RE: SEMI-ANNUAL REPORTING FOR CERTAIN VENTURE ISSUERS

December 22, 2025

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Submitted via E-Mail

Attention:

The Secretary
Ontario Securities Commission
2200-22 Queen Street West
Toronto, ON M5H 3S8
E-mail: comments@osc.gov.on.ca

Me Philippe Lebel
Corporate Secretary and Executive Director, Legal Affairs
Autorité des marchés financiers
Place de la Cité, tour PwC
2640, boulevard Laurier, bureau 400
Québec (Québec) G1V 5C1
E-mail: consultation-en-cours@lautorite.qc.ca

Dear Sirs/Mesdames:

RE: EXEMPTIONS TO PERMIT SEMI-ANNUAL REPORTING FOR CERTAIN VENTURE ISSUERS

The Canadian Forum for Financial Markets/Forum Canadien des Marchés Financiers (the "**CFFiM**") is a values-driven, purposeful, and reform-minded organization. The CFFiM is dedicated to advancing initiatives that improve the health and competitiveness of Canada's financial markets for the greater good. The CFFiM works to provide constructive analyses and recommendations to stimulate capital raising, regulatory modernization, and inclusive financial growth in Canada.

The CFFiM commends the Canadian Securities Administrators (CSA) in its efforts to provide issuers with flexibility in the frequency of their financial reporting through CSA Notice of Publication and Request for Comment on Proposed Blanket Order 51-933, *Exemptions to Permit Semi-Annual Reporting for Certain Venture Issuers* (the "**SAR Pilot** ").[1] This issue is of great significance to the competitiveness of Canada's capital markets and must be reassessed in light of the long-standing concerns that have been raised by venture issuers and other market participants, the decline of public listings and initial public offerings in Canada, and the international trend towards optional semi-annual reporting.

[1] CSA Notice of Publication and Request for Comment on Proposed Blanket Order 51-933, *Exemptions to Permit Semi-Annual Reporting for Certain Venture Issuers*, (October 25, 2025).

EXECUTIVE SUMMARY

The CFFiM supports the SAR Pilot as part of a larger CSA rule making project. The CFFiM recognizes and appreciates that the CSA has long considered the prospect of adopting semi-annual reporting for some or all reporting issuers as a means of reducing regulatory expenses while maintaining investor protection.[2]

The United States has recently singled a move to semi-annual reporting. Several states included the United Kingdom, and the member states of the European Union have long since adopted optional semi-annual reporting as a means of reducing regulatory expenses and improving the competitiveness of their respective equity markets. It is therefore imperative for CSA to consider corresponding rule changes.

The SAR Pilot and the CSA's wider rule-making project on semi-annual reporting have the potential to meaningfully reduce reporting costs for issuers, which may promote early stage growth. The CFFiM encourages the CSA to proceed with the SAR Pilot, with refinements, and to consider expanding this initiative to include other issuers as a means of encouraging growth in Canada's equity markets.

In order to assess theSAR Pilot, it is important to accurately consider the context in which it is being made. Although Canadian issuers have long been required to report on a quarterly basis, domestic and international trends must be strongly considered. In aid of the CSA's consultation, the following sections provide:

A. An overview on Canada's continuous disclosure framework.

B. The decline in listed operating companies and IPOs in Canada, and

C. The adoption of semi-annual reporting in other jurisdictions.

A. CANADA'S CONTINUOUS DISCLOSURE FRAMEWORK

Continuous disclosure is a cornerstone of Canada's capital markets. Generally speaking, disclosure enables investors to make informed investment decisions and thereby contributes to sustained investor protection and market efficiency. However, like any regulation, Canada's continuous disclosure rules must strike a fair balance between investor protection and regulatory expenses in order to grow the competitiveness of Canada's capital markets. As discussed below, international trends towards semi-annual reporting and the precipitous decline in the number of listed operating companies and initial public offerings in Canada, necessitate a reevaluation of Canada's strict approach to quarterly reporting

[2] See: CSA Multilateral Consultation Paper 51-403, *Tailoring Venture Issuer Regulation* (May 31, 2010) [the CSA's **2010 Proposal**]; Proposed National Instrument 51-103, *Ongoing Governance and Disclosure Requirements for Venture Issuers* (published in 2011 and republished in 2012) [the CSA's **2012 Proposal**]; CSA Consultation Paper 51-404, *Consideration for Reducing Regulatory Burden for Non-Investment Fund Issuers* (April 6, 2017) [the CSA's **2017 Proposal**]; and CSA Notice and Request for Comment, *Proposed Amendments to National Instrument 51-102, Continuous Disclosure Obligations and Other Amendments and Changes Relating to Annual and Interim Filings of Non-Investment Fund Reporting Issuers* (May 20, 2021) [the **CSA's 2021 Proposal**].

Canada's continuous disclosure regime includes robust periodic and event-driven disclosure obligations. With respect to periodic disclosure, all Canadian reporting issuers are required to file audited financial statements on an annual basis[3] and file unaudited interim financial reports on a quarterly basis[4]. The required contents an annual statement and an interim report are prescribed by regulation.[5] All financial statements and reports must be filed with a corresponding management discussion and analysis.[6]

In addition to periodic disclosure, all Canadian issuers are required to make timely event-driven disclosure between reporting periods. In particular, all issuers are required to immediately issue and file a news release disclosing the nature and substance of any material change in the affairs of the reporting issuer[7] and to file a corresponding material change report within 10 days of the change.[8] As a related obligation, reporting issuers are required to file all material contracts that they enter into.[9]

Furthermore, all issuers that intend to raise capital though share offerings are required to make additional disclosures in the form of a prospectus. Generally speaking, a prospectus must include full, true and plain disclosure of all material facts relating to the securities issued or proposed to be distributed.[10] More specifically, issuers that make use of the short-form prospectus system are required to file financial statements and other documents including all materials incorporated by reference but not previously filed, all material contacts, and other reports and valuations.[11] Mining issuers are subject to additional obligations when selling shares including the disclosure of technical reports.[12]

