CFA Societies Canada

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February 11, 2026

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 of 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
Nunavut Securities Office

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**Re: CSA Notice and Request for Comment — Proposed Amendments to National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure (the "Proposed Amendments")**

The Canadian Advocacy Council of CFA Societies Canada (the "CAC")[1] appreciates the opportunity to provide comments on the Proposed Amendments to National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure ("NI 52-112"), the proposed changes to Companion Policy 52-112 (the "Proposed Changes"), and the related proposed consequential amendment to Multilateral Instrument 11-102 Passport System (collectively, the "Proposed Materials").

## Executive Summary

[1]The CAC is an advocacy council for CFA Societies Canada, representing the 12 CFA Institute Member Societies across Canada and over 21,000 Canadian CFA charterholders. The council includes investment professionals from 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.

As the global association of investment professionals, CFA Institute sets the standards for professional excellence and credentials. We champion ethical behavior in investment markets and serve as the leading source of learning and research for the investment industry. We believe in fostering an environment where investors' interests come first, markets function at their best, and economies grow. With more than 200,000 charterholders worldwide across more than 160 markets, CFA Institute has 9 offices and 158 local societies. Find us at www.cfainstitute.org or follow us on LinkedIn.

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We support the Proposed Amendments. The adoption of IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18"), effective for annual reporting periods beginning on or after January 1, 2027, will require entities to disclose management-defined performance measures ("MPMs") in the notes to the financial statements. MPMs are informational to investors and should remain subject to the disclosure requirements of securities legislation. The Proposed Amendments correctly close this gap.

The CAC has engaged with NI 52-112 since its inception. In our 2018 submission on the original proposed National Instrument, we expressed support for the creation of "a set of enforceable standards that will further meaningful disclosures to investors without unduly limiting the ability of an issuer to tell their own story."[2] In our 2020 submission on the then-revised proposed National Instrument, we reiterated that support while urging that NI 52-112's adoption should be "a milestone in an ongoing CSA policy project to improve issuer disclosures" rather than an endpoint.[3] We view the present Proposed Amendments as a necessary and timely step in that ongoing project.

While our support for the Proposed Amendments is unqualified, we wish to raise two broader considerations for the CSA's attention: the need for engagement with the IASB toward prospective needed regulatory flexibility within NI 52-112 to accommodate foreseeable developments in IFRS Accounting Standards relating to issuer disclosure, and the long-standing case for advancing structured, machine-readable financial disclosure through utility-led infrastructure.

**Support for the Proposed Amendments**

We support the amended definition of "non-GAAP financial measure" to include MPMs, and the added subsection to conform generally to terms defined under accounting principles for the purposes of this Instrument. These amendments ensure that financial measures which are informational to investors and which have been subject to NI 52-112's disclosure requirements continue to be regulated when disclosed outside the financial statements, regardless of whether they are also disclosed in the notes to the financial statements under IFRS 18. The alternative in allowing these measures to fall outside the scope of securities regulation would represent an unintended and undesirable erosion of quality of disclosure information and investor protection, as these measures are widely relied upon by investors for a wide array of purposes that both directly inform valuation but also price-setting investment decision-making.

We support the new disclosure requirements for additional subtotals disclosed outside the financial statements. The requirement that such subtotals be presented with no more prominence than the most directly comparable financial measure defined by IFRS Accounting Standards is a sensible safeguard that promotes appropriate context for investors.

We support the provisions in new subsection 5(1.1) allowing issuers to incorporate by reference the quantitative reconciliation information for MPMs from the notes to the financial statements,

[2] CAC submission to CSA on Proposed NI 52-112 Non-GAAP and Other Financial Measures Disclosure, December 5, 2018.
[3] CAC submission to CSA on Proposed NI 52-112 Non-GAAP and Other Financial Measures Disclosure, June 29, 2020.

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and to keep it consistent. This is a practical measure that reduces duplicative disclosure without diminishing investor access to the information required by NI 52-112. The Proposed Amendments support greater consistency in how performance measures are presented across financial statements, MD&A, earnings releases, and other investor communications. From an investor perspective, consistent definitions, reconciliations, and prominence across disclosure documents are essential to understanding issuer performance over time and to comparing performance across issuers. We also support the anti-avoidance guidance in the Proposed Changes to the Companion Policy. It is appropriate that the CSA clearly signals that issuers should not disclose financial measures in the notes to the financial statements for the purpose of avoiding the application of NI 52-112.

