



Canadian Securities Administrators
Autorités canadiennes en valeurs mobilières

CSA Notice of Publication

Regulation to amend Regulation 52-112 respecting Non-GAAP and Other Financial Measures Disclosure

October 15, 2026

Introduction

The Canadian Securities Administrators (the **CSA** or **we**) are publishing in final form amendments¹ to:

- *Regulation 52-112 respecting Non-GAAP and Other Financial Measures Disclosure* (the **Amendments**)

and changes to:

- *Policy Statement to Regulation 52-112 respecting Non-GAAP and Other Financial Measures Disclosure* (the **Changes**).

The CSA, except for the Ontario Securities Commission, are also publishing in final form a consequential amendment to:

- *Regulation 11-102 respecting Passport System* (the **Consequential Amendment**),

(collectively, the **Final Materials**).

In certain jurisdictions, Ministerial approvals are required for the Amendments and for the Consequential Amendment. Provided all necessary Ministerial approvals are obtained, the Final Materials will become effective on December 29, 2026. Where applicable, an annex to this notice provides information about each of the jurisdiction's approval processes.

The text of the Final Materials is published with this notice and will also be available on the websites of CSA jurisdictions, including:

www.lautorite.qc.ca

www.asc.ca

www.bcsc.bc.ca

<https://nssc.novascotia.ca/>

www.fcnb.ca

www.osc.ca

¹ The BC Securities Commission (BCSC) is not publishing this notice announcing the advance notice of the anticipated adoption of the Final Materials (as defined in the notice) at this time. Staff of the BCSC anticipate doing so following the British Columbia provincial election.

www.fcaa.gov.sk.ca
www.mbsecurities.ca

Substance and Purpose

Further to a new IFRS® Accounting Standard, IFRS 18 *Presentation and Disclosure in Financial Statements* (**IFRS 18**), which requires disclosure of management-defined performance measures (**MPMs**) in a note to the financial statements, the Amendments primarily seek to ensure that such measures, which have historically been subject to the requirements of *Regulation 52-112 respecting Non-GAAP and Other Financial Measures Disclosure* (**Regulation 52-112**), remain subject to its requirements.

In addition, the Amendments:

- Require that additional subtotals are disclosed outside of the financial statements with appropriate context;
- Allow incorporation by reference of certain information to the notes to the financial statements, under certain circumstances, to avoid duplicative disclosure;
- Codify and consolidate existing exemptions currently found in blanket orders as well as Ontario Rule 52-503 that provide relief to certain issuers from certain requirements of Regulation 52-112 (other than British Columbia's existing blanket order, BC Instrument 52-513, which will continue to apply).

The Amendments address, in a narrow-scope manner, the consequences arising from IFRS 18 on Regulation 52-112 and aim to minimize disruption to existing disclosure practices. Under the Amendments, issuers will not be required to materially change their reporting practices for non-GAAP financial measures disclosed outside the financial statements.

The Changes provide guidance on how we will interpret and apply the Amendments.

The Consequential Amendment will allow any applications pertaining to Regulation 52-112 to be made under the passport system.

Background

On May 27, 2021, the CSA published Regulation 52-112 and *Policy Statement to Regulation 52-112 respecting Non-GAAP and Other Financial Measures Disclosure* (**Policy Statement 52-112**). Together, they address stakeholder demands, including reducing uncertainty regarding issuers' disclosure obligations and investors' need for consistent, transparent, and high-quality disclosure for certain financial measures presented outside of financial statements, such as non-GAAP financial measures.

On April 9, 2024, the International Accounting Standards Board (**IASB**) issued IFRS 18, which is effective for annual reporting periods beginning on or after January 1, 2027. Among other things, IFRS 18 requires entities to disclose information about certain financial measures in a note to the financial statements, when specific criteria in IFRS 18 are met (e.g., if an entity uses such measures in public communications *outside* financial statements – such as MD&A, earnings release, investor presentations).

