

December 26, 2022

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  
Superintendent of Securities, Newfoundland and Labrador  
Superintendent of Securities, Northwest Territories  
Superintendent of Securities, Yukon Territory  
Superintendent of Securities, Nunavut

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Me Philippe Lebel  
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Autorité des marchés financiers  
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Dear Sirs/Mesdames,

**Re: CSA Request for Comment – Proposed Amendments and Proposed Changes to Implement an Access-Based Model for Investment Fund Reporting Issuers**

On behalf of Advocis, The Financial Advisors Association of Canada, we are pleased to provide our comments to the Canadian Securities Administrators (“CSA”) in regard to the proposed amendments and changes to implement an access-based model for investment fund reporting issuers (“Proposed Amendments”).

**1. ABOUT ADVOCIS**

Advocis is the association of choice for financial advisors and planners. With over 17,000 member-clients across the country, we are the definitive voice of the profession. Advocis champions professionalism, consumer protection, and the value of financial advice. We

advocate for an environment where all Canadians have access to the professional advice they need.

Advocis members advise consumers on wealth management; risk management; estate, retirement and tax planning; employee benefits; and life, accident and sickness, critical illness and disability insurance. In doing so, Advocis members help consumers make sound financial decisions, ultimately leading to greater financial stability and independence. In all that they do, our members are driven by Advocis' motto: *non solis nobis* – not for ourselves alone.

## **2. OUR COMMENTS**

We continue to support the CSA's efforts in reducing the regulatory burden. We believe that an access-based model for investment fund reporting issuers can reduce burden in a meaningful way without compromising investor protection.

While we generally support the Proposed Amendments, we believe that certain aspects of this proposal can be further improved to better achieve regulators' intended goals.

### **Broadening the Scope of Designated Documents**

We are pleased to see the access-based model become the default while preserving investor's choice over delivery preferences. Technology is pervasive in modern life and using electronic means for communication platforms is no longer a barrier to access for most consumers.

We believe that an access-based model improves the investor experience as it provides them with easy, on demand access to the most current information about their investments. Under an access-based model investors would have the agency and control to opt-in to receive paper or electronic copies of designated documents, if so desired.

We recommend that regulators expand the scope of designated documents to include ETF Facts and Fund Facts documents. We recognize that these documents are helpful tools for consumers to quickly compare different investment funds. However, in practice, our members tell us that consumers rarely read these documents when they are "push delivered". Instead, clients either ask their advisor directly about what they want to know, or access these documents on demand from the internet.

Consequently, we believe that ETF Facts and Fund Facts are suitable to be included as designated documents.



## SEDAR/SEDAR+

Consumers would be better served if there was one common, well-designed and accessible source for designated documents as opposed to navigating multiple websites with unique layouts. A common and centralized location, like SEDAR, can serve as the basis of this repository.

However, given the limitations of SEDAR's current user interface, many retail investors find it difficult to navigate. We understand that phase one of SEDAR+ is scheduled to go into effect in June 2023. In developing SEDAR+ and addressing SEDAR's current shortcomings, it is important that the CSA focus on retail investors as we believe they could become a key constituency of the new service. To succeed, SEDAR+ must be intuitive for retail investors to use and be designed from investors' point of view while providing a layperson-friendly user experience.

We also recommend that SEDAR+ include a feature that sends push notifications to investors who have subscribed to certain issuers when designated documents are uploaded on the platform. Currently, SEDAR does not offer such a mechanism and some investors pay for third-party services to receive such notifications.<sup>1</sup> We believe that retail consumers would benefit from the ability to opt-in to a granular notification system. If designed and implemented properly, SEDAR+ can offer an effective mechanism for all investors to receive real time notifications along with a direct link to the designated documents of their choice.

Once SEDAR+ can effectively address investors' needs, we support mandating that issuers file designated documents on SEDAR+ while removing the redundant requirement to also file documents on issuers' websites.

## News Release

We do not believe that posting a news release announcing the availability of designated documents should be a regulatory requirement. This creates unnecessary regulatory burden and seems to be inconsistent with the reality of how and where investors get their news. The effectiveness of a news release in communicating important information to retail investors is also unclear.

Unlike institutional investors that have the capacity to regularly monitor newswires, retail investors are unlikely to subscribe to newswire services or utilize press releases to receive their information. Instead, it is common for retail investors to receive their information from other media services and social media platforms.

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<sup>1</sup> "Stockwatch" is an example of a service provider that enables investors to receive SEDAR-related notifications. For more information see: [www.stockwatch.com/Help/News?menu=yes](http://www.stockwatch.com/Help/News?menu=yes).

We believe that regulators should be flexible with fund issuers, allowing them to use reasonable means of informing consumers about the availability of designated documents. While some fund issuers may choose to post news releases, providing flexibility enables fund issuers to best address the needs of their targeted audience. By imposing a strict requirement that issuers must post a news release, fund issuers may be less inclined to disseminate a notice through more effective methods.

### **3. CONCLUSION**

We recognize the difficulty in striking a balance between the promotion of consumer protection and the maintenance of consumer choice. We appreciate the CSA's leadership in this multifaceted initiative.

We believe that the Proposed Amendments are a step in the right direction. However, we believe that the scope of the Proposed Amendments can be expanded in order to effectively reduce the regulatory burden without compromising investor protection.

We look forward to further productive discussions with the CSA on the issues highlighted in this submission. Should you have any questions, please do not hesitate to contact the undersigned, or James Ryu, Vice-President, Advocacy and General Counsel at [jryu@advocis.ca](mailto:jryu@advocis.ca).

Sincerely,

*"original signed by"*

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President and CEO