Under provincial securities law, regulators are empowered to conduct reviews of the disclosures that have been made or that ought to have been made by a reporting issuer.[13] An issuer that has failed to abide by its continuous disclosure obligations is subject to administrative monetary penalties and other sanctions as are members of an issuers' management team.[14] In addition, it is an offence to make a materially misleading disclosure or omission, which can result in substantial financial penalties and imprisonment.[15] Relatedly, it is an offence for an issuer's management and other insiders to sell securities with knowledge of any undisclosed material fact or change and/or to provide that information to others.[16]

[3] NI 51-102, *Continuous Disclosure Obligations* [**NI 51-102**], s. 4.1(1) and (2).
[4] *Ibid* at s. 4.3(1).
[5] *Ibid* at s. 4.1(1) and 4.3(1).
[6] *Ibid,* Part 5.
[7] *Ibid* at s. 7.1(a)
[8] *Ibid* at s. 7.1(b).
[9] *Ibid* at s. 12.2(1).
[10] E.g. *Securities Act*, R.S.O. 1990, c. S.5, s. 56(1) and (2).
[11] NI 44-101, Part 4.
[12] NI 44-101, *General Prospectus Requirements,* Part 4; and NI 43-101, *Standards for Disclosure for Mineral Projects*.
[13] E.g. *Securities Act*, R.S.O. 1990, c. S.5, s. 20.1(1) [**Ontario *Securities Act***].
[14] NI 51-102, *supra* at s. 127(1).
[15] Ontario *Securities Act, supra* s. 122(1)(b).
[16] *Ibid* at s. 76(1) and (2).

B. CANADA'S CAPITAL MARKETS

Although the TSX reaching record highs this year,[17] this performance obscures a more worrying trend in the number of companies that are choosing to raise capital on Canada's public markets. As illustrated in the below chart, the TMX's statistics indicate that there as been an increase in the number of listings on the TSX in recent years. However, that increase is exclusively attributable to growth in the number of exchange-traded funds ("**ETF**"), closed-end funds, single purpose acquisition companies (**SPAC**), and capital pool companies (**CPC**), and does not reflect an increase in listed operating companies. [18]

Removing EFTs, SPACs and CPCs from these statistics, it becomes clear that there has been a precipitous decline in the number of operating companies listed on the TSX and the TSX-V for over a decade. For example, the number of companies listed on the TSX declined from 1,486 in 2008, to 678 in 2025. This represents a decline of more than 50%. For the same time period, the number of operating companies listed on the TSX-V declined from 2,109 to 1,369, which represents a decrease of approximately 35%.

TSX/TSX-V - Listings - 2008 to Q3 2025[19]

	TSX-V Listings		TSX Listings	
	Total	**Excluding CPC/SPAC**	**Total**	**Excluding ETP/ETF/CEF and CPC/SPAC**
2008	2262	2109	1570	1486
2009	2178	1960	1462	1340
2010	2154	2021	1516	1344
2011	2250	2088	1587	1345
2012	2258	2088	1569	1287
2013	2141	2026	1532	1236
2014	1971	1917	1515	1174
2015	1791	1750	1487	898
2016	1648	1614	1482	856
2017	1653	1602	1501	834
2018	1707	1597	1523	803
2019	1673	1530	1572	788
2020	1649	1520	1640	762
2021	1702	1543	1749	840
2022	1713	1523	1789	783
2023	1670	1469	1809	747
2024	1594	1405	1823	707
2025	1545	1369	1974	678

[17] TSX Rises-to-Record-High-as-Bank-Earnings-Beat-Estimates

[18] Ari Pandes and Daniel Wilson, "To fix Canada, we must fix our troubled market", *Globe and Mail* (December 1, 2025). Thomas Kalafatis, *Re-Energizing Canada's Public Equity Markets*, (November 5, 2024) [**Pandes and Wilson**]. Bryce C. Tingle, QC and Ari Pandes, "Reversing the Decline of Canadian Public Markets" University of Calgary School of Public Policy Research Paper, Vol 14:13 (April 2021).

[19] TMX, Market Intelligence Group Reports, December 31, 2008, to September 30, 2025.

The above statistics generally correspond with a year-over-year decline in the number of IPOs on the TSX and TSX-V. In other words, the decline of total listing companies is not simply the result of companies leaving these exchanges but is a function of fewer new companies replacing those that leave.[20] As illustrated by in the below chart, the TMX's most recent data indicates that there has only been one IPO on the TSX this year and a total of just six IPOs since the beginning of 2022. By comparison, there were 52 IPOs on the TSX in 2008. Similarly, there have only been two IPOs on the TSX-V this year, which is far below the yearly average for the period between 2008 and 2024.[21]

TSX/TSX-V - New Listings and IPOs - 2008 to Q3 2025[22]				
	TSX-V - Listings		TSX - Listings	
	Total New Listings	IPOs Excluding CPC/SPAC	Total New Listings	IPOs Excluding ETP/ETF/CEF and CPC/SPAC
2008	329	44	126	52
2009	202	20	100	60
2010	337	44	187	39
2011	334	47	201	19
2012	240	44	132	13
2013	158	15	108	19
2014	122	8	121	8
2015	87	4	107	13
2016	104	1	117	3
2017	143	11	153	17
2018	212	13	132	10
2019	139	14	134	4
2020	129	8	171	9
2021	236	17	213	36
2022	161	14	113	3
2023	86	2	135	1
2024	75	4	150	1
2025	47	2	225	1

A company's decision to go public can be influenced by a diverse range of factors and it cannot be said that rising compliance costs is the sole cause of the decline in public listings in Canada. However, as discussed further in this correspondence, compliance costs have been identified as a deterrent to public offerings and securities regulatory authorities in other jurisdictions have adopted semi-annual reporting as a means of reducing those costs and stimulating capital growth on public markets.

[20] Bryce C. Tingle, QC and Ari Pandes, "Reversing the Decline of Canadian Public Markets" University of Calgary School of Public Policy Research Paper, Vol 14:13 (April 2021).

