporting issuer. It also describes the process for issuing and revoking a failure-to-file cease trade order in multiple jurisdictions.</p> <p>Policy Statement 12-203 provides guidance to issuers, investors and other market participants as to when the Canadian Securities Administrators will consider responding to a specified default by issuing a management cease trade order .</p> <p>Policy Statement 12-202 provides guidance for issuers applying for the revocation of a cease trade order not covered by Policy Statement 11-207.</p>	June 23, 2016
<p>Regulation to amend Regulation 11-102 respecting Passport System and concordant policy statements, including:</p> <ul style="list-style-type: none"> ◆ Policy Statement 11-206 respecting Process for Cease to be a Reporting Issuer Applications 	<p>The purpose of the proposed amendments is to expand the passport system to applications to cease to be a reporting issuer.</p> <p>Policy Statement 11-206 describes the process for the filing and review of an application by a filer to cease to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer.</p>	June 23, 2016

Regulatory amendments that came into force during the past year		
Regulatory text	Summary of amendments	Date of coming into force
<p>Amendments to certain provisions forming part of the early warning system:</p> <ul style="list-style-type: none"> ◆ Regulation 62-104 respecting Take-over Bids and Issuer Bids ◆ Regulation 62-103 respecting The Early Warning System and Related Take-Over Bid and Insider Reporting Issues ◆ Policy Statement 62-203 respecting Take-over Bids and Issuer Bids 	<p>The amendments provide greater transparency about significant holdings of reporting issuers' securities under the early warning system. They are intended to enhance the quality and integrity of the early warning system in a manner that is suitable for the Canadian public capital markets.</p> <p>The amendments will:</p> <ul style="list-style-type: none"> ◆ require disclosure of decreases in ownership, control or direction of 2% or more; ◆ require disclosure when a securityholder's ownership, control or direction falls below the early warning reporting threshold; ◆ exempt lenders from including securities lent or transferred for the purposes of determining the early warning reporting threshold trigger if they lend securities pursuant to a specified securities lending arrangement; ◆ exempt borrowers under securities lending arrangements from including securities borrowed for the purposes of determining the early warning reporting threshold trigger in certain circumstances; ◆ make the alternative monthly reporting (AMR) system unavailable to eligible institutional investors (EIIs) who solicit proxies from securityholders in certain circumstances; ◆ require disclosure in the early warning report of an interest in a related financial instrument, a securities lending arrangement and other agreement, arrangement or understanding in respect of a security of the class of securities for which disclosure is required; ◆ enhance the disclosure in the early warning report by requiring more detailed information regarding the intentions of the acquiror and the purpose of the transaction; ◆ require the early warning report to be certified and signed; ◆ clarify the timeframe to issue and file a news release and an early warning report; and ◆ further streamline the information required in a news release filed in connection with the early warning reporting requirements. <p>The amendments also clarify the current application of early warning reporting requirements to certain derivative arrangements and to securities lending arrangements.</p> <p>Note: In addition, amendments and changes to the regime governing the conduct of take-over bids, which amendments and changes are set out in the CSA Notice of Amendments to Take-Over Bid Regime dated February 25, 2016, were adopted concurrently.</p>	<p>May 9, 2016</p>

Regulatory amendments that came into force during the past year		
Regulatory text	Summary of amendments	Date of coming into force
Changes to Policy Statement to Regulation 43-101 respecting Standards of Disclosure for Mineral Projects	<p>Appendix A of the Policy Statement is being updated to add the Russian Society of Subsoil Use Experts, Engineers Australia, and Engineers New Zealand. As a result of these changes, CSA Staff Notice 43-308 is being withdrawn.</p> <p>The Policy Statement is also being amended by adding Appendix A.1, which lists additional acceptable foreign codes, including the Russian Code for the Public Reporting of Exploration Results, Mineral Resources and Mineral Reserves.</p>	February 25, 2016

Pending regulatory amendments		
Regulatory text	Summary of amendments	Expected date of coming into force
None.		

Proposed regulatory amendments (under public consultation or AMF review)		
Regulatory text	Summary of proposed amendments	Next step
Proposed Meeting Vote Reconciliation Protocols	The Protocols contain CSA staff expectations on the roles and responsibilities of the key entities and guidance on the kinds of operational processes that they should implement to support accurate, reliable and accountable meeting vote reconciliation.	The comment period expired on July 15, 2016. Comments received are currently under review by the AMF and the other participating regulators.

APPENDIX B – PRINCIPAL REGULATIONS PRESCRIBED

The following regulations and other texts contain the principal provisions of the continuous disclosure system applicable to companies. Other obligations may apply. All these regulations and other texts are published under Securities and Derivatives – Laws and Regulations on the AMF website (www.lautorite.qc.ca).

Regulation 43-101	respecting Standards of Disclosure for Mineral Projects
Regulation 51-101	respecting Standards of Disclosure for Oil and Gas Activities
Regulation 51-102	respecting Continuous Disclosure Obligations
Form 51-102F1	Management's Discussion and Analysis
Form 51-102F2	Annual Information Form.
Form 51-102F3	Material Change Report
Form 51-102F4	Business Acquisition Report
Form 51-102-F5	Information Circular
Form 51-102F6	Statement of Executive Compensation (in respect of financial years ending on or after December 31, 2008)
Form 51-102F6V	Statement of Executive Compensation – Venture Issuers
Regulation 51-105	respecting Issuers Quoted in the U.S. Over-the-Counter Markets
National Policy 51-201	Disclosure Standards
Regulation 52-107	respecting Acceptable Accounting Principles and Auditing Standards
Regulation 52-108	respecting Auditor Oversight
Regulation 52-109	respecting Certification of Disclosure in Issuers' Annual and Interim Filings
Policy Statement to Regulation 52-109	respecting Certification of Disclosure in Issuers' Annual and Interim Filings
Regulation 52-110	respecting Audit Committees
Regulation 54-101	respecting Communication with Beneficial Owners of Securities of a Reporting Issuer
Regulation 58-101	respecting Disclosure of Corporate Governance Practices

Moreover, the following notices set out the results of certain reviews and provide additional guidance on continuous disclosure reporting.

CSA Staff Notice 11-326	Cyber Security
CSA Staff Notice 43-309	Review of Website Investor Presentations by Mining Issuers
CSA Staff Notice 51-312 (revised)	Harmonized Continuous Disclosure Review Program
Canadian Securities Administrators' Staff Notice 51-331	Report on Staff's Review of Executive Compensation Disclosure
CSA Staff Notice 51-333	Environmental Reporting Guidance
CSA Staff Notice 51-346	Continuous Disclosure Review Program Activities for the fiscal year ended March 31, 2016
CSA Staff Notice 52-306 (revised)	Non-GAAP financial measures
CSA Staff Notice 52-327	Certification Compliance Update
CSA Multilateral Staff Notice 58-307	Staff Review of Women on Boards and in Executive Officer Positions – Compliance with <i>Regulation 58-101 respecting Disclosure of Corporate Governance Practices</i>

CONTACTS

Les commentaires et suggestions pouvant améliorer ce rapport sont bienvenus. Pour nous en faire part ou pour obtenir des renseignements supplémentaires, veuillez communiquer avec l'une des personnes suivantes :

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