Currently, such financial measures are disclosed outside the financial statements as non-GAAP financial measures. In developing the requirements for MPMs, the IASB and its staff acknowledged that in many jurisdictions, public entities have existing systems and processes in place to monitor and control their public communications to comply with laws and regulations – that regulate from the *onset* the type of information permitted to be provided to the market, such as those relating to non-GAAP financial measures – and that existing regulatory requirements for non-GAAP financial measures, if any, would continue to apply in regulated documents, even if those financial measures are identified as MPMs in a note to the financial statements.

Accordingly, in a Canadian reporting issuer context, for a financial measure to be an MPM it must *first* be disclosed *outside* financial statements and therefore comply with securities legislation, most notably Regulation 52-112 *before* it is disclosed as an MPM in a note to the financial statements.

Since Regulation 52-112 currently defines a non-GAAP financial measure as, among other things, a financial measure that is *not* disclosed in the financial statements of the entity, without the Amendments, many measures that have historically been considered non-GAAP financial measures (e.g., adjusted net income, adjusted EBITDA) would no longer meet the definition of a non-GAAP financial measure in Regulation 52-112 if those measures are disclosed in the financial statements as MPMs under IFRS 18. Therefore, without the Amendments, those measures would not be subject to the disclosure requirements in Regulation 52-112 when disclosed outside of the financial statements.

The disclosure requirements for MPMs in IFRS 18 are not inconsistent with the disclosure requirements for non-GAAP financial measures in Regulation 52-112. To reduce duplicative disclosures, the Amendments allow incorporation of information by reference to the notes to the financial statements if such notes contain the information required by Regulation 52-112.

In addition, to promote connectivity with IFRS 18, which requires an additional subtotal presented on the face of a primary financial statement, such as the statement of profit or loss, to be displayed no more prominently than the totals and subtotals required by IFRS Accounting Standards (e.g., operating profit), the Amendments include a similar requirement when such an additional subtotal is disclosed *outside* the financial statements. This disclosure will, among other things, help ensure investors are provided with appropriate context when such a financial measure is disclosed outside the financial statements.

For clarity, the Amendments are focused on disclosures *outside* the financial statements. Nothing in the Amendments changes or overrides the requirements of IFRS Accounting Standards.

Summary of written comments received by the CSA

On November 13, 2025, the CSA published for comment draft amendments to Regulation 52-112, draft changes to Policy Statement 52-112 and a draft consequential amendment to *Regulation 11-102 respecting Passport System* (collectively, the **Draft Amendments**).

The comment period ended on February 11, 2026. During the comment period, we received 9 comment letters.

We have considered the comments received and thank the commenters for their input. The commenters' names and a summary of their comments, together with our responses, are contained in Annex A of this notice.

Summary of changes to the Draft Amendments

We have revised some provisions of the Draft Amendments to provide more clarity further to certain of the comments received and to improve or clarify drafting. These revisions are explained in further detail in Annex A of this notice.

Provided all necessary Ministerial approvals are obtained, the Final Materials will become effective on December 29, 2026.

Possible Future Developments

We are aware that the IASB is exploring whether to require the disclosure in the notes to the financial statements of other historically considered non-GAAP financial measures, beyond MPMs (as currently defined), such as certain cash-flow non-GAAP financial measures (e.g., free cash flow).

Since there is no certainty on the direction of the IASB work, the Amendments have not taken these potential future developments into consideration, resulting in a narrow amendment to the definition of “non-GAAP financial measure” based on the known changes to IFRS Accounting Standards.

We will continue to monitor developments in this area and will assess whether future amendments to Regulation 52-112 are required.

Withdrawal of Notice

We are withdrawing CSA Staff Notice 52-306 (Revised) *Non-GAAP Financial Measures*, which should no longer be relied on in light of the requirements of Regulation 52-112 and guidance contained in Policy Statement 52-112.

Local Matters

Where applicable, an additional annex is being published in any local jurisdiction that is making related changes to local securities laws, including local notices or other policy instruments in that jurisdiction. It also includes any additional information that is relevant to that jurisdiction only.