[21] Between 2008 and year end 2024, there was an average of approximately 17 IPOs excluding CPC/SPAC offerings each year on the TSX-V.

[22] TMX, Market Intelligence Group Reports, December 31, 2008, to September 30, 2025.

C. INTERNATIONAL USE OF SEMI-ANNUAL REPORTING

i) The United States

The United States has required quarterly reporting since 1970, but this requirement has been the subject of debate for several years. In September 2025, the topic of semi-annual financial reporting gained widespread attention after President Trump used social media to encourage the SEC to reform this practice.[23] Although the details remain unclear, the SEC is expected to propose rules that would permit some form of semi-annual reporting in the Spring of 2026 as part of a larger "disclosure rationalization" initiative.[24] During a recent speech at the New York Stock Exchange, the Chair of the SEC lamented the decline of listed companies in the US and highlighted the need for reforms in the SEC's disclosure regime to focus on materiality and a scaled approach to disclosure based on the size of the issuer.[25]

This will not be the first time that the United States has considered a move to semi-annual reporting. For example, in 2016, the SEC published a concept paper to identify areas of improvement in the SEC's disclosure rules, including the proposal to introduce semi-annual reporting for some or all issuers. This proposal was shelved following President Trump's first election. However, in 2018, the SEC revived this concept through a new request for comment, which noted that reporting standards had evolved in the UK and Europe and may necessitate a move to semi-annual reporting in the United States.

In April 2025, Nasdaq released a policy paper that included a series of recommendations on how to address an observed decline in the number of public listings in the United States. This report noted that quarterly reporting is disproportionally burdensome on smaller issuers and recommended that the SEC adopt semi-annual reporting. As the Nasdaq report noted, quarterly reporting might be preferrable to larger companies, but other issuers would benefit from flexibility in the frequency of their reporting. Similar recommendations were made by the U.S. Chamber of Commerce in June 2025.[26] The Long-Term Stock Exchange announced a week before Trump's post (September 2025) that it will formally petition the SEC to allow companies to report semi-annually. [27]

ii) Internationally

As summarized below and detailed in Schedule "A", several states have already adopted optional semi-annual reporting as means of reducing regulatory burden and improving the competitiveness of their markets:

- **Australia:** In 2001, Australia introduced a semi-annual reporting requirement for issuers. Despite the use of quarterly reporting in the United States, Australia has elected to maintain semi-annual reporting on the basis that the costs of quarterly reporting outweigh the benefits to investors.[28]

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[23] Soyoung Ho, "SEC to Revisit Semiannual Reporting After Trump's Call for Change", Thomson Reuters (September 18, 2025) [**Ho, September 2025**]; and Soyoung Ho, "Disclosure Rationalization Project Likely Means Major Overhaul of SEC Rules, Former Officials Say", Thomson Reuters (November 17, 2025) [**Ho, November 2025**].
[24] SEC, Agency Rule List – Spring 2025.
[25] Paul Atkins, SEC Chair, *Revitalizing America's Markets at 250* (December 2, 2025).
[26] Unlocking America's Capital Markets: U.S. Chamber of Commerce, June 2025:
[27] LTSE Will Petition SEC to Allow Public Companies to Reduce Reporting Frequency, September 2025.
[28] Government of Australia, Corporate Law Economic Reform Program, *Corporate Disclosure: Strengthening the Financial Reporting Framework*, (2004) ["**CLERP Report No. 9**"].

However, the rules of the Australian Securities Exchange nonetheless require certain types of issuers, such as mining issuers, to file quarterly reports with the exchange.[29]

- **The European Union:** In 2004, the European Commission ("**EC**") adopted a directive requiring all issuers listed on a regulated EU exchange to publish financial statements on a semi-annual basis and interim management statements quarterly.[30] Prior to that time, several EU members did not have any quarterly reporting obligations. However, this initiative lasted for less than a decade.

  In 2013, the European Commission agreed to eliminate quarterly reporting in order to reduce administrative burdens for small and medium sized enterprises, to improve access to European markets for those issuers, and to address concerns that quarterly reporting contributes to short-term corporate decision making.[31] As a result, mandatory quarterly reporting was eliminated for all issuers in 2015, although member states can impose additional obligations in prescribed circumstances.[32]

- **The United Kingdom:** Following the EC's decision to eliminate the quarterly reporting requirement, the UK Financial Conduct Authority elected to remove this requirement a year ahead of the EC's implementation date in order to reduce regulatory expenses for UK issuers.[33] The FCA formally eliminated the quarterly reporting requirement on November 7, 2014, but allows firms to voluntarily report on a quarterly basis.[34]

- **Singapore:** In 2020 the Singapore Stock Exchange amended its listing rules to eliminate its quarterly reporting requirements for all issuers except prescribed "high risk" issuers. Prior to that time, issuers with a market capitalization above $75 million were required to report quarterly.[35] This change was intended to balance transparency against rising compliance costs.[36]

- **Japan:** In 2006, Japan introduced a statutory requirement for all issuers listed on a Japanese exchange to publish quarterly financial statements. However, as in the UK and Europe, this requirement was the source of criticism related to administrative burden and the perception that

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[29] ASX, *ASX Lising Rules, Guidance Note 23* (last viewed on December 2, 2025).
[30] Directive 2004/109/EC on the Harmonisation of Transparency Requirements in Relation to Information about Issuers Whose Securities Are Admitted to Trading on a Regulated Market, 2001/34/EC (December 15, 2004) [**EC Directive 2004]** at Art. 5 and 6.
[31] Directive 2013/50/EU Amending Directive 2004/109/EC on the Harmonisation of Transparency Requirements in Relation to Information About Issuers Whose Securities are Admitted to Trading on a Regulated Market, et al. 2004/109/EC, (October 22, 2013) [**EC Directive 2013**] at Art. 1.
[32] Member states can impose reporting obligations if they do not constitute a "significant financial burden" and the information that is required is "proportionate to the factors that contribute to investment decisions". *Ibid*.
[33] Financial Conduct Authority, Consultation Paper: *Removing the Transparency Directive's requirement to publish interim management statements*, CP14/12 (July 2014).
[34] Financial Conduct Authority, Policy Statement: *Removing the Transparency Directive's requirement to publish interim management statements*, PS14/15 (November 2014).
[35] SGX Group, "SGX RegCo adopts risk-based approach to quarterly reporting, mandates more robust disclosures on matters of high impact" (January 9, 2020).
[36] Reuters, "Singapore Exchange scraps compulsory quarterly reports for companies" (January 9, 20202); SGX Group, "SGX RegCo adopts risk-based approach to quarterly reporting, mandates more robust disclosures on matters of high impact" (January 9, 2020).

