

For Immediate Release

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Canadian securities regulators propose rule regarding non-GAAP and other financial measures

Calgary and Montreal - The Canadian Securities Administrators (CSA) today published for comment Proposed National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure* (the Proposed Instrument), which establishes disclosure requirements for issuers that disclose non-GAAP and other financial measures. These measures often lack standardized meanings, resulting in potentially misleading or confusing disclosure.

“We are proposing clear and comprehensive requirements for the presentation of non-GAAP and other financial measures in a manner that meets investors’ needs for quality information,” said Louis Morisset, CSA Chair and President and CEO of the Autorité des marchés financiers. “These requirements would also provide CSA Staff with a stronger tool to take appropriate regulatory action, when warranted.”

When implemented, the Proposed Instrument will provide authoritative Canadian securities legislative requirements for issuers when they disclose non-GAAP and other financial measures. The Proposed Instrument would replace Staff Notice 52-306 (Revised) *Non-GAAP Financial Measures*, which provided guidance to help ensure such disclosure is not misleading. Staff Notice 52-306 was issued in 2003 and updated several times subsequently to respond to changing circumstances.

Additionally, the Proposed Instrument:

- relates to the disclosure of financial measures (including ratios) that are non-GAAP financial measures, segment measures, capital management measures and supplementary financial measures, as defined in the Proposed Instrument;
- refers to all documents (e.g., Management’s Discussion and Analysis, news releases, the Annual Information Form, prospectuses etc.) including other written communications in websites or social media; and
- includes an updated definition of a non-GAAP financial measure which builds upon and incorporates the disclosure guidance in Staff Notice 52-306.

Proposed National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure* and related documents are available on CSA members’ websites. Comments should be submitted in writing by December 5, 2018.

The CSA, the council of the securities regulators of Canada’s provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

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