Blanket orders pertaining to Regulation 52-112 (other than British Columbia’s existing blanket order, BC Instrument 52-513) as well as Rule 52-503 in Ontario, will be rescinded or withdrawn, or automatically expire, upon adoption of the Amendments. BC Instrument 52-513 will continue to apply, ensuring uniformity in the application of the existing exemption for issuers across Canada. Where necessary, the additional annex rescinds or withdraws the local blanket orders or local rule.

Contents of Annexes

- Annex A: List of Commenters, Summary of Comments and CSA Responses
- Annex B: Local Matters

Questions

Please refer your questions to any of the following:

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Annex A

List of Commenters, Summary of Comments and CSA Responses

List of Commenters

1. Accounting Standards Board of Canada
2. Canadian Advocacy Council of CFA Societies Canada
3. Canadian Bankers Association
4. Cenovus Energy Inc.
5. Deloitte LLP
6. Ernst & Young LLP
7. Intact Financial Corporation
8. KPMG LLP
9. PricewaterhouseCoopers LLP

Summary of Comments and CSA Responses

Summarized Comments	CSA Responses
General support for the Proposed Amendments	
All commenters expressed general support for the objectives and approach of the Proposed Amendments.	We thank the commenters for their support.
Definition of “management-defined performance measure”	
Inclusion of MPM in the definition of “Non-GAAP financial measure” Seven commenters expressed support for the inclusion of MPM within the definition of “Non-GAAP financial measure”, noting that this reinforces that MPMs, by their nature, are not specific measures required by IFRS. One commenter recommended including direct acknowledgment in Regulation 52-112 that MPMs are, first and foremost, considered non-GAAP financial measures when disclosed outside the financial statement.	When preparing the Proposed Amendments, we did consider both options (i.e. including MPM in the definition of “Non-GAAP financial measure” and having non-GAAP financial measure requirements apply to MPMs, or alternatively creating a new definition for MPM and including specific requirements that mirror those for non-GAAP financial measures). Given the nature of MPMs, we made the decision to continue considering them as non-GAAP financial measures, although we acknowledge the alternate view.
Stand-alone definition for MPM One commenter would have preferred a standalone defined term for MPM with consequential amendments in Regulation 52-112 since MPMs are subject to a comprehensive accounting framework and will be subject to audit. To improve clarity and accessibility, this commenter thought that it would be helpful for the definition of MPM to be included directly	

Summarized Comments	CSA Responses
in Policy Statement 52-112 (using a “as amended from time to time” qualifier) rather than referring to the accounting definition. One commenter recommended creating a distinct category for MPMs with disclosure requirements that mirror those of non-GAAP financial measures since incorporating MPMs directly into the “Non-GAAP financial measure” definition will conceptually conflict with what some would view to be a reasonable interpretation that MPMs are GAAP.	
Requirements when management rebuts the MPM’s presumption One commenter suggested that a brief commentary be provided to clarify application of the requirements when management rebuts the presumption that a measure is a MPM to help issuers apply them consistently.	We note that if management rebuts the presumption, the measure would normally not be disclosed in the financial statements and as such would still meet the definition of “Non-GAAP financial measure” when disclosed outside the financial statements. In our view, Regulation 52-112 and Policy Statement 52-112 are sufficiently clear on this point.
Additional subtotals	
Definition of “additional subtotal” and applicable requirements – general One commenter expressed support for the definition and requirements. One commenter requested removal of the broad concept of additional subtotal. In its view, the definition is too broad and risks unintentionally capturing common bank subtotals, causing inconsistent application and reader confusion. The commenter recommended narrower and more specific guidance that clarifies the intended scope (i.e. non-standard subtotals) and required disclosure. To avoid confusion and promote consistency, one commenter suggested aligning the definition of “additional subtotal” with paragraph 24 of IFRS 18 and providing illustrative guidance or examples that explain how any differences should be reconciled. One commenter believed that clarity should be provided around whether additional subtotals in the statement of performance that are not those required	We thank the commenters for their views. We have made no changes to the definition and requirements in Regulation 52-112 but have provided additional guidance in Policy Statement 52-112 to: - confirm that a financial measure meeting the definition of a MPM is a specified financial measure and therefore does not meet the definition of an additional subtotal; - address expectations with respect to prominence requirements for