> quarterly reporting contributes to corporate "short-termism". Japan eliminated the statutory requirement to publish interim financial statements on April 1, 2024.

In summary, concerns regarding quarterly reporting have been the subject of regulatory proposals and reform in other jurisdictions for over a decade. Several states have recognized that quarterly reporting can be disproportionately onerous on some issuers and have adopted the view that flexibility in disclosure is preferable to a strict quarterly reporting. These jurisdictions have concluded that the costs of mandatory quarterly reporting outweigh the benefits for some or all issuers, and that voluntary semi-annual reporting is the preferrable policy option based on the needs and characteristics of their respective markets.

This flexible approach is also consistent with the International Organization of Securities Commissions' recent report on secondary market disclosure, which recommended that interim be released "quarterly, half-yearly, or of such frequency as prescribed by law or listing rules".[37]

iii) Anticipated Market Impacts

A U.S. forecast on the anticipated impact of moving from quarterly to semi-annual reporting is summarized as follows:[38]

> "Overall, reducing reporting from a quarterly to a semi-annual schedule is likely to have less effect than either its critics fear or its proponents hope, as demonstrated by the EU and UK experience. Revising the mandatory reporting schedule will not, on its own, remove short-termism from the capital markets. And it will not suffice to reverse the long and troubling decline in the number of public companies in the United States. However, it would be a step in the right direction."

Research on impact of reporting frequency on UK public companies suggest no material impact on the levels of corporate investment[39]and continued quarterly reporting.[40]

D. THE SAR PILOT

The SAR Pilot is a step towards reducing regulatory expenses for venture issuers and improving the competitiveness of Canada's capital markets without raising investor protection concerns. Strong consideration should be given to permitting a wider range of issuers to report on a semi-annual basis by expanding the SAR Pilot or as part of its wider rule-making project.

i) Concerns Regarding Semi-Annual Reporting

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[37] IOSCO, Consulation Report, *Recommendations for Secondary Market Disclosure* (November 2025).

[38] David A. Katz & Laura A. McIntosh, *The Forecast on Quarterly Reporting*, Harvard Law School Forum on Corporate Governance (Sept. 27, 2025), The Forecast on Quarterly Reporting

[39] Robert C. Pozen, Suresh Nallareddy, and Shiva Rajgopal, *Impact of Reporting Frequency on UK Public Companies* (Charlottesville, VA: CFA Institute Research Foundation, March 1, 2017), CFA Institute Research Foundation, Impact of Reporting Frequency on UK Public Companies | RPC

[40] Hitz, J.-M., & Müller-Bloch, S. (2019). *Evidence from the Termination of the Quarterly Reporting Mandate in Europe*. European Accounting Review, 28(5), 999–1028.

Concerns regarding semi-annual reporting challenge the assumption that finances of junior issuers do not change in a material respect from quarter to quarter. They focus on the decreased visibility into operational variability and financial distress including less frequent analyst coverage.

ii) Benefits of Semi-Annual Reporting

The CSA has long considered the prospect of adopting semi-annual reporting for some or all reporting issuers as a means of reducing regulatory expenses while maintaining investor protection.[41] As the CSA has correctly recognized, reporting issuers are required to spend considerable time and resources to meet their quarterly reporting obligations. These obligations can place a disproportionate burden on venture issuers, especially those that have yet to generate revenue.[42]

Allowing venture issuers to report on a semi-annual basis could result in cost and time savings that would enable those issuers to reallocate resources to business development and operations. As noted above, the same conclusion has been reached by regulatory authorities in the UK, the EC, Australia, and Japan. Practically speaking, semi-annual reporting would serve to save cash and free-up time for management that can be better used for business development purposes. This reallocation of resources could be material for many venture issuers, especially pre-revenue issuers. This, in turn, would promote early-stage business growth, which is beneficial to issuers, investors, and Canada's markets.

In addition, permitting venture issuers to report on a semi-annual basis could help to encourage additional companies to raise capital on Canada's public markets, given the decline of public offerings in Canada.[43] This decline has not been caused by administrative costs alone, such that reducing administrative costs is not a sole solution. This development would be beneficial to investors by providing increased access to investment opportunities.[44] As noted above, the UK and EU member states have adopted semi-annual reporting to improve the attractiveness of their equity markets and Nasdaq has recommended that the US adopt semi-annual reporting to address a decline in public listings and IPOs in the United States.

iii) Investor Protection Addressed

In response to past CSA consultations, some commentators raised the concern that semi-annual reporting would increase the risk of investor harm and have other deleterious effects on Canada's markets. However, in review of the Proposal, the SAR Pilot includes several mitigative elements that should address those concerns.

First, it is important to emphasize that the SAR Pilot is strictly voluntary in nature. The Proposal does not call for the wholesale elimination of quarterly reporting but provides a subset of venture issuers with an *option* to determine the frequency of their reporting obligations based on their own needs and market demands. As a result, the SAR Project is unlikely to result in the complete abandonment of quarterly reporting even among venture issuers. Rather, each issuer's decision to report quarterly or semi-annually will depend on a range of factors that may include, for example:

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[41] The CSA's 2010 Proposal, *supra*; 2012 Proposal, *supra;* 2017 Proposal, *supra*; and; 2021 Proposal, *supra*.

