

**CSA Notice and Request for Comment****Proposed Amendments to National Instrument 52-112 *Non-GAAP*  
and Other Financial Measures Disclosure**

November 13, 2025

**Introduction**

The Canadian Securities Administrators (the **CSA** or **we**) are publishing for a 90-day comment period proposed amendments to:

- National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure* (the **Proposed Amendments**),

proposed changes to:

- Companion Policy 52-112 *Non-GAAP and Other Financial Measures Disclosure* (the **Proposed Changes**),

and related proposed consequential amendment to:

- Multilateral Instrument 11-102 *Passport System*,

(collectively, the **Proposed Materials**).

The comment period will end on February 11, 2026.

The text of the Proposed Materials is contained in Annexes A through C of this Notice and will also be available on the websites of CSA jurisdictions, including:

[www.lautorite.qc.ca](http://www.lautorite.qc.ca)

[www.asc.ca](http://www.asc.ca)

[www.besc.bc.ca](http://www.besc.bc.ca)

<https://nssc.novascotia.ca/>

[www.nbsc-cvmnb.ca](http://www.nbsc-cvmnb.ca)

[www.osc.gov.on.ca](http://www.osc.gov.on.ca)

[www.fcaa.gov.sk.ca](http://www.fcaa.gov.sk.ca)

[www.mbsecurities.ca](http://www.mbsecurities.ca)

**Substance and Purpose**

Further to a new IFRS<sup>®</sup> Accounting Standard, IFRS 18 *Presentation and Disclosure in Financial Statements* (**IFRS 18**), that requires disclosure of management-defined performance measures (**MPMs**) in a note to the financial statements, the Proposed Amendments primarily seek to ensure

that such measures, that have historically been subject to the requirements of National Instrument 52-112 (NI 52-112) remain subject to its requirements.

In addition, the Proposed Amendments:

- Require that additional subtotals are disclosed outside of the financial statements with appropriate context.
- Allow incorporation by reference of certain information to the notes to the financial statements, under certain circumstances, to avoid duplicative disclosure.
- Codify and consolidate existing exemptions currently found in blanket orders as well as Ontario Rule 52-503 that provide relief to certain issuers from certain requirements of NI 52-112 (other than British Columbia's existing blanket order, BC Instrument 52-513, which will continue to apply).

The Proposed Amendments address, in a narrow-scope manner, the consequences arising from IFRS 18 on NI 52-112 and aim to minimize disruption to existing disclosure practices. Under the Proposed Amendments, issuers would not be required to materially change their reporting practices for non-GAAP financial measures disclosed *outside* the financial statements.

The Proposed Changes provide guidance on how we will interpret and apply the Proposed Amendments.

## **Background**

On May 27, 2021, the CSA published NI 52-112 and Companion Policy 52-112 *Non-GAAP and Other Financial Measures Disclosure (CP 52-112)*. Together, NI 52-112 and CP 52-112 address stakeholder demands, including reducing uncertainty regarding issuers' disclosure obligations and investors' need for consistent, transparent, and high-quality disclosure for certain financial measures presented outside of financial statements, such as non-GAAP financial measures.

On April 9, 2024, the International Accounting Standard Board (**IASB**) issued IFRS 18, which is effective for annual reporting periods beginning on or after January 1, 2027. Among other things, IFRS 18 requires entities to disclose information about certain financial measures in a note to the financial statements, when specific criteria in IFRS 18 are met (e.g., if an entity uses such measures in public communications *outside* financial statements – such as MD&A, earnings release, investor presentations).

Currently, such financial measures are disclosed outside the financial statements as non-GAAP financial measures. In developing the requirements for MPMs, the IASB and its staff acknowledged that in many jurisdictions, public entities have existing systems and processes in place to monitor and control their public communications to comply with laws and regulations – that regulate from the *onset* the type of information permitted to be provided to the market, such as those relating to non-GAAP financial measures – and that existing regulatory requirements for non-GAAP financial measures, if any, would continue to apply in regulated documents, even if those financial measures are identified as MPMs in a note to the financial statements.

Accordingly, in a Canadian reporting issuer context, for a financial measure to be an MPM it must *first* be disclosed *outside* financial statements and therefore comply with securities legislation, most notably NI 52-112 *before* it is disclosed as an MPM in a note to the financial statements.

Since NI 52-112 currently defines a non-GAAP financial measure as, among other things, a financial measure that is *not* disclosed in the financial statements of the entity, without the Proposed Amendments, many measures that have historically been considered non-GAAP financial measures (e.g., adjusted net income, adjusted EBITDA) would no longer meet the definition of a non-GAAP financial measure in NI 52-112 if those measures are disclosed in the financial statements as MPMs under IFRS 18. Therefore, without the Proposed Amendments, those measures would not be subject to the disclosure requirements in NI 52-112 when disclosed outside of the financial statements.

The disclosure requirements for MPMs in IFRS 18 are not inconsistent with the disclosure requirements for non-GAAP financial measures in NI 52-112. To reduce duplicative disclosures, the Proposed Amendments allow incorporation of information by reference to the notes to the financial statements if such notes contain the information required by NI 52-112.

In addition, to promote connectivity with IFRS 18, which requires an additional subtotal presented on the face of a primary financial statement, such as the statement of profit or loss, to be displayed no more prominently than the totals and subtotals required by IFRS Accounting Standards (e.g., operating profit), we are proposing a similar requirement when such an additional subtotal is disclosed *outside* the financial statements. This disclosure would, among other things, help ensure investors are provided with appropriate context when such a financial measure is disclosed outside the financial statements.

For clarity, the Proposed Amendments are focused on disclosures *outside* the financial statements. Nothing in the Proposed Amendments changes or overrides the requirements of IFRS Accounting Standards.

### **Possible Future Developments**

We are aware that the IASB is exploring whether to require the disclosure in the notes to the financial statements of other historically considered non-GAAP financial measures, beyond MPMs (as currently defined), such as certain cash-flow non-GAAP financial measures (e.g., free cash flow).

Since there is no certainty on the direction of the IASB work, the Proposed Amendments have not taken these potential future developments into consideration, resulting in a narrow proposed amendment to the definition of “non-GAAP financial measure” based on the known changes to IFRS Accounting Standards.

We will continue to monitor developments in this area and will assess whether future amendments to NI 52-112 are required.

## Summary of the Proposed Amendments

We are proposing the following amendments to existing requirements in NI 52-112:

### *Definitions*

- Amending the definition of “non-GAAP financial measure” to include MPMs.
- Adding new definitions for “additional subtotal” and “management-defined performance measure”.

### *Incorporating Information by Reference*

- Allowing the incorporation of certain information by reference to the notes to the financial statements to avoid duplicative disclosure.

### *Additional Subtotal Disclosure*

- Adding prominence disclosure requirements for an additional subtotal disclosed outside the financial statements.

### *Exemption for certain issuers*

- Adding an exemption for issuers that are currently exempt from NI 52-112 under existing blanket orders and Rule 52-503 in Ontario (other than British Columbia’s existing blanket order, BC Instrument 52-513)<sup>1</sup>, under the same conditions.

## Consequential Amendment

We propose to amend Multilateral Instrument 11-102 *Passport System* to include NI 52-112 in Appendix D of that Instrument. This amendment will allow any applications pertaining to NI 52-112 to be made under the passport system.

## Local Matters

Where applicable, an additional annex is being published in any local jurisdiction that is making related changes to local securities laws, including local notices or other policy instruments in that jurisdiction. It also includes any additional information that is relevant to that jurisdiction only.

## Request for Comments

We welcome your comments on the Proposed Materials. We particularly appreciate comments that are specific and accompanied by concrete examples.

