British Columbia Investment Management Corporation
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November 18, 2026

VIA ELECTRONIC SUBMISSION

The Canadian Securities Administrators

Submitted via: https://www.securities-administrators.ca/consultations/

Dear Sirs/Mesdames,

Re: CSA Consultation Paper 51-406: Modernizing Regulation of Public Companies

British Columbia Investment Management Corporation ("BCI") is one of Canada's largest institutional investors, managing C$314 billion in gross assets on behalf of 33 British Columbia public sector and institutional clients as of March 31, 2026. We welcome the opportunity to comment on, and submit this letter in response to, the Canadian Securities Administrators (the "CSA") Consultation Paper 51-406 – Modernizing the Regulation of Public Companies (the "Consultation Paper").

Our comments follow the Consultation Paper's structure and focus on areas where BCI, as a long-term institutional investor, has a distinct perspective.

Our central observation is that investor protection and capital market competitiveness are mutually reinforcing objectives. Reliable, decision-useful disclosure and robust governance give investors the confidence to allocate capital efficiently and at a lower cost; reducing them in the name of administrative simplification risks shifting costs onto investors rather than eliminating them. We would encourage the CSA, in assessing each proposal, to weigh the cost to investors of lost information alongside issuers' compliance savings.

Proportionate Regulation (Venture and Non-Venture Issuer Status)

BCI supports the CSA's objective of ensuring that disclosure and governance obligations are proportionate to an issuer's size and complexity. We agree that the current exchange-based distinction between venture and non-venture issuers can sometimes produce results at odds with that objective, as the Consultation Paper notes.

However, we would caution against approaches that reduce existing obligations for issuers that are, in substance, large and complex, regardless of which test is used to determine their status. The disclosure and governance requirements currently applicable to non-venture issuers, such as corporate governance disclosure, executive compensation disclosure, and business acquisition reporting, provide information that investors actively rely upon, and any narrowing of these requirements should be approached with caution.

Option B, which would base issuer status on metrics such as revenue, assets, market capitalization or public float, is modelled on the United States' "smaller reporting company" and "emerging growth company" framework, which is currently being reshaped.

The U.S. Securities and Exchange Commission's May 2026 proposal to raise its filer-status thresholds would move most reporting companies into lighter disclosure categories, removing disclosure and governance mechanisms that investors have long relied upon – including independent auditor attestation of internal controls over financial reporting, advisory votes on executive compensation, and the narrative disclosure that accompanies them. We raise this to illustrate how any metrics-based approach, once established, can be recalibrated in ways that erode rather than preserve investor protections and encourage the CSA to build safeguards against this risk into any approach it adopts.

On balance, BCI's preliminary view is that Option A, retaining the current exchange-based framework with targeted adjustments, – offers the most measured way to address the issues the CSA has identified, without broadly reducing disclosure obligations across much of the market. Specifically, we would support (i) enhanced requirements for venture issuers that exceed a size or complexity threshold, addressing the limited number of larger, more mature issuers that the CSA notes remain listed on venture exchanges and (ii) allowing issuers to retain venture status after a secondary foreign listing, addressing issuers that lose venture status solely for that reason. This consideration should be limited to markets that are comparable to Canadian venture markets, rather than extending this accommodation to all secondary foreign listings.

Consistent with the approach we have urged other regulators to take in comparable circumstances, we would encourage the CSA to treat investor protection as the organizing principle against which any change to issuer status is measured[1]. On that basis, we would be supportive of elements of using specific financial metrics, such as public float or total assets, as a supplementary trigger for the enhanced requirements described above under Option A.

Hold Periods for Private Placements by Reporting Issuers

BCI supports the proposed exemption, which would permit qualifying institutional investors to purchase securities of eligible reporting issuers without the four-month hold period, subject to applicable conditions. Based on our experience as an active participant in the Canadian private placement market, the four-month hold period imposes real constraints on institutional investors' ability to participate efficiently in private placements, and we believe the proposed exemption would improve capital formation for eligible issuers without compromising the broader resale restriction framework.

We would ask the CSA to retain the monitoring and transparency conditions that are included in the proposal, namely, the report of exempt distribution filing requirement and the seasoning conditions. This is consistent with the principle we have applied throughout this submission, that investor protection should be the organizing consideration against which any new flexibility for market participants is measured.