Summarized Comments	CSA Responses
under IFRS accounting standards or specified in paragraph 118 of IFRS 18 and that are MPMs are also non-GAAP financial measures that would be subject to the Proposed Amendments. One commenter mentioned that it would be helpful to clarify whether additional line items and subtotals meeting the requirements of paragraph 24 of IFRS 18 would continue to be viewed as GAAP measures outside the financial statements.	additional subtotals.
Prominence requirement for additional subtotals One commenter expressed support for the requirement. One commenter suggested clarifying that the presentation prominence requirement applies to additional subtotals only to the extent those subtotals do not meet the definition of MPM and adding an illustrative example or brief guidance explaining how the prominence requirement interacts with MPMs.	
Disclosure requirements for additional subtotals One commenter expressed support for the requirements. One commenter requested that we clarify the distinction between “disclosed” and “presented” in section 11.1 of Regulation 52-112.	We thank the commenter for their input and we note that section 11.1 of Regulation 52-112 is drafted in a consistent way with the other provisions of this rule and therefore no clarification was considered necessary.
Incorporation by reference	
Incorporation by reference to the notes to the financial statements to avoid duplicative disclosure for MPMs Two commenters expressed support for this accommodation. One commenter noted that incorporation by reference can reduce accessibility and disclosure effectiveness as investors must navigate multiple documents to get a clear view of the composition of non-GAAP ratios or may lead issuers to repeat the same information to be transparent.	We thank the commenters for their views. We continue to think that incorporation by reference is an important tool to avoid duplicative disclosure and reduce regulatory burden.
Incorporation by reference into earnings releases One commenter asked that we allow incorporation by reference from earning releases to the MD&A or the notes to the financial statements or permit	We have retained the prohibition from incorporating by reference information if the document that contains the specified financial

Summarized Comments	CSA Responses
incorporation by reference for MPMs from all documents (including earning releases and MD&As) to the notes to the financial statements.	measure is an earnings release since earnings releases are one of the most critical documents relied upon by investors and where the use of specified financial measures is generally most prevalent.
'Two-step' reconciliation	
'Two-step' reconciliation – general One commenter suggested that we should clarify whether an intermediate measure used in the first step of the reconciliation is to be also treated as a non-GAAP financial measure, considering both scenarios where the intermediate measure is a subtotal specified in paragraph 118 of IFRS 18 and where the intermediate measure is not. One commenter expressed concern that 'two-step' reconciliation may generate unintended non-GAAP financial measures and sought clearer guidance on when intermediate subtotals in reconciliations become non-GAAP financial measures. One commenter requested that we provide examples of 'two-step' reconciliations showing how additional subtotals could be incorporated into a two-step reconciliation.	We acknowledge the potential confusion or unintended consequences. We therefore revised the policy statement guidance on the 'two-step' reconciliation by removing such guidance. We note that 'two-step' reconciliation is not mandatory and is already used by issuers without identified material application issues. Issuers are reminded that any specified financial measure or additional subtotal used as an intermediate measure in a 'two-step' reconciliation, must comply with Regulation 52-112 if it is disclosed outside the financial statements.
'Two-step' reconciliation – SEC issuers One commenter warned of possible conflict with SEC rules and encouraged cautionary language to avoid conflict for SEC issuers opting for 'two-step' reconciliation.	
Other comments – specific items	
Combinations of line items One commenter recommended that we clarify that combinations of line items could be non-GAAP financial measures unless disclosed in the notes to financial statements other than in MPM disclosure.	We agree with this comment. We have clarified in Policy Statement 52-112 that a financial measure calculated by combining financial information that originates from different line items from the primary financial statements would meet the definition of a non-GAAP financial measure if the