Please submit your comments in writing on or before February 11, 2026.

---

<sup>1</sup> As a result, all blanket orders pertaining to NI 52-112 (other than British Columbia’s existing blanket order, BC Instrument 52-513), as well as Rule 52-503 in Ontario, will be rescinded upon adoption of the Proposed Amendments. BC Instrument 52-513 will continue to apply, ensuring uniformity in the application of the existing exemption for issuers across Canada.

Address your submission to all of the CSA as follows:

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

Deliver your comments only to the addresses below. Your comments will be distributed to the other participating CSA.

The Secretary  
Ontario Securities Commission  
20 Queen Street West  
19th Floor, Box 55  
Toronto, Ontario M5H 3S8  
Fax: 416-593-2318  
[comment@osc.gov.on.ca](mailto:comment@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  
Fax: 514-864-8381  
[consultation-en-cours@lautorite.qc.ca](mailto:consultation-en-cours@lautorite.qc.ca)

We cannot keep submissions confidential because securities legislation in certain provinces requires publication of the written comments received during the comment period. All comments received will be posted on the websites of each of the Alberta Securities Commission at [www.asc.ca](http://www.asc.ca), the Autorité des marchés financiers at [www.lautorite.qc.ca](http://www.lautorite.qc.ca) and the Ontario Securities Commission at [www.osc.gov.on.ca](http://www.osc.gov.on.ca). Therefore, you should not include personal information directly in comments to be published. It is important that you state on whose behalf you are making the submission.

## Contents of Annexes

- Annex A: Proposed Amendments to National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure*
- Annex B: Proposed Changes to Companion Policy 52-112 *Non-GAAP and Other Financial Measures Disclosure*
- Annex C: Proposed consequential amendment to Multilateral Instrument 11-102 *Passport System*
- Annex D: Local Matters

## Questions

Please refer your questions to any of the following:

### **Autorité des marchés financiers**

Sophie Yelle  
Leader - Securities Chief Accounting Office  
514-395-0337 # 4455  
[sophie.yelle@lautorite.qc.ca](mailto:sophie.yelle@lautorite.qc.ca)

Lucie Massé  
Senior Analyst, Accounting and Assurance  
Standards - Securities Chief Accounting Office  
418-525-0337 #4404  
[lucie.masse@lautorite.qc.ca](mailto:lucie.masse@lautorite.qc.ca)

Martin Latulippe  
Senior Policy Advisor  
514-395-0337 # 4331  
[martin.latulippe@lautorite.qc.ca](mailto:martin.latulippe@lautorite.qc.ca)

### **Alberta Securities Commission**

Brian Banderk  
Chief Accountant  
403-297-2082  
[brian.banderk@asc.ca](mailto:brian.banderk@asc.ca)

Gillian Findlay  
Senior Legal Counsel  
403-297-3302  
[gillian.findlay@asc.ca](mailto:gillian.findlay@asc.ca)

### **British Columbia Securities Commission**

Ryne Smetheram  
Associate Chief Accountant  
604-899-6978  
[rsmetheram@bcsc.bc.ca](mailto:rsmetheram@bcsc.bc.ca)

Amanda T. Wong  
Senior Securities Analyst  
604-899-6927  
[atwong@bcsc.bc.ca](mailto:atwong@bcsc.bc.ca)

### **Financial and Consumer Affairs Authority of Saskatchewan**

Heather Kuchuran  
Director, Corporate Finance  
306-787-1009  
[heather.kuchuran@gov.sk.ca](mailto:heather.kuchuran@gov.sk.ca)

**Manitoba Securities Commission**

Patrick Weeks  
Deputy Director, Corporate Finance  
204-945-3326  
[patrick.weeks@gov.mb.ca](mailto:patrick.weeks@gov.mb.ca)

**Financial and Consumer Services  
Commission of New Brunswick**

Ray Burke  
Manager, Corporate Finance  
506-643-7435  
[ray.burke@fcnb.ca](mailto:ray.burke@fcnb.ca)

**Ontario Securities Commission**

Alex Fisher  
Senior Advisor  
416-593-3682  
[afisher@osc.gov.on.ca](mailto:afisher@osc.gov.on.ca)

Jonathan Blackwell  
Senior Accountant  
437-993-2533  
[jblackwell@osc.gov.on.ca](mailto:jblackwell@osc.gov.on.ca)

**Nova Scotia Securities Commission**

Jack Jiang  
Securities Analyst  
902-424-7059  
[Jack.Jiang@novascotia.ca](mailto:Jack.Jiang@novascotia.ca)

Valerie Tracy  
Securities Analyst  
902-424-5718  
[Valerie.Tracy@novascotia.ca](mailto:Valerie.Tracy@novascotia.ca)

ANNEX A

**PROPOSED AMENDMENTS TO NATIONAL INSTRUMENT 52-112  
NON-GAAP AND OTHER FINANCIAL MEASURES DISCLOSURE**

1. *National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure is amended by this Instrument.*

2. *Section 1 is amended*

(a) *by renumbering it subsection 1(1),*

(b) *by adding the following definitions:*

“accounting principles” has the meaning ascribed to it in National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

“additional subtotal” means a subtotal that

- (a) is disclosed in the primary financial statements of an entity,
- (b) is not a financial measure that is defined or listed in the accounting principles applied to the preparation of the entity’s financial statements, or the composition of which is set out in those accounting principles, and
- (c) is not a specified financial measure;

“management-defined performance measure” has the meaning ascribed to it in the accounting principles applied to the preparation of an entity’s financial statements;

(c) *by replacing the definition of “non-GAAP financial measure” with the following:*

“non-GAAP financial measure” means a financial measure disclosed by an issuer, other than a total of segments measure or a capital management measure, that is either of the following:

- (a) a management-defined performance measure;
- (b) a financial measure that
  - (i) depicts the historical or expected future financial performance, financial position or cash flow of an entity,
  - (ii) with respect to its composition, excludes an amount that is included in, or includes an amount that is excluded from, the composition of the most directly comparable financial measure disclosed in the primary financial statements of the entity,
  - (iii) is not disclosed in the financial statements of the entity, and

(iv) is not a ratio, fraction, percentage or similar representation;, **and**

**(d) by adding the following subsection:**

(2) Terms used in this Instrument but not defined in this Instrument, National Instrument 14-101 *Definitions* or other securities legislation, and defined or used in the accounting principles applied to the preparation of the entity's financial statements, have the meaning ascribed to those terms in such accounting principles..

3. **Section 2 is amended by replacing** "disclosure of a specified financial measure" **with** "disclosure of a specified financial measure or an additional subtotal".

4. **Section 3 is amended by replacing** "disclosure of a specified financial measure" **with** "disclosure of a specified financial measure or an additional subtotal".

5. **Subsection 4(1) is amended**

**(a) in subparagraph (d)(i) by replacing** "the specified financial measure" **with** "a specified financial measure or an additional subtotal",

**(b) in paragraph (e) by replacing** "disclosure of a specified financial measure" **with** "disclosure of a specified financial measure or an additional subtotal",

**(c) in subparagraph (e)(i) by replacing** "composition of the measure and the measure" **with** "composition of the measure or subtotal and the measure or subtotal",

**(d) in subparagraph (e)(ii) by replacing** "in proximity to the measure," **with** "in proximity to the first instance of the measure or subtotal," **and** "under which the measure is disclosed" **with** "under which the measure or subtotal is disclosed",

**(e) in paragraph (f) by replacing** "specified financial measure if the calculation of the specified financial measure is derived from" **with** "specified financial measure or an additional subtotal if the calculation of the measure or subtotal is derived from",

**(f) in paragraph (g) by replacing** "in respect of disclosure of a specified financial measure" **with** "in respect of disclosure of a specified financial measure or an additional subtotal", **and**

**(g) in subparagraph (g)(ii) by replacing** "the measure does not relate" **with** "the measure or subtotal does not relate".