[42] This concern was also identified by the Capital Markets Modernization Taskforce, *Consultation Report* (2020).

[43] Pandes and Deniel Wilsom, *supra*.

[44] "[…] Public markets democratize ownership for middle-class Canadians, allowing retail investors to participate in the growth of home-grown companies […]. Going public on the TSX allows companies to scale to become big global champions while being anchored here, spurring a virtuous economic cycle." *Ibid*.

1. The expectations of retail investors.
2. The expectation of institutional investors.
3. The expectations of analysts, underwriters, and other intermediaries.
4. Industry best practices and the practices of market competitors.
5. Existing corporate practices and financial controls; and
6. Perceived reputational and market-based risks.

Besides being limited to ventures issuers with revenue of less than $10 million, the SAR Pilot includes restrictions that are intended to limit eligibility to issuers that are in good standing with securities regulators and have demonstrated a history of compliance with the continuous disclosure rules. The SAR Pilot also includes provisions to avoid investor confusion by ensuring that investors are made aware of when a venture issuer is making use of the semi-annual reporting option.

Furthermore, the SAR Pilot does not interfere with the range of event-driven disclosure obligations that apply to Canadian issuers. All venture issuers making use of this program would still be required to immediately discourse any material change in their business, which will provide investors with timely access to material information. This system of event-based disclosure coupled with periodic semi-annual reporting should assuage any concern that the Proposal would result in the non-disclosure of material information. The International Monetary Fund made the same conclusion when evaluating Australia's continuous disclosure regime:

> "[…] The periodic disclosure requirements to which listed companies in Australia are subject are consistent with international best practice. While listed companies are not required to issue quarterly reports as they are in some countries, more frequent periodic reporting does not appear to be either necessary or warranted in view of the statutory requirement for continuous disclosure. The continuous disclosure requirements provide a framework through which market discipline is effectively exercised."[45]

It is noteworthy that semi-annual reporting has been in place in other jurisdictions for decades without jeopardizing investor protection or causing market inefficiencies. The United States appears to have reached the same conclusion, with strict quarterly reporting being on the verge of reform.

E. RECCOMENDATIONS

The CFFiM encourages the CSA to;

a) Resolve conflicts between the SAR Pilot and other securities regulations by applying semi-annual reporting to all prospectus and disclosure documents.[46]

b) Subject to a), expand the SAR Pilot and its broader rule making project to allow a wider range of issuers to report semi-annually. At a minimum, the SAR Pilot should be expanded to include all

[45] International Monetary Fund, *Staff Country Reports, Australia: Financial Sector Assessment Program – Technical Note – Investor Protection, Disclosure, and Financial Literacy*, (December 2006) at p. 4 and 13.
[46] In Australia, United Kingdom, Singapore and Japan, detailed in Schedule A, quarterly reporting does not apply to prospectus and disclosure documents.

venture issuers. The CSA should also strongly consider proving all issuers with the option to report semi-annually in order to improve the health and competitiveness of Canada's capital markets:

- **Venture Issuers:** All venture issuers are susceptible to revenue volatility due to a range of market factors, the early stage of the issuer's business development, and uncertainties related to the issuer's business sector. The CFFiM is concerned that limiting eligibility to issuers with revenue of $100 million or less would create an arbitrary distinction between venture issuers, when all such issuers would benefit from semi-annual reporting. This distinction lacks empirical support and, in any case, raises practical concerns given that a venture issuer's revenues could fluctuate below and above this limit. Canada's disclosure rules already draw a distinction between venture issuers and non-venture issuers, and it is unnecessary for the CSA to create a sub-class of venture issuer.

- **Other Issuers:** Permitting other issuers to report semi-annually could similarly encourage capital raising on Canada public equity markets. In contrast, permitting only venture issuers to file semi-annually could accentuate the existing gap between Canada's venture issuers and senior issuers. As noted above, the UK and the EU's members have recognized that quarterly reporting is disproportionately onerous on smaller issuers but have ultimately elected to remove this requirement for *all* issuers regardless of revenue or market capitalization. Regulatory authorities in each of these jurisdictions, have determined that market pressures will address any concerns related to the disclosure practices of larger issuers. Practically speaking, if investors or other stakeholders are dissatisfied that an issuer's semi-annual disclosure practices, this dissatisfaction will be reflected in share prices, which will influence some issuers to maintain quarterly reporting.

Respectfully submitted,

Canadian Forum for Financial Markets

cc.

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
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, Newfoundland and Labrador
Northwest Territories Office of the Superintendent of Securities
Office of the Yukon Superintendent of Securities
Superintendent of Securities, Nunavut

SCHEDULE "A"

Overview – Debate and Adoption of Semi-Annual Reporting outside of Canada

Australia

Australia's regulatory system underwent extensive reform beginning in the late 1990s as a result of recommendations made by a government-initiated Corporate Law Economic Reform Program (the "**CLERP**"). This included, among other reforms, the enactment of Australia's *Corporations Act*, *2001,* which requires reporting entities to report semi-annually.[47]

In 2004, the CLERP released its final report and recommendations, which was focused on strengthening Australia's continuous and ongoing disclosure regimes.[48] It stated that US issuers are required to file quarterly rather than semi-annually, which raised the question of whether Australia should be adopting more stringent disclosure rules:

> "Half-yearly reporting in Australia, combined with an effective continuous disclosure regime, appears to provide appropriate disclosure to the market while minimizing [sic] compliance burdens for business. While companies can and do choose to report quarterly, it is not clear that a statutory requirement for them to do so would add significantly to meaningful information available to the market."[49]

The CLERP concluded that, although some companies may choose to report quarterly, the benefits of mandatory quarterly reporting did not warrant the additional compliance costs. In support of this conclusion, the CLERP report noted that Australia's semi-annual reporting requirements are supplemented by its continuous disclosure regime. Note, however, that the ASX Listing Rules require prescribed issuers – including mining issuers – to file quarterly reports.[50]

The European Union

In 2004, the EC adopted a Transparency Directive that required issuers to publish financial reports on a semi-annual basis and to publish interim management statements ("**IMS**") on a quarterly basis.[51] The purpose of this directive was to improve investor protection and market efficiency by moving closer to the quarterly reporting system used in the United States. The IMS requirement did not include the publication of financial statements but required explanations for material events and transactions during the period and any impact on the issuer, along with a general description of the issuer's financial position,

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[47] Sections 312-314..

