

November 29, 2023

VIA EMAIL

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
Office of the Superintendent of Securities, Service NL
Northwest Territories Office of the Superintendent of Securities
Office of the Yukon Superintendent of Securities
Superintendent of Securities, Nunavut

The Secretary
Ontario Securities Commission
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Me Philippe Lebel
Corporate Secretary and Executive Director, Legal Affairs
Autorité des marchés financiers
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Re: *CSA Notice and Request for Comment – Proposed Amendments to National Instrument 44-102 Shelf Distributions Relating to Well-known Seasoned Issuers (the “Proposal”)*

The Canadian Advocacy Council of CFA Societies Canada¹ (the “CAC”) appreciates the opportunity to provide the following general comments on the Proposal.

¹ The CAC is an advocacy council for CFA Societies Canada, representing the 12 CFA Institute Member Societies across Canada and over 20,000 Canadian CFA Charterholders. The council includes investment professionals across Canada who review regulatory, legislative, and standard setting developments affecting investors, investment professionals, and the capital markets in Canada. Visit www.cfacanada.org to access the advocacy work of the CAC.

CFA Institute is the global association of investment professionals that sets the standard for professional excellence and credentials. The organization is a champion of ethical behavior in investment markets and a respected source of knowledge in the global financial community. Our aim is to create an environment where investors' interests come first, markets function at their best, and economies grow. There are over 200,000 CFA® charterholders worldwide in 160 markets. CFA Institute has ten offices worldwide, and there are 160 local societies. For more information, visit www.cfainstitute.org or follow us on LinkedIn and Twitter at @CFAInstitute.



We are in broad agreement with the proposed well known seasoned issuer (“**WKSI**”) regime proposed and believe the availability of this option will likely result in more cost-efficient capital raises for eligible large issuers, without introducing material new risks to investors or capital markets integrity. We believe the benefits of the Proposal largely outweigh any potential concerns, particularly given the CSA’s comment that the review of base shelf prospectuses filed by issuers which would qualify under the WKSI regime seldomly lead to the identification of any substantive deficiencies requiring regulatory intervention.

Given the CSA’s experience that base shelf prospectuses filed by would-be WKSI have been unlikely to raise any substantive deficiencies, we believe the more streamlined approach set out in the Proposal may remove unnecessary regulatory burden for large and established reporting issuers that have a strong market following and up-to-date disclosure records. We support the extension of the period to qualify as a WKSI from 12 months to three years, as set out in the Proposal. In our view, a three-year seasoning period is a more appropriate timeframe for an issuer to establish a sufficiently robust continuous disclose record to justify its characterization as a WKSI, and believe this results in the introduction of a WKSI regime that is inherently lower-risk, allowing for observation of usage by WKSI issuers and potential regulatory iteration in future.

Concluding Remarks

We believe that the adoption of a WKSI regime in Canada as set out in the Proposal is a positive step for Canada’s capital markets which will reduce regulatory burden for well-established, mature, and closely followed reporting issuers, and will contribute to more efficient capital formation in the Canadian marketplace.

We thank you for the opportunity to provide these comments and would be happy to address any questions you may have. Please feel free to contact us at cac@cfacanada.org on this or any other issue in the future.

(Signed) *The Canadian Advocacy Council of
CFA Societies Canada*

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