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September 19, 2002

Peter Brady, Esq.,
Chair of the Continuous Disclosure
Harmonization Committee
British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
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Dear Sir:

**Proposed National Instrument 51-102 and Companion Policy 51-102CP
Continuous Disclosure Obligations**

I have pleasure in submitting the comments of the CICA's Canadian Performance Reporting Initiative (CPRI) Board on the proposed national instrument and companion policy indicated above. The CPRI Board is responsible for, among other things, the development of CICA's guidance on Management's Discussion & Analysis, the Review Draft of which was issued in December 2001 for a four month public comment period. We are currently revising that draft in the light of comments received, with a view to issuing a final guidance document later this fall. This guidance aims to be useful for all issuing companies in Canadian capital markets, taking into account and in places going beyond existing regulatory requirements for MD&A.

Our comments have been prepared from the perspective of the CPRI Board and its work on improving the usefulness of MD&A disclosures as an integrating element of business reporting. We understand that comments on the above proposals of the Canadian Securities Administrators (CSA) are being submitted separately by CICA's standards setting boards relating to accounting and assurance, respectively. We are generally supportive of the directions being proposed regarding continuous disclosure as they apply to MD&A for listed companies in Canadian capital markets. We would like to offer the following specific comments:

1. Purpose of an MD&A

We advocate retaining the original CSA statement (National Instrument 44-101, Form 44-101F2) that "the MD&A is intended to give a reader the ability to look at the issuer through the eyes of management by providing both a historical and prospective analysis of the business of the issuer". We suggest that this continues to be a useful foundational principle, provided that there is adequate review of MD&A reports by boards of directors or audit committees – as included in the CSA proposals – to promote integrity in corporate disclosure.

2. Integrated Filing

We strongly encourage introducing the requirement being considered, that if a security holder requests one of either the financial statements or the MD&A, the issuer must deliver both. Similarly, we strongly support the proposal that financial statements and the MD&A be filed at the same time, as one filing. We believe that the financial statements and MD&A should form an integrated reporting package, since in our view the MD&A both complements and supplements the financial statements. This position is consistent with our submission to CICA's Accounting Standards Oversight Committee (April 11, 2002).

3. Forward looking Information

We support the proposal in General Instructions and Interpretation (Part 1 of form 51-102F2) that MD&A should include a discussion of any forward-looking information disclosed in prior MD&A if, in light of intervening events and without that discussion, the earlier disclosure could mislead. However, in view of the importance of this proposal, we believe that consideration should be given to embedding it also in Part 2, detailing the Content of the MD&A.

The same comment applies to the General Instruction and Interpretation in Part 1 (g) calling for a cautionary statement about forward-looking information.

4. MD&A and GAAP disclosures

We recognize that, in view of the time it takes to develop or revise accounting standards, regulators may find it necessary to require MD&A disclosures to address information needs not covered in GAAP financial statement disclosure requirements. However, we advocate the use of an MD&A disclosure framework as outlined in the CICA's draft guidance on MD&A (see 6 below). To the extent that, for some companies, the required additional disclosures may present an additional level of detail that is not consistent with the overall approach to an MD&A proposed by the CICA Guidance to enhance investors' understanding of the business, its results and its prospects, we suggest that companies should have the option to place such additional disclosures within an appendix to the MD&A.

This approach might be appropriate for the additional disclosures proposed regarding liquidity, capital resources, non-independent relationships and critical accounting policies, similar to the recent SEC pronouncements.

5. SEC Issuers and MD&A Regulatory Requirements

The proposed instrument would permit Canadian SEC issuers, after an interim period, to file financial statements prepared in accordance with US GAAP without reconciliation of the statements to Canadian GAAP.

We advocate, however, the use of the CICA's guidance by such issuers in preparing their MD&As, ensuring of course that applicable MD&A requirements are also followed.

6. CICA's Proposed Guidance on MD&A

We recommend that the CSA give serious consideration to endorsing the disclosure principles and framework proposed in the CICA's Management Discussion and Analysis: Guidance on Preparation and Disclosure. The principles and framework in the final release of the Guidance this fall will be very similar to those in the December 2001 Review Draft, though the recommended practices will have been refined somewhat.

7. Other Matters

We support the proposals to shorten the filing deadlines for MD&A and financial statements.

We support the proposal to eliminate mandatory delivery of MD&As (and financial statements) to all security holders.

We support the proposal that all issuers, regardless of size, file interim and annual MD&As.

We agree with board (or if delegated, audit committee) review of annual and interim MD&As.

Yours truly,



J.L. Goodfellow, FCA
Chair, CPRI Board

cc. David Smith, President and CEO, CICA
Robert Rutherford, Vice President, Standards, CICA
William Swirsky, Vice President, Professional Affairs, CICA