

**Autorité des Marchés financiers and New Brunswick Securities Commission Staff  
Notice on Proposed Changes to:**

***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***

**Introduction**

The Autorité des marchés financiers (AMF) and the New Brunswick Securities Commission (NBSC) are publishing for a 90-day comment period a notice that sets out the proposed substantive changes reflected in proposed amendments published by the Canadian Securities Administrators (CSA), except the AMF and the NBSC. The other CSA jurisdictions are publishing these proposed amendments today for a 90-day comment period. They are related to:

- *Regulation 52-109 respecting Certification of Disclosure in Issuers' Annual and Interim Filings* (Regulation 52-109) and
- *Policy Statement to Regulation 52-109 respecting Certification of Disclosure in Issuers' Annual and Interim Filings* (Policy Statement 52-109).

The proposed amendments relate primarily to the upcoming changeover to IFRS in Canada and need to be in place before January 1, 2011.

The AMF and the NBSC support the proposed amendments. However, because of the legal obligation to publish amending regulations simultaneously in French and English in Québec and New Brunswick, and because the French IFRS terminology is still in a state of flux, publication for comment of amending regulations in these provinces is presently not feasible. It is expected that the AMF and the NBSC will publish for comment corresponding amending regulations, in French and in English, during the first quarter of 2010. Market participants in Québec and New Brunswick are encouraged to comment on the proposed substantive changes presented in this notice, and on the amendments published by the other CSA jurisdictions, that have been posted on the websites of certain securities regulatory authorities.

This notice uses the term “proposed amendments” to refer both to the proposed amendments to Regulation 52-109 and Policy Statement 52-109 collectively, as they are being published for comment today in the other CSA jurisdictions, and to the proposed corresponding amending regulations, as they are expected to be published for comment during the first quarter of 2010 in Québec and New Brunswick.

**Background**

Regulation 52-109 sets out disclosure and filing requirements for all reporting issuers, other than investment funds. The objective of these requirements is to improve the quality, reliability and transparency of annual filings, interim filings and other materials that issuers file or submit under securities legislation.

Regulation 52-109 refers to and relies on references to existing Canadian generally accepted accounting principles (GAAP), which are established by the Canadian Accounting Standards Board (AcSB) and published in the CICA (Canadian Institute of Chartered Accountants) Handbook. Following a period of public consultation, the AcSB adopted a strategic plan to move financial reporting for Canadian publicly accountable enterprises to IFRS as issued by the International Accounting Standards Board (IASB). For financial years beginning on or after January 1, 2011, Canadian GAAP for publicly accountable enterprises will be IFRS incorporated into the CICA Handbook.

## Substance and Purpose of the Proposed Amendments

The primary purpose of these changes is to accommodate the transition to IFRS. The AMF, The NBSC and the other CSA jurisdictions (or “we”) are proposing to update the accounting terms and phrases in Regulation 52-109 to reflect the fact that, for financial years beginning on or after January 1, 2011, Canadian GAAP for publicly accountable enterprises will be IFRS incorporated into the CICA Handbook.

## Summary of the Proposed Amendments

The proposed amendments are a result of amendments to *Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency* (to be renamed *Acceptable Accounting Principles and Auditing Standards*) (Regulation 52-107) proposed to require domestic issuers to comply with IFRS. Regulation 52-107 sets out the accounting principles and auditing standards that apply to financial statements filed in a jurisdiction.

The proposed amendments will replace existing Canadian GAAP terms and phrases with IFRS terms and phrases.

### *Accounting Terms and Phrases*

The proposed amendments include new terms and phrases that are consistent with those used in IFRS and replace terms and phrases used in existing Canadian GAAP.

The proposed amendments do not reflect the impact of exposure drafts or discussion papers from the IASB prior to their adoption into IFRS. The proposed definition of IFRS in *Regulation 14-101 respecting Definitions* (Regulation 14-101) would take into account amendments made from time to time.

The proposed amendments are not intended to substantively alter securities law requirements. For example, we are proposing to replace the existing Canadian GAAP term “results of operations” with the corresponding IFRS term “financial performance”. This is intended to be a change in terminology only.