6. **Section 4 is amended by adding the following subsection:**

**(3) (a)** This subsection does not apply in British Columbia.

- (b) In this subsection,

“Authority” means the Autorité des marchés financiers established by the *Act respecting the regulation of the financial sector*, CQLR, c. E-6.1;

“eligible issuer” means a reporting issuer that is, or that has a subsidiary or an affiliate that is, a financial institution subject to financial institution guidelines;

“financial institution” means a federal financial institution within the meaning of the *Bank Act* (Canada) or a financial institution that is authorized to carry on business in the Province of Québec under one of the following acts:

- (a) *Insurers Act*, CQLR, c. A-32.1;
- (b) *Act respecting financial services cooperatives*, CQLR, c. C-67.3;
- (c) *Deposit Institutions and Deposit Protection Act*, CQLR, c. I-13.2.2;  
and
- (d) *Trust Companies and Savings Companies Act*, CQLR, c. S-29.02;

“financial institution guideline” means any guideline or advisory guidance of OSFI or the Authority applicable to a financial institution that specifies the composition of a specified financial measure;

“OSFI” means the Office of the Superintendent of Financial Institutions of the Government of Canada;

- (c) Despite sections 2 and 3, this Instrument does not apply to an eligible issuer in respect of disclosure of a specified financial measure pursuant to a financial institution guideline if
- (i) the measure was determined in accordance with a financial institution guideline, and
  - (ii) in proximity to the first instance of the measure, the eligible issuer discloses the financial institution guideline under which the measure is disclosed..

**7. Subsection 5 is amended**

- (a) **in subsection (1) by replacing “Subject to subsections (3) and (4), an” with “An”.**

**(b) by adding the following subsection:**

**(1.1)** Despite paragraph (1)(a), an issuer may incorporate by reference the information referred to in subparagraph 6(1)(e)(ii) in respect of a management-defined performance measure if the reference is to the notes to the financial statements of the entity to which the measure relates.,

**(c) in subsection (2)**

**(i) by replacing “subsection (1)” with “subsection (1) or (1.1)”**,

**(ii) in paragraph (b) by replacing “the information in the MD&A” with “the information in the MD&A or in the notes to the financial statements”, and**

**(iii) in paragraph (c) by replacing “MD&A is available” with “MD&A and the financial statements are available”.**

**8. Subsection 5(4) is amended by replacing “Despite subsection (1)” with “Despite subsections (1) and (1.1)”.**

**9. Section 6 is amended**

**(a) in subsection (1) by replacing “in a document unless” with “in a document, other than in financial statements about the entity to which the measure relates, unless”**,

**(b) in paragraph (1)(c) by replacing “the most directly comparable financial measure that is disclosed in the primary financial statements of the entity to which the measure relates” with “the most directly comparable financial measure disclosed in the primary financial statements of the entity to which the financial measure relates that is not a management-defined performance measure”, and**

**(c) in clause (1)(e)(ii)(C) by adding “referred to in subsection (2)” after “format”.**

**10. Paragraph 9(a) is amended by adding “to which the financial measure relates that is not a management-defined performance measure” after “entity”.**

**11. Section 10 is amended**

**(a) in subsection (1) by adding “in” before “financial statements”**,

**(b) in paragraph (1)(a) by adding “to which the financial measure relates that is not a management-defined performance measure” after “entity”, and**

**(c) in clause (1)(b)(ii)(C) by replacing “primary financial statements of the issuer” with “primary financial statements of the entity to which the financial measure relates that is not a management-defined financial measure”.**

12. *Subparagraph 11(a)(ii) is amended by replacing “issuer” with “entity”.*
13. *The following part is added:*

**PART 3.1  
ADDITIONAL SUBTOTAL DISCLOSURE**

- 11.1. An issuer must not disclose an additional subtotal in a document, other than in the financial statements about the entity to which the subtotal relates, unless both of the following apply:
- (a) the document discloses the most directly comparable financial measure disclosed in the primary financial statements of the entity to which the subtotal relates that is not a management-defined performance measure;
  - (b) the subtotal is presented with no more prominence in the document than that of the most directly comparable financial measure referred to in paragraph (a)..
14. (1) This Instrument comes into force on [●].
- (2) In Saskatchewan, despite subsection (1), if these regulations are filed with the Registrar of Regulations after [●], these regulations come into force on the day on which they are filed with the Registrar of Regulations.

ANNEX B

PROPOSED CHANGES TO  
COMPANION POLICY 52-112 *NON-GAAP AND OTHER FINANCIAL MEASURES  
DISCLOSURE*

1. *Companion Policy 52-112 Non-GAAP and Other Financial Measures Disclosure is changed by this Document.*
2. *The section entitled “Introduction” is changed*
  - (a) *by adding the following after the first sentence:*

In addition, the Instrument sets out specific disclosure requirements for additional subtotals, as defined in the Instrument., *and*
  - (b) *by adding “and additional subtotals” after “specified financial measures” in the second to last sentence.*
3. *The subsection entitled “Document” is changed by adding the following after the first sentence:*

The disclosures for specified financial measures or additional subtotals required by the Instrument must be made in documents other than the financial statements, although information contained in notes to the financial statements may, in certain circumstances, be incorporated by reference..
4. *The subsection entitled “Specified Financial Measures Disclosed by an Issuer and Financial Statements of an Entity” is changed*
  - (a) *by adding “or Additional Subtotals” after “Specified Financial Measures” in the title of the subsection,*
  - (b) *by adding “or an additional subtotal” after “specified financial measure” wherever the expression occurs in the first paragraph, and*
  - (c) *by adding the following after the last bullet point in the subsection:*

Issuers should ensure they use the same label when disclosing a financial measure both inside and outside of the financial statements..
5. *The subsection entitled “Financial Measures” is changed by adding “or an additional subtotal” after “specified financial measure” wherever the expression occurs in the first paragraph.*

6. ***The subsection entitled “Financial Reporting Framework, Accounting Principles, and Accounting Policies” is changed by replacing “IFRS” with “IFRS® Accounting Standards”.***
7. ***The subsection entitled “Misleading disclosure still prohibited” is changed by adding “or an additional subtotal” after “specified financial measure”.***
8. ***The following sections are added before the section entitled “Section 1 - Definition of a non-GAAP financial measure”:***

#### **Section 1 – Definition of additional subtotal**

The Instrument defines an additional subtotal as a subtotal disclosed in the primary financial statements of an entity, that is not a financial measure defined or listed in the accounting principles applied to the preparation of the entity’s financial statements, that is not a financial measure the composition of which is set out in those accounting principles, and that is not a specified financial measure.

Although the presentation of an additional subtotal may be required by IFRS Accounting Standards, such as paragraph 24 of IFRS 18 *Presentation and Disclosure in Financial Statements* (IFRS 18), when the composition of the subtotal is defined by management or where the composition of the subtotal may vary, and may not necessarily be comparable with measures sharing similar labels or descriptions provided by other entities, that particular subtotal would be an additional subtotal.

Examples of subtotals disclosed in the primary financial statements of the entity which are defined or listed in IFRS Accounting Standards or the composition of which is set out in IFRS Accounting Standards include but are not limited to the totals and subtotals that the entity must present in the statement of profit or loss (e.g., “operating profit or loss”, “profit or loss before financing and income taxes”, and “profit or loss”) and subtotals of income or expenses listed in paragraph 118 of IFRS 18 (e.g., “gross profit or loss”). These subtotals would not be “additional subtotals” under the Instrument.