[48] Australian Government Treasury, *CLERP Paper No. 9: Proposals for Reform – Corporate Disclosure (*CLERP Report No. 9),

[49] *Ibid*. Part 8 "Continuous Disclosure", section 8.5.1 "Relationship between Periodic and Continuous Disclosure"

[50] ASX, *ASX Lising Rules, Guidance Note 23* (last viewed on December 2, 2025).

[51] EC Directive 2004, *supra* at Art. 5 and 6.

and performance during that period.[52] Prior to that time, several EU members did not have any quarterly reporting obligations.

On May 27, 2010, the EC adopted a report on the operation of the Transparency Directive (the "**Transparency Directive Report**").[53] The Transparency Directive Report described the impact of the directive and made recommendations informed by an independent study that surveyed stakeholders in EU and non-EU member states (the "**Independent Study**").[54]

According to this Independent Study, a concern that was frequently raised by small and medium enterprises ("**SME**")[55] was that the Transparency Directive was too demanding and costly for those issuers.[56] In light of this concern, the majority of stakeholders were in favour of a distinct transparency regime for SMEs.[57] However, the views on this issue varied among different types of market participants:

> "Depending on the category of stakeholder, the opinion on the relevance of a specific regime for SMEs is very different. Those in favour of a specific transparency regime for SMEs are the financial analysts, retail investors and the issuers of shares, in particular midcap and small cap companies. The more reluctant are the exchanges and the institutional investors. Within the issuers of shares' category, a clear majority of small caps are in favour of specific regime for SMEs."[58]

In review of the Independent Study, the Transparency Directive Report recognized the debate concerning whether SMEs should be subject to separate reporting obligations but recommended that SMEs be permitted to report semi-annually in order to increase the attractiveness of EU's markets for this type of issuer without undermining investor protection. This included the recommendation to permit SMEs to report semi-annually.[59]

On November 26, 2013, the European Commission adopted a revised Transparency Directive, which removed the quarterly IMS requirement for issuers on listed EU exchanges.[60] EU members retain the ability to impose additional reporting obligations at a domestic level under certain conditions but it does not appear that any EU members have elected to do so.[61] Although the stated purpose of eliminating

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[52] But EU members retained the ability to impose additional disclosure obligations through domestic laws. See: Stakeholders included issuers, institutional investors, retail investor associations, financial analysts, and exchanges. Mazars, Transparency Directive Assessment Report (2009), at pp. 82-85.

[53] Report from the Commission to the Council, the European Parliament, the European Economic and Social Committee, and the Committee of the Regions, Operation of Directive 2004/109/EC, SEC (2010) 611 (2010); and Accompanying document to the Transparency Directive Report.

[54] Stakeholders included issuers, institutional investors, retail investor associations, financial analysts, and exchanges. Mazars, Transparency Directive Assessment Report (2009), at p. X.

[55] Definition of SMEs used in this study was an issuer with market capitalization between €250 million and €1 billion. *Ibid* at p. 58.

[56] *Ibid* at pp. XI and 41.

[57] *Ibid* at p. 57.

[58] *Ibid*.

[59] Transparency Directive Report, *supra* at pp. 3-4; and Accompanying Working Document at pp. 7-11.

[60] EC Directive 2013, *supra* at Art. 1.

[61] However, member states retain limited ability to impose more frequent reporting obligations through domestic law provided those obligations do not constitute a "significant financial burden", and the additional information that is required is "proportionate to the factors that contribute to investment decisions". *Ibid*.

quarterly IMS reporting was to reduce administrative burdens and improve access to the European markets for SMEs, this directive removed the IMS requirement for *all* issuers.[62]

The United Kingdom

In 2012, the UK Department of Business Innovation and Skills published a report examining the UK equity markets and its impact on the long-term performance and governance of UK listed companies (the "**Kay Report**").[63] The Kay Report included several recommendations to improve and encourage growth in the UK's equity markets including the elimination of quarterly IMS reporting.[64] This report was published following an extensive consultation and review process.[65] While there was certainly no consensus on whether and to what extent quarterly reporting contributes to short-termism in corporate decision making, some commentators acknowledged that quarterly reporting may be less relevant for some issuers than others[66] and supported the removal of quarterly IMS reporting on the basis that it was onerous and provided little value for investors[67].

Following the EC's adoption of the revised Transparency Directive, all EU member states were asked to remove the quarterly IMS requirement by November 26, 2015. However, in July 2014, the UK Financial Conduct Authority ("**FCA**") launched an early consultation process to remove the quarterly IMS reporting requirement a year ahead of schedule in order to lessen the administrative burden placed on UK issuers.[68]

According to the FCA, the majority of commentators supported the elimination of quarterly reporting but several commentators emphasized the need for voluntary reporting and one commentary advocated in favour of quarterly reporting for large firms to align with international standards.[69] Other respondents raised concerns with this proposal including concerns related to a loss of information for investors.[70] The FCA formally eliminated the quarterly reporting requirement on November 7, 2014, but continues to allow firms to voluntarily publish IMS on a quarterly basis.[71]

Singapore

In 2017 and 2018, the Singapore Exchange conducted public consultations on the possibility of introducing semi-annual reporting for all issuers, based on a desire to balance the need to promote

[62] *Ibid* at para 4.
[63] The Kay Review of UK Equity Markets and Long-Term Decision Making, Final Report (July 2012).
[64] The Kay Report focused on concern that quarterly reporting contributes to short-termism among issuers and their executives, which does not support long-term growth.
[65] See: Interim Report and submitted evidence.
[66] Barclays, response to the Interim Report of the Kay review of UK equity markets and long-term decision making.
[67] Confederation of British Industry, response to the Interim Report of the Kay review of UK equity markets and long-term decision making.
[68] Financial Conduct Authority, Consultation Paper: *Removing the Transparency Directive's requirement to publish interim management statements*, CP14/12 (July 2014).
[69] Financial Conduct Authority, Policy Statement: *Removing the Transparency Directive's requirement to publish interim management statements*, PS14/15 (November 2014) at p. 7.
[70] *Ibid* at p. 8.
[71] Financial Conduct Authority, Policy Statement: *Removing the Transparency Directive's requirement to publish interim management statements*, PS14/15 (November 2014).

transparency for investors against concerns about rising compliance costs.[72] At that time, all firms with a market capitalization of $75 million and above were subject to quarterly reporting obligations.