The proposed amendments also include a number of new or revised definitions. For example, we have included a definition of “financial statements” to clarify that interim financial reports should be considered when interpreting references to financial statements.

Issuers that prepare financial statements in accordance with acceptable accounting principles other than IFRS may interpret any reference in the rules to a term or provision defined, or referred to, in IFRS as a reference to the corresponding term or provision in the other acceptable accounting principles. This is clarified in section 1.6 of Policy Statement 52-109.

### *Amendments from Regulation 52-107*

Proposed changes to other CSA rules, including Regulation 52-107 and Regulation 14-101, are being published for comment concurrently with this notice.

Even though the proposed amendments replace existing Canadian GAAP terms and phrases with IFRS terms and phrases, the proposed amendments include references to “Canadian GAAP”. This is because Regulation 14-101 will continue to define “Canadian GAAP” to mean generally accepted accounting principles determined with reference to the CICA Handbook. Once the AcSB incorporates IFRS into the Handbook, the Handbook will contain two versions of Canadian GAAP for publicly accountable enterprises:

- IFRS for financial years beginning on or after January 1, 2011 (the mandatory effective date) (proposed Part I of the Handbook), and

- the standards constituting Canadian GAAP before the mandatory effective date (proposed Part IV of the Handbook).

### Transition

After the IFRS changeover date on January 1, 2011, non calendar year-end issuers will continue to prepare financial statements in accordance with existing Canadian GAAP until the start of their new financial year. To accommodate for this, we are proposing to include transition provisions in Regulation 52-109 and the amendment regulation that provide that the proposed amendments only apply to periods relating to financial years beginning on or after January 1, 2011. Thus, during the transition period,

- issuers filing financial statements prepared in accordance with existing Canadian GAAP will be required to comply with the version of Regulation 52-109 that contains existing Canadian GAAP terms and phrases.
- issuers filing financial statements that comply with IFRS will be required to comply with the version of Regulation 52-109 that contains IFRS terms and phrases.

After the transition period all issuers will be required to comply with the version of Regulation 52-109 that contains IFRS terms and phrases.

To further assist issuers and their advisors and to increase transparency, during the transition period certain jurisdictions will post two different unofficial consolidations of Regulation 52-109 on their websites:

- The existing version of Regulation 52-109 that contains existing Canadian GAAP terms and phrases, which applies to reporting issuers in respect of periods relating to financial years beginning before January 1, 2011.
- The new version of Regulation 52-109 that contains IFRS terms and phrases, which applies to reporting issuers in respect of periods relating to financial years beginning on or after January 1, 2011.

### Comments

We request your comments on the proposed amendments outlined above. Please provide your comments in writing by December 24, 2009. If you are not sending your comments by email, an electronic file containing the submissions should also be provided (Windows format, Word).

Deliver your comments **only** to the following address. Your comments will be distributed to the other participating CSA member jurisdictions.

Anne-Marie Beaudoin, Corporate Secretary  
 Autorité des marchés financiers  
 Tour de la Bourse  
 800, square Victoria  
 C.P. 246, 22e étage  
 Montréal, Québec, H4Z 1G3  
 Fax: (514) 864-6381  
 E-mail: consultation-en-cours@lautorite.qc.ca

Please note that comments received will be made publicly available and posted at [www.osc.gov.on.ca](http://www.osc.gov.on.ca) and the websites of certain other securities regulatory authorities. We cannot keep submissions confidential because securities legislation in certain provinces requires that a summary of the written comments received during the comment period be published.

## Questions

Please refer your questions to any of:

Sylvie Anctil-Bavas  
Chef comptable  
Autorité des marchés financiers  
(514) 395-0337 ext. 4291  
sylvie.anctil-bavas@lautorite.qc.ca

Louis Auger  
Analyste en valeurs mobilières  
Autorité des marchés financiers  
(514) 395-0337 ext. 4383  
louis.auger@lautorite.qc.ca

Pierre Thibodeau  
Senior Securities Analyst, Regulatory Affairs  
New Brunswick Securities Commission  
(506) 643-7751  
pierre.thibodeau@nb-sc-cvmnb.ca

**September 25, 2009**