#### **Section 1 – Definition of management-defined performance measure**

The Instrument defines a “management-defined performance measure” to be consistent with the definition of this term in the accounting principles applied to the preparation of an entity’s financial statements, for example, as defined by IFRS Accounting Standards. Accordingly, issuers should consider the associated definition and the related authoritative application guidance in IFRS 18..

9. ***The section entitled “Section 1 - Definition of a non-GAAP financial measure” is changed by replacing the title with “Section 1 – Paragraph (b) of the definition of a non-GAAP financial measure”.***

10. ***The following subsection is added after the subsection entitled “Non-Financial Information”:***

*Anti-avoidance*

An issuer should not disclose or refer to a financial measure in the notes to the financial statements for the purpose of avoiding application of the Instrument.

Although accounting standards may permit an issuer to provide additional information in the notes to the financial statements if an issuer believes such information to be useful for users of the financial statements, we expect that an issuer will apply the requirements of the Instrument pertaining to non-GAAP financial measures to a financial measure disclosed or referred to for such purpose in the notes to the financial statements if the other conditions set out in the definition of non-GAAP financial measure apply to such measure..

11. ***The following section is added before the section entitled “Section 2 – Application to reporting issuers”:***

**Subsection 1(2) – Accounting terms**

The Instrument uses accounting terms that are defined or used in the accounting principles applied to the preparation of the entity’s financial statements. In certain cases, some of those terms are defined differently in securities legislation. In deciding which meaning applies, you should consider that National Instrument 14-101 *Definitions* provides that a term used in the Instrument and defined in the securities statute of a local jurisdiction has the meaning given to it in the statute unless: (a) the definition in that statute is restricted to a specific portion of the statute that does not govern continuous disclosure; or (b) the context otherwise requires..

12. ***The subsection entitled “Websites and Social Media” is changed***

(a) ***by replacing*** “of its disclosure, on a website and social media, of a specified financial measure” ***with*** “of its disclosure in a document, including on a website and social media, of a specified financial measure or an additional subtotal”, ***and***

(b) ***by replacing*** “A” ***at the beginning of the second sentence with*** “For example, a”.

13. ***The section entitled “Section 3 – Application to issuers that are not reporting issuers” is changed by adding*** “or an additional subtotal” ***after*** “specified financial measure”.

14. ***The section entitled “Subparagraphs 4(1)(c)(i) and (ii) – Mineral Projects” is changed***

(a) ***by adding*** “estimates” ***after*** “costs” ***and*** “forecasts of” ***before*** “annual” ***in the first paragraph,***

- (b) *by adding “or an additional subtotal” after “specified financial measure” in the second paragraph, and*
- (c) *by replacing “is” with “may be” in the second paragraph.*
15. *The section entitled “Subparagraph 4(1)(d)(i) – Reports prepared by a person or company other than the issuer or entity that is the subject of the specified financial measure” is changed*
- (a) *by adding “or the additional subtotal” after “specified financial measure” in the title of the section,*
- (b) *by adding “or the additional subtotal” after “specified financial measure” in the first paragraph, and*
- (c) *by adding “or an additional subtotal” after “a specified financial measure” and “or additional subtotal” after “this specified financial measure” in the third paragraph.*
16. *The section entitled “Paragraph 4(1)(e) – Financial measures required under law or by an SRO” is changed*
- (a) *by replacing the title with “Paragraph 4(1)(e) – Specified financial measures or additional subtotals required under law or by an SRO”,*
- (b) *by replacing “financial measures” with “specified financial measures or additional subtotals” in the first paragraph,*
- (c) *by replacing “financial measure” with “specified financial measure or additional subtotal” in the second instance of the second paragraph and in the first instance of the third paragraph, and*
- (d) *by adding “, unless the exception in subsection 4(3) applies” at the end of the last sentence.*
17. *The section entitled “Paragraph 4(1)(f) – Specified financial measure where its calculation is derived from a financial covenant in a written agreement” is changed*
- (a) *by adding “or additional subtotal” after “Specified financial measure” in the title of the section, and*
- (b) *by adding “or an additional subtotal” after “specified financial measure” in the first instance of the first sentence.*
18. *The section entitled “Paragraph 4(1)(g) – Specified financial measure disclosed in a document by a registered firm that is intended to be, or is reasonably likely to be, made available to a client or a prospective client of the registered firm” is changed*

- (a) *by adding “or additional subtotal” after “Specified financial measure” in the title of the section, and*
- (b) *by adding “or an additional subtotal” after “specified financial measure” in the first sentence.*

19. *The following section is added after the section entitled “Subsection 4(2) – Statement of Executive Compensation”:*

**Subsection 4(3) – Financial institutions**

The Instrument includes an exemption for certain financial institutions that were exempt from the Instrument under local blanket orders and Rule 52-503 in Ontario. This exemption does not apply in British Columbia. British Columbia’s existing blanket order, BC Instrument 52-513, continues to apply, ensuring uniformity in the application of the exemption across Canada..

20. *The section entitled “Section 5 – Incorporation by reference” is replaced with the following sections and subsections:*

**Section 5 – Incorporating information by reference**

**Subsection 5(1) – Incorporation by reference to the issuer’s MD&A**

The Instrument allows an issuer to incorporate by reference certain disclosure, when the MD&A includes the information required under the provisions referenced in paragraphs 5(1)(a) to (f), and if the reference is to the issuer’s MD&A.

**Subsection 5(1.1) – Incorporation by reference to the notes to the financial statements of the entity to which the measure relates**

An issuer may incorporate by reference the information required under subparagraph 6(1)(e)(ii) if the reference is to the notes to the financial statements of the entity to which the measure relates and if the financial measure is a management-defined performance measure (see definition of management-defined performance measure in section 1 of the Instrument).

When incorporating by reference, the notes to the financial statement should therefore include, for *each* management-defined performance measure, *all* of the information required under subparagraph 6(1)(e)(ii).

IFRS 18 outlines that management-defined performance measures relate to the same reporting period as the financial statements. Accordingly, when using the incorporation by reference provision in subsection 5(1.1), the reference to the notes to the financial statements of the entity to which this management-defined performance measure relates is for the *same* reporting period.

**Subsection 5(2) – Required statements with the use of the incorporation by reference provisions in subsection 5(1) or (1.1)**

To meet the requirement that the MD&A or the financial statements be available on SEDAR+ under paragraph 5(2)(c) of the Instrument, the MD&A or the financial statements must be filed on SEDAR+ before, or simultaneously with the document, in order for this MD&A or the financial statements to be used to incorporate any information by reference into the document. For example, if an issuer is filing an annual information form that includes a specified financial measure and the issuer is incorporating certain information in the MD&A by reference to satisfy the disclosure requirements of the Instrument, that MD&A would have to be filed on SEDAR+ before or simultaneously with the filing of the annual information form.

Paragraph 5(2)(b) requires the identification of the specific location of the required information in the MD&A or the financial statements. To comply with this requirement, identify where the required information is specifically located within the MD&A or the exact note to the financial statements (e.g., identify the specific MD&A including a reference to the date of the MD&A, its reporting period, and the specific section or page reference within the MD&A) or provide a hyperlink to the specific section or page within the MD&A or the financial statements where the information is located. Issuers would not satisfy this requirement with a general hyperlink to the relevant MD&A or the financial statements.

**Subsection 5(4) – Quantitative reconciliation requirements in an earnings release**

The Instrument allows an issuer to incorporate by reference certain required disclosure in a news release; however, subsections 5(1) and (1.1) do not apply to the quantitative reconciliation requirements under clause 6(1)(e)(ii)(C), paragraph 7(2)(d) or 9(c), or clause 10(1)(b)(ii)(C) if the document that contains the specified financial measure is an earnings release filed by the issuer under section 11.4 of NI 51-102..

