The Honourable 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

12 November 2026

Dear Secretariat and Securities Administrators,

Subject: CSA Consultation Paper 51-406, Modernizing the Regulation of Public Companies

The International Corporate Governance Network (ICGN) appreciates the opportunity to comment on the **CSA Consultation Paper 51-406, Modernizing the Regulation of Public Companies.**[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. We believe that the Canadian focus on consistency of regulatory approaches between the territories and provinces is beneficial for global investors.

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 *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.

[1] CSA Consultation Paper 51-406 Modernizing the Regulation of Public Companies - Canadian Securities Administrators

In line with your request for comment, we offer views on:

- Opportunities to streamline and clarify material change reporting.
- Our perspectives on recent developments in the United States.
- How regulatory cost assessments must consider the cost and burden on investors, as well as on their investee companies.

Opportunities to streamline and clarify material change reporting.

We appreciate the CSA's interest in clarifying how companies should report material changes to their investors. We understand that the corporate reporting of material changes can seem to require duplicative reporting under different regulatory schemes and forms. We support simpler reporting, provided investors continue to receive the information they need. Clearer requirements would benefit both companies and investors.

- Materiality should be assessed from an investor's perspective. Information is material if it could influence a reasonable investor's investment or voting decisions. Companies should consider what investors need to know when making this assessment. Any changes to material change reporting should reflect this principle.
- We support reducing duplication and boilerplate disclosure. However, reforms should improve reporting quality and retain the material information investors need.
- Investors need timely information about significant events and risks. This includes events that have affected, or could affect, a company's operations, financial position or capital. Companies should disclose material risks so investors can make informed investment and voting decisions.
- In line with our recent comments to the US Securities and Exchange Commission (US SEC), we would encourage the CSA to back away from considering changes to reporting material changes based on the size of a company, the length of time it has been a public company, or using a fragmented approach across company sectors and industries to identify material change reporting. Company size or public float is an important indicator for the capital markets, however, it should not trigger less reporting rigour for investors.

Developments in the United States: How changes to the fundamental requirements in periodic reporting, capital raising and disclosure in the U.S. should inform the Canadian approach.

ICGN has commented extensively on the US SEC's proposed reforms this year. In each of our letters to the US SEC, we have stressed:

- Investor protection and capital formation should not be viewed as competing objectives. They are mutually reinforcing. Investors provide capital because they have confidence that public companies are subject to robust disclosure requirements, independent oversight, and meaningful accountability mechanisms. Reliable corporate reporting enables investors to assess risk, allocate capital efficiently, and exercise informed stewardship.

- We are supportive of encouraging more companies to access and remain in the US public markets. Strong public markets benefit companies seeking capital, investors allocating long-term savings, and the wider economy.

- We also recognise that regulation should evolve as markets develop and that unnecessary complexity and duplication should be reduced wherever possible. We are therefore supportive of sensible modernisation that streamlines regulation without reducing the quality of information available to investors. We have consistently supported reforms that improve efficiency, eliminate unnecessary compliance costs, and make disclosures more useful.

- We acknowledge that the CSA's proposal on semiannual reporting is notably narrower than the SEC's proposal to allow issuers to adopt optional semiannual reporting. We appreciate the question on the scope of the existing voluntary pilot and whether it should be expanded rather than moving to eliminate quarterly reporting on a broader scale.

  For perspective on the SEC's proposed rule, ICGN was opposed to any changes in the cadence of quarterly reporting to provide for optional semiannual reporting. In our comment letter[2], we expressed our concerns. Investors are willing to bear the costs associated with periodic quarterly reporting because timely, reliable financial information is fundamental to informed capital allocation and efficient markets. Any reduction in reporting frequency may lower compliance costs for issuers but it does so by reducing transparency, increasing information asymmetries, and transferring costs and risks to investors. We opposed any proposal that would dilute the reliability of quarterly reporting, regardless of company size. Investors recognise the significant value of maintaining regular mandatory quarterly reporting, particularly its contribution to market discipline and transparency.

- We expressed concerns to the US SEC with the proposed removal of core investor protections in the Simplification of Filer Status and Accommodations rule proposal. In our comment letter[3], we encouraged the US SEC to retain these requirements for all reporting companies, regardless of filer status. We were particularly concerned with proposed changes that would remove disclosures and governance mechanisms that are fundamental to informed investment and voting decisions, including:

  - Requirement to obtain an auditor's attestation of their internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act;
  - Say-on-pay and say-on-frequency advisory shareholder votes;
  - Pay-versus-performance disclosure; and
  - the Compensation Discussion and Analysis (the CD&A) for executive compensation analysis.

- We pointed out, in our responses to the US SEC's Strategic Plan and the request for ideas to update Regulation S-K,[4] that prudent rulemaking could strengthen the capital markets, but only if it preserves strong investor protections and robust disclosure standards based in "materiality", provides clear regulatory oversight, and upholds the meaningful shareholder rights on which those markets depend.

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[2] 31.-ICGN-Response-to-SEC-Optional-Semiannual-Reporting-July-2026.pdf, 6 July 2026.
[3] 35.-ICGN-Final-Response-to-SEC-Filer-Status-and-Accommodations.pdf, 20 July 2026.
[4] ICGN Comment Letters on the Commission's Strategic Plan and ideas for Reg S-K, 29.-ICGN-SEC-Strategic-Plan-Comment-Letter.pdf, 30 June 2026; 15.-ICGN-SEC-Comment-Letter-on-Reg-S-K.pdf, 13 April 2026.

Because of the comments provided to the US SEC, we encourage the CSA not to dilute the quality of material information or to weaken shareholder protections. While proposed reforms in the US have been proposed as an attempt to encourage more companies to go and remain public, we believe that the proposed changes will have a chilling effect on the disclosures that investors need to discern risks and make informed investment decisions. Ultimately, the changes may have a negative effect on the attractiveness of companies seeking capital. Investors depend on timely, reliable, and comparable information and clear, stable shareholder rights and protections. Weakening them increases uncertainty, which can reduce investor confidence and ultimately increase the cost of capital.

Regulatory cost assessments must consider the cost and burden on investors, as well as on their investee companies.

The US SEC and regulators in other markets are seeking to simplify regulation and reduce costs for companies.

- We believe they must also consider the costs to investors when useful information is reduced or lost.
- Investors recognise that they ultimately bear the costs of company reporting and are willing to do so because timely, reliable financial information is essential to informed capital allocation and efficient markets.
- We support removing unnecessary costs and duplication. However, reporting is a necessary part of being a public company, and investors recognise its value in building trust and transparency.
- We would support simpler material change reporting if it reduces duplicate filings and costs while preserving the quality and timeliness of the information investors receive.

Thank you again for the opportunity to share our perspective on the Consultation Paper. 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

Chief Executive Officer, ICGN