Material Change Reporting

BCI agrees that the current requirement to file a separate Form 51-102F3 sometimes duplicates information already disclosed via news release, and we generally support eliminating duplicative reporting requirements and modernizing CSA filing systems, including SEDAR+.

In our view, the appropriate standard for any streamlined approach is whether information could influence a reasonable investor's investment or voting decisions. Any changes to material change

[1] BCI, Comments on Regulation S-K Comprehensive Review (File No. CLL-15), April 13, 2026.

reporting should be assessed against this standard, so that efficiency gains do not come at the expense of what is disclosed.

We would support permitting issuers to satisfy their material change reporting obligations through a designated news release containing the information required in Form 51-102F3, provided that any such release remains separately and reliably categorized and searchable on SEDAR+.

We would also support the CSA exploring whether, for greater certainty, certain events should be designated as automatic material changes, drawing on the U.S. Form 8-K triggering-event framework referenced in the Consultation Paper. In considering any streamlined approach, we would discourage the CSA from differentiating material change reporting obligations based on an issuer's size, the length of time it has been a reporting issuer, or its sector, as the investor need for timely, reliable disclosure of material changes does not diminish with these factors.

Developments in the United States (Semi-Annual Reporting)

In our July 6, 2026, submission to the U.S. Securities and Exchange Commission (the "SEC"), we opposed the SEC's proposed rule to replace quarterly reporting with semi-annual reporting.[2] Our key points, summarized below, apply equally to the CSA's questions.

Reduced reporting frequency would materially affect our ability to identify operating trends and inflection points before they become material to valuation and would widen the information gap between investors with direct access to company management and those who rely entirely on the standardized public disclosure record.

We are also not persuaded that the anticipated benefits of reduced reporting frequency are well-supported by the available evidence. Compliance savings may be overstated, since issuers still need accurate and timely financial information for internal operations, lending covenants, and voluntary market communications. The academic literature on whether reduced reporting frequency alleviates managerial short-termism is mixed. In our view, short-termism is more directly connected to forward earnings guidance practices and compensation structures tied to near-term performance targets than to the frequency of historical financial reporting.

The UK experience is instructive. After the Financial Conduct Authority removed the requirement for UK-listed companies to publish quarterly Interim Management Statements in 2014 – a far narrower disclosure than a Canadian interim filing – companies that discontinued quarterly reporting experienced reduced analyst coverage, deterioration in price efficiency, and higher bid-ask spreads and cost of equity capital.[3] A subsequent study found no statistically significant change in companies' investment decision-making horizons following the shift.[4] This casts doubt on whether reduced reporting frequency would achieve either of the principal objectives the CSA or the SEC has identified in support of such proposals.

Accordingly, while BCI does not object to the CSA continuing to monitor the results of its existing, narrowly scoped semi-annual reporting pilot for smaller venture issuers, we would not support expanding a voluntary semi-annual reporting framework more broadly at this time.

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[2] BCI, Comments on Proposed Rule for Semi-annual Reporting (File No. S7-2026-15), July 6, 2026.

[3] Pozen, Nallareddy & Rajgopal, Consequences of Mandatory Quarterly Reporting: The U.K. Experience, Columbia Business School Research Paper No. 17-33; CFA Institute Research Foundation (2017).

[4] Sandra Peters & Matthew Winters, Investor Perspectives: Quarterly Reporting, CFA Institute (April 2026), Exhibit 28.

F. General Feedback

We would encourage the CSA, in response to questions 3 and 4, to apply the same proportionate, materiality-driven lens to the eventual adoption of the Canadian Sustainability Standards Board's sustainability disclosure standards (CSDS 1 and CSDS 2). These standards are grounded in financial materiality and already include proportionality mechanisms, such as phased timelines and scope-based relief.

We reiterate our recommendation that securities regulators set clear expectations and timelines for adopting CSSB standards to provide regulatory certainty.[5]

We appreciate the opportunity to comment and would welcome the chance to discuss our views with CSA staff. For questions or to arrange a meeting, please contact Susan Golyak, Director, ESG, at susan.golyak@bci.ca.

Sincerely,



Daniel Garant
Executive Vice President and Global Head
Capital Markets & Credit Investments

cc Susan Golyak

[5] BCI Comment on OSC Statement of Priorities 2026-2027.