21. ***The section entitled “Paragraphs 6(1)(e), 7(2)(d), 8(c), 9(c), 10(1)(b), 11(b) – Proximity to the first instance” is changed***
- (a) ***by adding “and subparagraphs 4(1)(e)(ii) and 4(3)(c)(ii)” after “11(b)” in the title of the section, and***
  - (b) ***by adding “and subparagraphs 4(1)(e)(ii) and 4(3)(c)(ii)” after “11(b)” in the first and second instances.***

22. ***The following subsection is added after the subsection entitled “Presentation in the Form of a Primary Financial Statement”:***

*Presentation of a ‘two-step’ reconciliation*

An issuer may present a quantitative reconciliation in a ‘two-step’ format – i.e., reconcile a specified financial measure to a total or subtotal that is not presented in the primary financial statements of the entity, if that total or subtotal is then reconciled to the most directly comparable financial measure disclosed in the primary financial statements of the entity to which the financial measure relates that is not a management-defined performance measure..

23. ***The section entitled “Section 9 – Disclosure of total of segments measures” is changed by replacing “the Policy” with “this Policy”.***
24. ***The section entitled “Section 10 – Disclosure of capital management measures” is changed***
- (a) ***by replacing “in IFRS under IAS 1 Presentation of Financial Statements” with “in IFRS Accounting Standards under IFRS 18”, and***
  - (b) ***by replacing “the Policy” with “this Policy”.***
25. ***Appendix A is changed by replacing the flowchart with the following:***



26. These changes become effective on [●].

ANNEX C

**PROPOSED AMENDMENTS TO MULTILATERAL INSTRUMENT 11-102  
PASSPORT SYSTEM**

1. *Multilateral Instrument 11-102 Passport System is amended by this Instrument.*
2. *Appendix D is amended in the table by adding the following row after the row entitled, in the “Provision” column, “Audit committees”:*

Non-GAAP and other financial measures disclosure	NI 52-112
--------------------------------------------------	-----------

3. (1) This Instrument comes into force on [●].
- (2) In Saskatchewan, despite subsection (1), if these regulations are filed with the Registrar of Regulations after [●], these regulations come into force on the day on which they are filed with the Registrar of Regulations.

INCLUDES COMMENT LETTERS RECEIVED

**ANNEX D**

**LOCAL MATTERS**

There are no local matters to consider at this time.



**Accounting Standards Board Canada**  
145 King Street West, Suite 500  
Toronto, Ontario, Canada M5H 1J8  
T. 416 977.3222  
[www.frascanada.ca](http://www.frascanada.ca)

January 29, 2026

Submitted by e-mail to [comment@osc.gov.on.ca](mailto:comment@osc.gov.on.ca) and [consultation-en-cours@lautorite.qc.ca](mailto:consultation-en-cours@lautorite.qc.ca)

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

Dear Sirs and Mesdames,

**Re: Response to Canadian Securities Administrators' Notice and Request for Comment - Proposed Amendments to National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure**

This letter is the response of the [Canadian Accounting Standards Board](http://www.frascanada.ca) (AcSB) to Canadian Securities Administrators' (CSA) Notice and Request for Comment – "Proposed Amendments to National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure", issued in November 2025.

**Our process**

As part of developing our response for these proposals, we consulted with our [IFRS® Accounting Standards Discussion Group](#). We considered the results of these discussions when developing this letter.

**Our view**

We are supportive of this project's objective to ensure that measures that have historically been subject to the requirements of NI 52-112 Non-GAAP and Other Financial Measures Disclosure remain subject to its requirements following the adoption of IFRS 18 *Presentation and Disclosure in Financial Statements*.

We agree with the CSA's proposal to amend the definition of "non-GAAP financial measure" to include management-defined performance measures (MPMs). We note that IFRS 18 is clear that even though entities are required to disclose MPMs in their financial statements, they are defined by management

LETTERS RECEIVED COMMENT IDES

rather than mandated by IFRS Accounting Standards. Therefore, we think that expanding the scope of the definition of non-GAAP financial measures to include MPMs is conceptually sound and the simplest means of ensuring that these measures remain within the scope of securities law. This approach also reinforces that MPMs, by their nature, are not specific measures required by IFRS Accounting Standards.

We would be pleased to elaborate on our comments in more detail if you require. If so, please contact me or, alternatively, Katharine Christopoulos, Director, Accounting Standards Board (+1 416 204-3270 or email [kchristopoulos@acsbcanada.ca](mailto:kchristopoulos@acsbcanada.ca)), Jamie Goodman, Principal, Accounting Standards Board (+1 416 204-3294 or [jgoodman@acsbcanada.ca](mailto:jgoodman@acsbcanada.ca)), or Maxim Sergheev, Principal, Accounting Standards Board (+1 604 605-5020 or [msergheev@acsbcanada.ca](mailto:msergheev@acsbcanada.ca)).

Yours truly,



Armand Capisciolto  
Chair, Accounting Standards Board  
[acapisciolto@acsbcanada.ca](mailto:acapisciolto@acsbcanada.ca)  
+1 647 264-8279

---

**About the Canadian Accounting Standards Board**

We are an independent body with the legal authority to establish accounting standards for use by all Canadian publicly accountable enterprises, private enterprises, not-for-profit organizations and pension plans in the private sector. We are comprised of a full-time Chair and volunteer members from a variety of backgrounds, including financial statement users, preparers, auditors and academics; a full-time staff complement supports our work.

**Our standards**

We have adopted IFRS<sup>®</sup> Accounting Standards as issued by the IASB for publicly accountable enterprises. Canadian securities legislation permits the use of U.S. GAAP in place of IFRS Accounting Standards in certain circumstances. We support a shared goal among global standard setters of high-quality accounting standards that result in comparable financial reporting outcomes regardless of the GAAP framework applied.

We developed separate sets of accounting standards for private enterprises, not-for-profit organizations and pension plans. Pension plans are required to use the applicable set of standards. Private enterprises and not-for-profit organizations can elect to apply either the set of standards developed for them, or IFRS Accounting Standards as applied by publicly accountable enterprises.

**Our role vis-à-vis IFRS Accounting Standards**

Our responsibility to establish Canadian GAAP necessitates an endorsement process for IFRS Accounting Standards. We evaluate and rely on the integrity of the IASB's due process as a whole, and monitor its application in practice. In addition, we perform our own due process activities for each new or amended IFRS Accounting Standard to ensure that the standard is appropriate for application in Canada. We reach out to Canadians on the IASB's proposals to understand and consider their views before deciding whether to endorse a final IFRS Accounting Standard. A final standard is available for use in Canada only after we have endorsed it as Canadian GAAP.



Ernst & Young LLP  
EY Tower  
100 Adelaide Street West, PO Box 1  
Toronto, ON M5H 0B3

Tel: +1 416 864 1234  
Fax: +1 416 864 1174  
ey.com

**Shape the future  
with confidence**

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

02 February 2026

## **CSA Notice and Request for Comment – Proposed Amendments to National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure***

Dear Sirs/Mesdames:

We are pleased to provide our comments to the Canadian Securities Administrators ("CSA") on the CSA Notice and Request for Comment on Proposed Amendments to National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure* ("NI 52-112").