On January 9, 2020, the Singapore Exchange announced that it would only apply quarterly reporting requirements to certain higher risk companies.[73] According to this new risk-based approach, an issuer is only required to report quarterly if it has, for example, received a qualified opinion from an auditor or the Singapore exchange has raised regulatory concerns with the issuer.[74] As in other jurisdictions, the Singapore exchange continues to encourage voluntary quarterly reporting.

Japan

In 2006, Japan adopted the *Financial Instruments and Exchange Act*, which required companies that are listed on a Japanese exchange to report earnings quarterly though the publication of interim financial statements. Prior to that time, issuers were statutorily required to report on a semi-annual basis (although the Tokyo Stock Exchange had required quarterly earnings reports since 1999).

In or around 2022, the Financial System Council's Disclosure Working Group began a consultation in response to concerns that the costs of quarterly reporting outweighed the benefits and contributed to managerial short-termism. In June 2022, the Working Group released its final report which did not find a clear link between quarterly reporting and short-term corporate decision-making but nonetheless recommended the elimination of quarterly reporting. Japan subsequently introduced legislation to eliminate the statutory requirement for quarterly reporting, which came into effect on April 1, 2024.

However, issuers on the Tokyo Stock Exchange are still required to release quarterly earnings reports. These reports include much of the same information that was previously included in quarterly financial statements but are not audited.[75]

The United States

In September 2025, the President Trump urged the SEC to revise its rules to permit semi-annual reporting for public issuers.[76] Since that time, the Chair of the SEC, Paulk Atkins, has identified reforming the SEC's disclosure regime as a pillar of its "make IPOs great again" campaign.[77] The scope remains unclear, but the SEC is expected to published a rule proposal in early 2026 as a part of a disclosure rationalization initiative.[78]

On December 2, 2025, the Chair of the SEC made the following comments during a speech at the New York Stock Exchange:

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[72] Reuters, "Singapore Exchange scraps compulsory quarterly reports for companies" (January 9, 20202); SGX Group, "SGX RegCo adopts risk-based approach to quarterly reporting, mandates more robust disclosures on matters of high impact" (January 9, 2020).
[73] SGX Group, "SGX RegCo adopts risk-based approach to quarterly reporting, mandates more robust disclosures on matters of high impact" (January 9, 2020).
[74] Singapore Exchange, SGX Group Rulebook, S. 705.
[75] See: https://www.chuo-u.ac.jp/english/features/2025/04/79871/.
[76] Ho September 2025, *surpa* and Ho, November 2025, *supra*.
[77] See: speech from Paul Atkins, SEC Chair, *Revitalizing America's Markets at 250* (December 2, 2025).
[78] SEC, Agency Rule List – Spring 2025.

> "Shortly after I left the SEC as a staff member in the mid-1990s, there were more than 7,000 companies listed on the U.S. exchanges, from small-cap innovators to giants of industry. Yet by the time that I returned as Chairman earlier this year, that number had fallen by roughly 40 percent. What happened during those decades tells a cautionary tale of regulatory creep. A tale that tells us that the path to public ownership has become narrower, costlier, and overly burdened with rules that often create more friction than benefit. These trends have eroded American competitiveness; locked average investors out of some of the most dynamic companies; and pushed entrepreneurs to seek capital elsewhere, either in the private markets or on foreign shores. This decline was not inevitable—nor, is it now irreversible. **While there are many SEC rules and practices that have amassed over the decades and are ripe for reform, perhaps none epitomize regulatory creep more so than the voluminous disclosure requirements contained in the Commission's rulebook today**.
>
> […] One of my priorities as Chairman is to reform the SEC's disclosure rules with two goals in mind. First, the SEC must root its disclosure requirements in the concept of financial materiality. Second, these requirements must scale with a company's size and maturity."[79] [emphasis added]

Although the United States has required quarterly reporting since 1970, this will not be the first time that regulators in the United States have considered a move towards semi-annual reporting.

i. The SEC Concept Release

In 2016, the SEC published a concept release to identify areas of potential improvement in the SEC's periodic disclosure rules.[80] This publication included a series of questions on, among other topics, the frequency of reporting and the potential for semi-annual reporting for some or all issuers. This consultation generated hundreds of responses.

As summarized by the SEC, commenters' responses on semi-annual reporting were mixed. Some commenters approved of semi-annual reporting for all issuers or a subset of issuers[81] On the other hand, several commenters were opposed to semi-annual reporting on the basis that, for example, it would increase the risk of insider trading by lengthening the time between periodic disclosure dates.[82] Many of those commentors recommended that the SEC focus on streamlining the content of quarterly reporting rather than the frequency of reporting.[83] Between these extremes, some commentors supported semi-annual reporting for a subset of issuers. For example, Ernst and Young voiced support for a scaled approach that would permit semi-annual reporting for smaller issuers.[84]

