



CANADIAN PUBLIC ACCOUNTABILITY BOARD
CONSEIL CANADIEN SUR LA REDDITION DE COMPTES

November 23, 2018

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

c/o

The Secretary
Ontario Securities Commission
20 Queen Street W.
19th Floor, Box 55
Toronto, ON
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Me Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers
800, rue du Square-Victoria, 22^e étage
Montréal, QC
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Re: Proposed National Instrument 52-112 Non-GAAP and other financial measures disclosure

The Canadian Public Accountability Board (CPAB) is pleased to respond to the *Proposed National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure* as issued by the Canadian Securities Administrators in September 2018.

CPAB is Canada's independent audit regulator responsible for overseeing firms that audit Canadian reporting issuers. Our mandate is to promote high-quality independent auditing that contributes to the public confidence in the integrity of reporting issuers' financial reporting. We accomplish our mandate by inspecting the audit firms and audit working paper files which provides us with insights into the application of auditing standards and how they might be improved.

General comments

In general, we are supportive of the comprehensive disclosure requirements outlined in the Proposed Instrument and believe that the definition of non-GAAP financial measures used throughout the framework is appropriate. The changes to promote consistency of measures from period to period address a concern we have heard from investors and audit committees.

Scope of the national instrument

We believe investors could also benefit from improvement in the reporting of non-financial metrics due to the widespread use of these measures. We encourage the CSA to consider whether it would be feasible to increase the scope of the proposed National Instrument to include certain of these measures.

Improving the reliability of financial and non-financial measures

Finally, we also encourage the CSA to consider whether and how the reliability of certain performance measures can be improved which may include implementation of appropriate controls and processes at reporting issuers and/or to consider how auditors can provide assurance over the calculation of these measures.

We appreciate the opportunity to provide input on the *Proposed National Instrument 52-112 non-GAAP and other financial measures disclosures*.

We would be pleased to discuss further any of the above comments.

Yours very truly,



Carol Paradine, CPA, CA
Chief Executive Officer