Overall, we support the CSA's objective to maintain investor focused, high quality disclosure for non-GAAP and other financial measures and to minimize disruption as entities implement IFRS 18 - *Presentation and disclosure in financial statements*. Therefore, we also support the objectives of the Proposed Amendments to ensure that measures that have historically been subject to the requirements of NI 52-112 remain subject to its requirements following the adoption of IFRS 18. To that effect, we agree with the Proposed Amendments to amend the definition of "non-GAAP financial measures" by specifically including management-defined performance measures ("MPMs").

To assist the CSA in its objectives, we are providing the following comments on certain aspects of the proposed amendments.

### **Proposed amendment to Companion Policy to allow a "Two-step" reconciliation**

IFRS 18.123(c), together with paragraph B140, allows a reconciliation to an intermediate measure not presented in the statement of financial performance if that intermediate measure is one of those specified in paragraph 118. This intermediate measure is then reconciled to the most directly comparable subtotal presented in the primary financial statements. In contrast, the proposed Companion Policy amendment wording appears broader, as it would permit an intermediate reconciliation to a wider range of subtotals beyond those contemplated in paragraph 118. If so, it would seem such an intermediate measure could also be an IFRS 18 MPM if it were not a subtotal specified in paragraph 118 and therefore require all the associated IFRS 18 MPM disclosures.

INCLUDES COMMENT LETTERS RECEIVED



**Shape the future  
with confidence**

We assume the CSA intends for such an intermediate measure used in the first step of the reconciliation to also be treated as a non-GAAP financial measure and that all corresponding non-GAAP disclosure requirements would also apply to the intermediate measure. However, to provide clarity, we would recommend that the Companion Policy address this explicitly considering both scenarios where the intermediate measure is a subtotal specified in paragraph 118 and scenarios where the intermediate measure is not a subtotal specified in paragraph 118.

**Suggested consideration for Companion Policy section "Combinations of Line Items"**

The current Companion Policy states "*A financial measure calculated by combining financial information that originates from different line items from the primary financial statements would meet the definition of a non-GAAP financial measure if the measure depicts financial performance, financial position or cash flow, unless that resulting measure is separately disclosed in the notes to the financial statements.*"

We question whether the last part "*unless that resulting measure is separately disclosed in the notes to the financial statements*" should be amended to make more clear that a combination of line items (i.e. a combination of income and expenses) could be a non-GAAP measure unless disclosed in the notes to the financial statements other than in the MPM disclosures.

We would be pleased to discuss our comments on the proposed amendments. If you wish to do so, please contact Eric Spiekman ([Eric.Spiekman@ca.ey.com](mailto:Eric.Spiekman@ca.ey.com)).

Yours sincerely,

A handwritten signature in black ink that reads "Ernst &amp; Young LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants  
Licensed Public Accountants



February 11, 2026

VIA EMAIL

British Columbia Securities Commission  
Alberta Securities Commission  
Financial and Consumer Affairs Authority of Saskatchewan  
Manitoba Securities Commission  
Ontario Securities Commission  
Autorité des marchés financiers  
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, Service NL  
Northwest Territories Office of the Superintendent of Securities  
Office of the Yukon Superintendent of Securities  
Nunavut Securities Office

The Secretary  
Ontario Securities Commission  
[comments@osc.gov.on.ca](mailto:comments@osc.gov.on.ca)

Me Philippe Lebel  
Corporate Secretary and Executive  
Director, Legal Affairs,  
Autorité des marchés financiers  
[consultation-en-cours@lautorite.qc.ca](mailto:consultation-en-cours@lautorite.qc.ca)

**Re: CSA Notice and Request for Comment — Proposed Amendments to National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure (the "Proposed Amendments")**

The Canadian Advocacy Council of CFA Societies Canada (the "CAC")<sup>1</sup> appreciates the opportunity to provide comments on the Proposed Amendments to National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure ("NI 52-112"), the proposed changes to Companion Policy 52-112 (the "Proposed Changes"), and the related proposed consequential amendment to Multilateral Instrument 11-102 Passport System (collectively, the "Proposed Materials").

**Executive Summary**

---

<sup>1</sup>The CAC is an advocacy council for CFA Societies Canada, representing the 12 CFA Institute Member Societies across Canada and over 21,000 Canadian CFA charterholders. The council includes investment professionals from across Canada who review regulatory, legislative, and standard setting developments affecting investors, investment professionals, and the capital markets in Canada. Visit [www.cfacanada.org](http://www.cfacanada.org) to access the advocacy work of the CAC.

As the global association of investment professionals, CFA Institute sets the standards for professional excellence and credentials. We champion ethical behavior in investment markets and serve as the leading source of learning and research for the investment industry. We believe in fostering an environment where investors' interests come first, markets function at their best, and economies grow. With more than 200,000 charterholders worldwide across more than 160 markets, CFA Institute has 9 offices and 158 local societies. Find us at [www.cfainstitute.org](http://www.cfainstitute.org) or follow us on [LinkedIn](https://www.linkedin.com/company/cfa-institute).

JUDES COMMENT LETTERS RECEIVED



We support the Proposed Amendments. The adoption of IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18"), effective for annual reporting periods beginning on or after January 1, 2027, will require entities to disclose management-defined performance measures ("MPMs") in the notes to the financial statements. MPMs are informational to investors and should remain subject to the disclosure requirements of securities legislation. The Proposed Amendments correctly close this gap.

The CAC has engaged with NI 52-112 since its inception. In our 2018 submission on the original proposed National Instrument, we expressed support for the creation of "a set of enforceable standards that will further meaningful disclosures to investors without unduly limiting the ability of an issuer to tell their own story."<sup>2</sup> In our 2020 submission on the then-revised proposed National Instrument, we reiterated that support while urging that NI 52-112's adoption should be "a milestone in an ongoing CSA policy project to improve issuer disclosures" rather than an endpoint.<sup>3</sup> We view the present Proposed Amendments as a necessary and timely step in that ongoing project.

While our support for the Proposed Amendments is unqualified, we wish to raise two broader considerations for the CSA's attention: the need for engagement with the IASB toward prospective needed regulatory flexibility within NI 52-112 to accommodate foreseeable developments in IFRS Accounting Standards relating to issuer disclosure, and the long-standing case for advancing structured, machine-readable financial disclosure through utility-led infrastructure.

### **Support for the Proposed Amendments**

We support the amended definition of "non-GAAP financial measure" to include MPMs, and the added subsection to conform generally to terms defined under accounting principles for the purposes of this Instrument. These amendments ensure that financial measures which are informational to investors and which have been subject to NI 52-112's disclosure requirements continue to be regulated when disclosed outside the financial statements, regardless of whether they are also disclosed in the notes to the financial statements under IFRS 18. The alternative in allowing these measures to fall outside the scope of securities regulation would represent an unintended and undesirable erosion of quality of disclosure information and investor protection, as these measures are widely relied upon by investors for a wide array of purposes that both directly inform valuation but also price-setting investment decision-making.

We support the new disclosure requirements for additional subtotals disclosed outside the financial statements. The requirement that such subtotals be presented with no more prominence than the most directly comparable financial measure defined by IFRS Accounting Standards is a sensible safeguard that promotes appropriate context for investors.

We support the provisions in new subsection 5(1.1) allowing issuers to incorporate by reference the quantitative reconciliation information for MPMs from the notes to the financial statements,

<sup>2</sup> CAC submission to CSA on Proposed NI 52-112 Non-GAAP and Other Financial Measures Disclosure, December 5, 2018.

