CSA SECRETARIAT
Canadian Securities Administrators
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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

11 August 2026

Dear Secretariat and Securities Administrators,

Subject: Notice and Request for Comment- Proposed Amendments and Changes to the Issuer Bid, Take-Over Bid and Beneficial Ownership Reporting Regimes (Proposed Amendments), B.6

The International Corporate Governance Network (ICGN) appreciates the opportunity to comment on the Notice and Request for Comment on proposed Amendments and Changes to Instruments and Policies which have been proposed by the Canadian Securities Administrators (CSA).[1] ICGN values the mission of the CSA to develop a harmonized approach to securities regulation across the country and ensure the smooth operation of Canada's securities industry. Our members are invested in Canadian companies across the territories and provinces, and we believe that consistency of regulatory approaches is beneficial.

Led by investors responsible for assets under management of >US$100 trillion, ICGN is an authority on global standards of corporate governance and investor stewardship. Headquartered in London, our membership is based in more than 40 countries. ICGN's

[1] CSA Notice and Request for Comment – Proposed Amendments and Changes to the Issuer Bid, Take-Over Bid and Beneficial Ownership Reporting Regimes

Global Governance Principles and *Global Stewardship Principles*, written from an investor perspective, are widely used by our members in their company assessments and voting decisions, and by regulators when developing corporate governance rules.

We are providing comments on one proposed change that is important for investors and one of the listed purposes for the proposed Changes. We have not commented on all the Proposed Amendments and Changes.

The changes to the Early Warning Reporting Regime should not create a chilling effect on shareholder communications and should define beneficial ownership relationships that are formed to "act in concert".

We are concerned that the proposed changes to the Early Warning Reporting (EWR) regime for joint actors could discourage shareholder communication which would trigger disclosures under the regulations.

- The changes would expand those situations where a joint actor relationship is deemed to arise or expand the scope of investor relationships subject to disclosure requirements.
- This may limit effective investor communication, risking the important feedback loop between companies and their shareholders.
- There is also a risk that it may encourage defensive tactics by companies, particularly those facing shareholder challenges.

We believe that the proposed Amendments would benefit from a clear definition of what may constitute "acting in concert" or when two or more persons may communicate and engage with an issuer without triggering a filing. Such clarity would provide investors and issuers with the ability to exchange information and communicate effectively and require reporting only when there is actual coordination amongst two or more investors.

As a frame of reference, ICGN commented on proposed changes by the U.S. Securities and Exchange Commission with a similar focus. As mentioned in the CSA's Request for Comments, the U.S. Securities and Exchange Commission (SEC) proposed amendments to the beneficial ownership reporting requirements in 2022. The SEC's proposed rules would have "deemed holders of certain cash settled derivatives as beneficial owners of the reference securities for the purposes of that regime, including for determination of the reporting trigger".[2] Also noted in the CSA's release, the SEC did not adopt the proposal for several reasons, including concerns raised by commenters, the lack of evidence whether there was an actual problem to be solved, the rules would be difficult to administer, and compliance would be challenging. Some commenters were also concerned that the proposal might limit active investment strategies.[3]

In ICGN's comment letter to the SEC, we expressed concern that the proposed rules' "current lack of clarity may cause investors to be subject to the requirements of the Exchange Act and further regulations when they are simply attempting to engage in a dialogue with an issuer, as they fulfil their fiduciary and stewardship obligations". We have a similar concern with the CSA's proposed changes.

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[2] SEC, Modernization of Beneficial Ownership Reporting, Release Nos. 33-11030; 34-94211 (February 10, 2022).
[3] SEC, Modernization of Beneficial Ownership Reporting, Release Nos. 33-11253; 34-98704 (October 10, 2023) at 109-110.

Ultimately, the SEC adopted a guidance-based approach to determine whether the holder of any cash settled derivative security was the beneficial owner would depend on the relevant facts and circumstances.[4] While the "SEC adopted other changes to the U.S. beneficial ownership reporting regime, it did so noting that those changes were not intended to discourage activism, but rather to ensure that investors receive material information in a timely manner while maintaining an appropriate balance between issuers of securities and the shareholders who seek to exert influence or control over issuers".[5] ICGN indicated that the SEC's revised rule helped clarify when two or more persons may communicate, consult with one another, and engage with an issuer without concern that they will be subject to regulation as a group with respect to the issuer's equity securities.[6]

Any review of "burdensome regulations" should take investors views into consideration.

One of the disclosed purposes of the proposed Amendments and Changes is to reduce regulatory burdens for companies. Whilst we appreciate that reporting can seem like a burden for companies from time to time, the required disclosures are the lifeblood of the capital markets for investors. Investors need information and are willing to bear the costs associated with reporting because timely, reliable financial information is fundamental to informed capital allocation and efficient markets.

We are not in favour of unnecessary costs and burdens of regulation, however, investors understand there are necessary regulatory and reporting related costs that are associated with being a public company. The trust and transparency on which the effective functioning of the market depend require a certain level of investment from companies and therefore their investors. Any reduction in reporting requirements may lower costs and burdens for issuers initially, but it does so by reducing transparency, increasing information asymmetries, and transferring costs and risks to investors.

Thank you again for the opportunity to share our perspective on the proposed Amendments and Changes. If you would like to follow up with questions or comments, please contact me or our Senior Advisor- Americas, Carol Nolan Drake (carol.nolandrake@icgn.org).

Yours faithfully,

Jen Sisson

Jen Sisson

Chief Executive Officer, ICGN

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[4] Ibid at 110-112.
[5] Ibid at 236.
[6] 11. ICGN Letter to SEC on Beneficial Ownership Reporting.pdf, 27 June 2023.