Summarized Comments	CSA Responses
	measure depicts financial performance, financial position or cash flow, unless that resulting measure is separately disclosed in the notes to the financial statements other than in the management-defined performance measure note.
Non-recurring items One commenter suggested that we expand guidance to include • a clearer definition of “non-recurring” to promote consistency and reduce interpretive differences between IFRS 18 and Regulation 52-112, • an expectation that issuers disclose their internal policy for determining whether an adjustment is considered non-recurring, and • clarification on how issuers should address situations where the probability of recurrence changes over time, including whether adjustments should be revised retrospectively or prospectively.	The Amendments primarily seek to ensure that measures that have historically been subject to the requirements of Regulation 52-112 remain subject to its requirements. We are of the view that the guidance in Policy Statement 52-112 relating to the composition and the changes in composition, when considered as a whole, is sufficiently clear in respect of how issuers should address changes in probability of recurrence over time. On that basis, while acknowledging the comment, we do not intend to provide further guidance at this time around the concept of “non-recurring”.
Non-GAAP ratios One commenter noted that ratios do not meet the definition of MPM under IFRS 18, but their numerators or denominators may. In such cases, the related disclosure requirements would apply, and issuers may refer to the ratio when explaining the usefulness of the MPM component. The commenter asked that we provide clarification to support consistent application.	We have amended the anti-avoidance guidance in Policy Statement 52-112 to clarify that we expect that an issuer will apply the requirements of Regulation 52-112 pertaining to non-GAAP ratios to a financial measure disclosed or referred to in the notes to the financial statements in the circumstances disclosed in the guidance if the other conditions set out in the

Summarized Comments	CSA Responses
	definition of non-GAAP ratio apply to such measure.

Misleading MPMs One commenter emphasized the need for clarity on when MPMs could be viewed as misleading.	Misleading information is a concern for regulators when assessing the overall quality of the issuer's disclosures under securities legislation. However, assessing whether disclosure is misleading under securities legislation is specific to each situation.
Other comments – general	
Post-implementation review One commenter recommended that we conduct a post-implementation review after IFRS 18 adoption.	We acknowledge this comment, and we will consider whether and to what extent a review is necessary at a later date.
Alignment with the IASB and other regulators One commenter suggested that in future work and in dialogue with the IASB and other regulators we promote better alignment on where MPMs and non-GAAP financial measures should be disclosed to enhance disclosure effectiveness, transparency and comparability, especially in industry contexts (e.g., insurance) where such measures are widely used and well-understood. One commenter mentioned that we should maintain future flexibility as IFRS evolves (e.g. IASB exploring extension of MPM-like requirements) and engage proactively with the IASB on potential scope conflicts.	We thank the commenters for their views. We will continue to proactively engage in dialogue with the standard-setters and international regulatory bodies and will also closely monitor IASB developments on issues that can materially affect Canadian capital markets. We note that Regulation 52-112 does not contain specific limitations or industry-specific requirements due to the numerous types of ever-evolving financial measures disclosed across a range of industries.
Regulation 52-112 simplification One commenter recommended that we take the opportunity to consider further amendments to Regulation 52-112 to simplify non-GAAP financial measure disclosure requirements.	We acknowledge the view expressed by the commenter. However, such initiative is out of scope for this policy project.

Wider regulatory review Three commenters suggested that the CSA conduct a comprehensive review of potential conflicts arising from IFRS 18 and the withdrawal of IAS 1 and prioritize updates across regulations and staff notices.	We will continue to ascertain whether IFRS 18 impacts other CSA regulations or guidance.
Machine-readable financial disclosure One commenter recommended that we advance structured, machine-readable disclosure (iXBRL) and modernize SEDAR+ infrastructure to support structured data ingestion and analytics.	We acknowledge the view expressed by the commenter. However, such initiative is out of scope for this policy project.

Annex B

Local Matters

The Autorité des marchés financiers is withdrawing DÉCISION N° 2021-PDG-0065 *Décision générale relative à une dispense de certaines obligations du Règlement 52-112 sur l'information concernant les mesures financières non conformes aux PCGR et d'autres mesures financières* effective December 29, 2026.