<sup>3</sup> CAC submission to CSA on Proposed NI 52-112 Non-GAAP and Other Financial Measures Disclosure, June 29, 2020.



and to keep it consistent. This is a practical measure that reduces duplicative disclosure without diminishing investor access to the information required by NI 52-112. The Proposed Amendments support greater consistency in how performance measures are presented across financial statements, MD&A, earnings releases, and other investor communications. From an investor perspective, consistent definitions, reconciliations, and prominence across disclosure documents are essential to understanding issuer performance over time and to comparing performance across issuers. We also support the anti-avoidance guidance in the Proposed Changes to the Companion Policy. It is appropriate that the CSA clearly signals that issuers should not disclose financial measures in the notes to the financial statements for the purpose of avoiding the application of NI 52-112.

### **Prospective Regulatory Flexibility**

We note that the CSA has characterized the Proposed Amendments as "narrow-scope" in that they solely address the immediate implications of IFRS 18 amendments coming into force on NI 52-112, while acknowledging that the IASB is exploring whether to extend MPM-like disclosure requirements to other non-GAAP financial measures, such as certain cash-flow measures. We encourage the CSA to remain attentive to these developments and to consider, as it finalizes the Proposed Amendments, whether greater engagement with the IASB is warranted, and whether any needed prospective flexibility can be built into NI 52-112 to accommodate foreseeable changes in IFRS Accounting Standards.

A more adaptable instrument could potentially reduce the need for successive narrow-scope amendments (each with its own policy working group and required consultation cycle) in response to incremental accounting standards developments. As we noted in 2020, NI 52-112 should serve as a foundation for the continuous improvement of issuer disclosure quality, not a static instrument that must be reactively amended with each evolution of the underlying accounting framework. We would encourage the CSA to consider potential scope conflicts that may arise as the IASB's work on non-GAAP measures/MPMs progresses, and to potentially build the regulatory flexibility necessary to address them proactively. As we've encouraged in the past, we would again encourage the CSA to conduct a post-implementation review of the amended NI 52-112 following the adoption of IFRS 18, to assess whether the amendments are operating as intended and whether further refinements are needed based on observed issuer practices and investor experience. Continued pursuit of clear, well-regulated disclosure of MPMs supports investor understanding and price formation (broadly – efficient capital markets) by reducing confusion arising from inconsistent or evolving terminology and presentation over time.

### **Advancing Structured, Machine-Readable Financial Disclosure**

We wish to reiterate a position the CAC has maintained consistently since at least 2017: the CSA should advance the transition from primarily static PDF-based financial disclosures to natively machine-readable, structured data.

In our 2017 submission on NI 51-404, we expressed support for "the use of structured data protocols like Inline Extensible Business Reporting Language (iXBRL) that enhances the ability



to analyze vast amounts of data precisely and automatically."<sup>4</sup> In 2018, we recommended that "regulators should further embrace the use of data and technology to enhance the utility of disclosures."<sup>5</sup> In our 2025 submission on the CSA's proposed access model for continuous disclosure documents, we observed that "the entirety of SEDAR+ exists to serve the needs of investors and consumers of disclosure information, yet those needs have not been sufficiently explored."<sup>6</sup>

The present consultation is a natural occasion to restate this position. NI 52-112 regulates the disclosure of financial measures that are central to how investors assess corporate performance and yet much of the infrastructure through which that disclosure is delivered to investors remains largely reliant on static documents filed to a system whose search and retrieval capabilities have not kept pace with investor needs or global best practices. Structured, machine-readable financial data would enable higher-quality, more consistent, and more comparable disclosure of both GAAP and non-GAAP financial measures, and associated commentary and disclosure information. It would also potentially enable embedded assurance which would represent a significant benefit for investors, auditors, and regulators alike, and contribute to market efficiency.

**We believe the mechanism for this transition should be utility-led through built-for-purpose technology rather than compliance-led through issuer-specific oversight.** The infrastructure of SEDAR+ and related systems should be developed and evolved to support ingestion (including necessary conversion) and presentation of structured data natively, rather than imposing the cost and complexity of format conversion on issuers. This is an industry-wide institutional challenge that requires the CSA to organize effectively around the development and deployment of utility technology solutions, which may require re-evaluation and reorganization as to how the CSA has previously specified, directed and governed technology solutions to be more agile and modern. It's our view that progress to date has been insufficient to meet the related regulatory goals and purposes, and we encourage the CSA to treat this as a strategic priority.

### Concluding Remarks

We thank you for the opportunity to provide these comments and would be happy to address any questions you may have. Please feel free to contact us at [cac@cfacanada.org](mailto:cac@cfacanada.org) on this or any other issue in the future.

(Signed) *The Canadian Advocacy Council of CFA Societies Canada*

**The Canadian Advocacy Council of CFA Societies Canada**

<sup>4</sup> CAC submission to CSA on NI 51-404 Disclosure Requirements, 2017.

<sup>5</sup> CAC submission to CSA on NI 52-112 Non-GAAP and Other Financial Measures, December 5, 2018.

<sup>6</sup> CAC submission to CSA on Access Model for Certain Continuous Disclosure Documents of Non-Investment Funds, 2025.

UDES COMMENT LETTERS RECEIVED

February 11, 2026

The Secretary  
Ontario Securities Commission  
20 Queen Street West  
19th Floor, Box 55  
Toronto, Ontario  
M5H 3S8

Email: [comment@osc.gov.on.ca](mailto:comment@osc.gov.on.ca)

**RE: The Canadian Securities Administrators (CSA) Notice and Request for Comment: Proposed Amendments to National Instrument (NI) 52-112 Non-GAAP and Other Financial Measures Disclosure**

Dear Secretary,

The Canadian Bankers Association (CBA) appreciates the opportunity to comment on the proposed amendments to National Instrument (NI) 52-112 issued on November 13, 2025. We support the Canadian Securities Administrator's (CSA) objective of enhancing the clarity, consistency, and usefulness of disclosures relating to non-GAAP and other financial measures and we appreciate the amendments to Section 4(3) to codify an exemption for certain financial institutions.

We highlight below our observations, particularly in the context of financial institutions that are already subject to comprehensive accounting, regulatory, and supervisory frameworks, intended to improve clarity, avoid duplication, and support consistent application across frameworks:

#### **Additional subtotal disclosure**

We understand that "additional subtotals" (Part 3.1 (11.1.)) are meant to capture certain non-standard subtotals within the primary financial statements; however, the current definition of "additional subtotals" will lead to unintended consequences, including capturing out-of-scope subtotals and leading to inconsistent application and confusion for readers. Furthermore, we are also concerned that this requirement could unintentionally indicate a lack of confidence in the relevance of presentation requirements for primary financial statements in existing accounting standards. The requirement does not align with the intent of providing enhanced disclosure and clarity of composition related to financial measures that are not disclosed in the primary financial statements of an entity. In addition, the requirement adds to disclosure complexity and leads to confusion for readers since the additional subtotals from the primary financial statements must be shown alongside other items from the primary financial statements.

For example, non-interest expense, a common additional subtotal on banks' income statements, meets the definition as (a) it is disclosed in the primary financial statements, (b) it is not defined or listed in the accounting principles (i.e., it is not total operating expenses as it excludes interest expense and provision for credit losses), and (c) it is not a specified financial measure (e.g., not a management-defined performance measure (MPM))

and not a non-GAAP financial measure). However, the proposed amendments (Part 3.1 (11.1)) require additional subtotals to be disclosed with the most directly comparable financial measure in the primary financial statements, which in this example, is non-interest expense itself.

We request the removal of the broad concept of additional subtotals from the proposed amendments given the concerns noted above. However, we acknowledge that the additional subtotal guidance is meant to capture certain non-standard subtotals and recommend including narrower and more specific guidance that better clarifies and captures the intended scope.