**Prospective Regulatory Flexibility**

We note that the CSA has characterized the Proposed Amendments as "narrow-scope" in that they solely address the immediate implications of IFRS 18 amendments coming into force on NI 52-112, while acknowledging that the IASB is exploring whether to extend MPM-like disclosure requirements to other non-GAAP financial measures, such as certain cash-flow measures. We encourage the CSA to remain attentive to these developments and to consider, as it finalizes the Proposed Amendments, whether greater engagement with the IASB is warranted, and whether any needed prospective flexibility can be built into NI 52-112 to accommodate foreseeable changes in IFRS Accounting Standards.

A more adaptable instrument could potentially reduce the need for successive narrow-scope amendments (each with its own policy working group and required consultation cycle) in response to incremental accounting standards developments. As we noted in 2020, NI 52-112 should serve as a foundation for the continuous improvement of issuer disclosure quality, not a static instrument that must be reactively amended with each evolution of the underlying accounting framework. We would encourage the CSA to consider potential scope conflicts that may arise as the IASB's work on non-GAAP measures/MPMs progresses, and to potentially build the regulatory flexibility necessary to address them proactively. As we've encouraged in the past, we would again encourage the CSA to conduct a post-implementation review of the amended NI 52-112 following the adoption of IFRS 18, to assess whether the amendments are operating as intended and whether further refinements are needed based on observed issuer practices and investor experience. Continued pursuit of clear, well-regulated disclosure of MPMs supports investor understanding and price formation (broadly – efficient capital markets) by reducing confusion arising from inconsistent or evolving terminology and presentation over time.

**Advancing Structured, Machine-Readable Financial Disclosure**

We wish to reiterate a position the CAC has maintained consistently since at least 2017: the CSA should advance the transition from primarily static PDF-based financial disclosures to natively machine-readable, structured data.

In our 2017 submission on NI 51-404, we expressed support for "the use of structured data protocols like Inline Extensible Business Reporting Language (iXBRL) that enhances the ability

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to analyze vast amounts of data precisely and automatically."[4] In 2018, we recommended that "regulators should further embrace the use of data and technology to enhance the utility of disclosures."[5] In our 2025 submission on the CSA's proposed access model for continuous disclosure documents, we observed that "the entirety of SEDAR+ exists to serve the needs of investors and consumers of disclosure information, yet those needs have not been sufficiently explored."[6]

The present consultation is a natural occasion to restate this position. NI 52-112 regulates the disclosure of financial measures that are central to how investors assess corporate performance and yet much of the infrastructure through which that disclosure is delivered to investors remains largely reliant on static documents filed to a system whose search and retrieval capabilities have not kept pace with investor needs or global best practices. Structured, machine-readable financial data would enable higher-quality, more consistent, and more comparable disclosure of both GAAP and non-GAAP financial measures, and associated commentary and disclosure information. It would also potentially enable embedded assurance which would represent a significant benefit for investors, auditors, and regulators alike, and contribute to market efficiency.

**We believe the mechanism for this transition should be utility-led through built-for-purpose technology rather than compliance-led through issuer-specific oversight.** The infrastructure of SEDAR+ and related systems should be developed and evolved to support ingestion (including necessary conversion) and presentation of structured data natively, rather than imposing the cost and complexity of format conversion on issuers. This is an industry-wide institutional challenge that requires the CSA to organize effectively around the development and deployment of utility technology solutions, which may require re-evaluation and reorganization as to how the CSA has previously specified, directed and governed technology solutions to be more agile and modern. It's our view that progress to date has been insufficient to meet the related regulatory goals and purposes, and we encourage the CSA to treat this as a strategic priority.

**Concluding Remarks**

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*

**The Canadian Advocacy Council of CFA Societies Canada**

[4] CAC submission to CSA on NI 51-404 Disclosure Requirements, 2017.
[5] CAC submission to CSA on NI 52-112 Non-GAAP and Other Financial Measures, December 5, 2018.
[6] CAC submission to CSA on Access Model for Certain Continuous Disclosure Documents of Non-Investment Funds, 2025.