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[79] See: speech from Paul Atkins, SEC Chair, *Revitalizing America's Markets at 250* (December 2, 2025).
[80] Securities and Exchange Commission, *Concept Release on Business and Financial Disclosure Required by Regulation S-K*, Release No. 33-10064 (2016) [the **SEC Concept Release**].
[81] Letter from the American Council for Life Insurers in response to SEC Concept Release (July 19, 2016); Letter from Committee of Annuity Insurers in response to SEC Concept Release (July 21, 2016)
[82] Letter from SEC Investor Advisory Committee in response to SEC Concept Release (June 15, 2016); Letter from the Committee on Securities Law of the Business Law Section of the Maryland Bar Association to the SEC Concept Release (July 21, 2016). Letter from National Investor Relations Institute in response to SEC Concept Release (August 4, 2016).
[83] *Ibid*.
[84] Letter from Ernst and Young in response to SEC Concept Release (July 21, 2026);

ii. The SEC Request for Comment

In 2018, the SEC published a request for comment on how to maintain or enhance investor protection attributes of periodic disclosures while reducing the administrative burdens associated with quarterly reporting.[85] This request for comment noted that the EU's recent adoption of quarterly reporting could inform policy changes in the United States and sought input on ways to promote efficiency in periodic reporting by, for example, providing reporting issuers or a class thereof with flexibility in the frequency of their financial reporting.[86]

The SEC Request for Comment garnered nearly 100 responses representing a wide range of opinions. On one end of the spectrum, reporting issuers tended to support semi-annual reporting. For example, Nasdaq noted that its members had expressed a concern about the costs associated with quarterly reporting and supported annual reporting on several grounds:

> "Nasdaq strongly believes that a one-size-fits all approach to corporate disclosure is no longer consistent with the evolution of the markets and technology. […] Nasdaq supports the view that companies looking to encourage long-term returns could benefit from a requirement to provide reports semi-annually as found in the United Kingdom and in some EU jurisdictions. Based on our survey of public companies, 75% of participants supported this view. Surprisingly, 54% of survey respondents also reported that the quarterly reporting cycle vs. semi-annual reporting cycle contributed to short-selling in their company's securities, a data point that supports the view that a focus on quarterly results may encourage short-term investment behaviors."[87]

On the other end of the spectrum, several commentators were opposed to semi-annual reporting. Although not universal, those opinions were most frequently expressed by auditors, advisors, corporate counsel, and other professional services providers who are likely to rely on quarterly reporting in the course of their businesses.[88] Many of these commentators noted that quarterly reporting is a foundational element of the US capital markets that should not be disturbed. For example, the CFA Institute's response letter stated:

> "[…] Timely and accurate financial information is the lifeblood of financial markets. Quarterly reporting of financial information creates a more level playing field for access

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[85] Securities and Exchange Commission, *Request for Comment on Earning Releases and Quarterly Reports*, Release No. 33-10588 (2018) [the **SEC Request for Comment**].
[86] *Ibid* at pp. 5-6.
[87] Letter from Nasdaq in response to SEC Request for Comment (July 18, 2019). See also: Letter from Society for Corporate Governance in response to SEC Request for Comment (April 19, 2019); and Letter from FCLT in response to SEC Request for Comment (July 22, 2019).
[88] See: Letter from CFA Institute in response to SEC Request for Comment (March 28, 2019); Letter from Investment Company Institute in response to SEC Request for Comment (March 21, 2019); Letter from Blackrock in response to SEC Request for Comment (March 21, 2019); See also: Letter from Managed Fund Association in response to SEC Request for Comment (September 6, 2019); Letter from American Bar Association in response to SEC Request for Comment (March 19, 2019); Letter from Deloitte in response to SEC Request for Comment (May 20, 2019); Letter from Grant Thornton in response to SEC Request for Comment (March 15, 2019); Letter from BDO in response to SEC Request for Comment (March 21, 2019)

> to financial information between insiders and outside investors and shareowners and ultimately promotes greater investor confidence and improved capital allocation."[89]

Between these extremes, some commentators expressed a nuanced view on optional semi-annual reporting. For example, KPMG did not support semi-annual reporting for all issuers but recommended that the SEC adopt a "scalable frequency model" for periodic reporting that would provide early growth companies and smaller revenue companies with the option to report with less frequency.[90] According to KPMG, this scaled approach to periodic reporting would be commensurate with the reduced disclosure origination that apply to early growth companies and smaller reporting companies.[91] A similar proposal was made by the Ernst & Young.[92]

iii. The Nasdaq Policy Advisory:

In April 2025, Nasdaq released a policy paper that included a series of recommendations on how to address an observed decline in the number of public listings in the United States.[93] This report was based on a survey that sought to identify the biggest "pain points" for publicly traded companies.

The Nasdaq report noted that technology and markets have evolved since the adoption of quarterly reporting, making it easier for issuers to communicate with investors and rending quarterly reporting redundant in many instances.[94] The Nasdaq report stated that regulations around reporting should similarly evolve to become simpler and address the disproportionate burden that quarterly reporting creates for small-and medium sized companies:

> "As with other disclosure requirements, the quarterly filing process is especially burdensome for small-and medium-sized companies that are forced to devote a disproportionate share of time and resources to meet these obligations. We believe the quarterly reporting requirements can be enhanced and simplified."[95]

Based on this burden and the use of earnings call to communicate with investors, the Nasdaq report recommended that the SEC establish a default rule that requires issuers to report semi-annually with optional quarterly reporting.[96] The Nasdaq report noted that, although quarterly reporting might be preferrable to larger companies, others would benefit from flexibility in the frequency of their reporting.[97]

[89] Letter from CFA Institute in response to SEC Request for Comment (March 28, 2019).
[90] Letter from KRMG in response to SEC Request for Comment (March 21, 2019).
[91] Letter from KRMG in response to SEC Request for Comment (March 21, 2019).
[92] Letter from Ernst & Young in response to SEC Request for Comment (March 21, 2019).
Letter from California Lawyers Association in response to SEC Request for Comment (March 19, 2019).
[93] A decline estimated at 36% in overall listings since 2000. See: Nasdaq, *Nasdaq Policy Advocacy, Advancing the U.S. Public Markets: Unlocking Capital Formation for a Stronger American Economy* (2025)
[94] *Ibid* at pp. 18-19.
[95] *Ibid*. at p. 18.
[96] *Ibid*.
[97] *Ibid*.