

**For Immediate Release**

**February 13, 2020**

**Canadian securities regulators seek additional comment on proposed rule for  
Non-GAAP and other financial measures**

**Calgary and Montreal** - The Canadian Securities Administrators (CSA) today published a second notice and request for comment on revisions to a proposed rule for Non-GAAP and Other Financial Measures (the proposed rule). The rule would establish disclosure requirements for issuers that disclose non-GAAP and other financial measures, which often lack standardized meanings, resulting in potentially misleading disclosure.

“In response to stakeholder feedback, we have reviewed and reduced the scope of the proposed rule and simplified disclosure requirements,” said Louis Morisset, CSA Chair and President and CEO of the Autorité des marchés financiers. “We believe these changes will result in a cost-effective proportionate regulatory framework that maintains appropriate investor protections.”

Following stakeholder consultation, the CSA has made substantive changes to the proposed rule that:

- Limit the application to certain issuers;
- Exempt certain disclosures, financial measures and documents;
- Narrow the scope of what is considered a non-GAAP financial measure; and
- Reduce and simplify disclosures.

The proposed rule was originally published for comment on September 6, 2018 and would replace Staff Notice 52-306 (Revised) *Non-GAAP Financial Measures*. The CSA conducted 38 outreach sessions across seven Canadian cities and reviewed 42 comment letters from issuers, investors, accounting firms, standard setters, industry associations and law firms.

Proposed National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure* (the Proposed Instrument) and a revised version of proposed Companion Policy 52-112 *Non-GAAP and other Financial Measures Disclosure* (the Proposed Companion Policy) are available on CSA members’ websites. Comments should be submitted in writing by May 13, 2020.

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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