We also recommend that any guidance provide clarification regarding what further disclosure would be required. For example, for non-interest expense, where (a) the most comparable financial measure is the additional subtotal itself, (b) that the line items comprising this additional subtotal are disclosed on the face of the primary financial statements themselves, and (c) this additional subtotal is disclosed with no more prominence than that of the most directly comparable financial measure (which again is the additional subtotal itself), our view is that there would be no additional disclosure required.

#### **Incorporating information by reference**

Currently, NI 52-112 (Part 2, 5(4)) does not permit incorporating information by reference in an earnings release to the MD&A (or notes to the financial statements for MPMs). As part of amending NI 52-112, we ask the CSA to allow incorporation by reference of non-GAAP disclosures and MPMs from an earnings release to the MD&A or notes to the financial statements by removing Part 2, 5(4).

If removing Part 2, 5(4) is not feasible, we ask the CSA to revise it for MPMs to permit incorporating information by reference to the notes to the financial statements from all documents, including the earnings release and MD&A.

#### **Definitions**

Although the concept of a “non-GAAP financial measure” and MPMs are similar, we question whether it is appropriate to amend the definition of a “non-GAAP financial measure” to include MPMs, which with the introduction of IFRS 18, are subject to a comprehensive accounting framework. MPMs will be included in the notes to the financial statements and subject to audit. Accordingly, we believe that merging MPMs with the definition of a “non-GAAP financial measure” mischaracterizes MPMs as non-GAAP when they are, in fact, distinct. We request that MPMs exist as a standalone defined term and that consequential amendments be made to Part 3, where applicable (e.g. add “and management-defined performance measures” after “non-GAAP financial measure”). We believe this approach will provide clearer and more valuable disclosure to readers.

To improve clarity and accessibility, it would be helpful for the definition of MPMs to be included directly in the Companion Policy rather than referring to the accounting definition. While we appreciate that the accounting definition could change over time, the Companion Policy could acknowledge this by including language such as “as defined in the IFRS Accounting Standards, as amended from time to time”, or similar.

**Other minor updates**

1. For the new section 5 in the Companion Policy, there is no subsection 5(3); it jumps from subsection 5(2) to 5(4). Clarification or correction is needed.
  
2. ANNEX A amendments:
  - Suggest changing "Subsection 5 is amended" at the beginning to "Section 5 is amended"; and
  - Suggest updating "(1.1) Despite paragraph (1)(a) " to "(1.1) Despite paragraph 5(1)(a)"

Thank you for considering our comments. We would be pleased to discuss these comments further if helpful at your convenience.

Sincerely,





February 11, 2026

The Secretary  
Ontario Securities Commission  
20 Queen Street West  
19<sup>th</sup> Floor, Box 55  
Toronto, ON M5H 3S8

M<sup>e</sup> Philippe Lebel  
Corporate Secretary and Executive Director, Legal Affairs  
Autorité des marchés financiers  
Place de la Cité, tour Cominar  
2640, boulevard Laurier, bureau 400  
Québec (Québec)  
G1V 5C1

**Re: *Response to Canadian Securities Administrators (“CSAs”) Proposed Amendments to National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure***

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

Dear Sirs/Mesdames:

Cenovus Energy Inc. (“Cenovus”) is pleased to provide comments regarding the Proposed Amendments to National Instrument 52-112 *“Non-GAAP and Other Financial Measures Disclosure”* (the “Proposed Amendments”) release in November 2025.

Cenovus is a Canadian-based integrated energy company headquartered in Calgary, Alberta. We are one of the largest Canadian based crude oil and natural gas producers, with upstream operations in Canada and the Asia Pacific region, and one of the largest Canadian-based refiners and upgraders, with downstream operations in Canada and the United States. Cenovus is listed on both the Toronto and New York stock exchanges, with a market capitalization of approximately \$54 billion. We report our financial results under International Financial Reporting Standards (“IFRS”) Accounting Standards.

We generally support the Proposed Amendments and appreciate the CSA’s efforts to largely maintain the status quo with respect to non-GAAP measures (“NGMs”) disclosed in external documents under current requirements applicable to

CENOVUS.COM

P 403.766.2000  
TF 1.877.766.2066

225 6 AVE SW  
PO BOX 766

CALGARY, AB  
T2P 0M5

Canadian reporting issuers. In addition, the amendment permitting incorporation by reference to financial statements is a helpful enhancement that should meaningfully reduce duplication across disclosure documents.

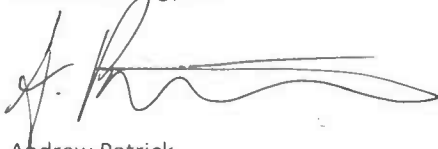
While we agree with the inclusion of management-defined performance measures (“MPMs”) within the scope of the Proposed Amendments, we question whether incorporating MPMs directly into the definition of an NGM is the most conceptually appropriate approach. IFRS 18, “*Presentation and Disclosure in the Financial Statements*” (“IFRS 18”) defines an MPM as a metric determined by Management; however, IFRS 18 governs disclosure of the MPMs. As a result, users may reasonably interpret MPMs as falling within the boundaries of generally accepted accounting principles (“GAAP”), notwithstanding that the measures themselves are management-defined. We acknowledge that including MPMs within the definition of an NGM may be the simplest method to incorporate into the existing framework, but we feel it would be more conceptually appropriate to introduce MPMs as a distinct category of specified financial measure, that substantially mirrors the disclosure requirements of NGMs. This approach achieves the CSAs goal while preserving any perceptions of what is, and is not, GAAP.

For the CSA’s consideration in future amendments to securities legislation, we also found it challenging to interpret the proposed changes with the drafting approach used to communicate the Proposed Amendments (for example, ‘Section 2 is amended by replacing X with Y’). Comprehension would be significantly enhanced if proposed changes were presented in a blackline version of NI 52-112, using strike through formatting for deleted text and bold or underlined formatting for new language. We believe this presentation would make the Proposed Amendments easier to interpret and would enable commenters to provide more informed and constructive feedback.

Thank you for the opportunity to comment on this important area of Canadian securities regulations.

Yours truly,

Cenovus Energy Inc.



Andrew Patrick  
Vice-President, Corporate Controller

February 11, 2026

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

The Secretary  
Ontario Securities Commission  
20 Queen Street West  
19th Floor, Box 55  
Toronto ON M5H 3S8  
Fax: 416-593-2318  
[comments@osc.gov.on.ca](mailto: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  
Quebec QC G1V 5C1  
Fax: 514-864-8381  
[consultation-en-cours@lautorite.qc.ca](mailto:consultation-en-cours@lautorite.qc.ca)

**RE: Proposed Amendments to National Instrument 52-112 (“NI 52-112”) Non-GAAP and Other Financial Measures Disclosure (the “Proposed Amendments”), proposed changes to Companion Policy 52-112 (“CP 52-112”) Non-GAAP and Other Financial Measures Disclosure (the “Proposed Changes”) and related proposed consequential amendment to Multilateral Instrument 11-102 Passport System (collectively, the “Proposed Materials”)**

Dear Sirs/ Mesdames,

We are pleased to provide our comments on the Proposed Materials. Overall, we are supportive of the proposed amendments and changes set out in the Proposed Materials given the interconnectedness between the source for identifying management-defined performance measures (“MPMs”) as defined by IFRS 18, *Presentation and Disclosure in Financial Statements*

("IFRS 18") and public communications outside of the financial statements. We agree that MPMs should remain under the scope of NI 52-112 as non-GAAP measures given MPMs are defined by management.

We have the following observations relating to the Proposed Amendments:

- *Additional subtotals* – It was not clear to us why the Proposed Changes highlight the prominence of additional subtotals as such subtotals are permitted under IFRS 18.24, subject to certain criteria being met. We note that IFRS 18.24 retains the current IAS 1, *Presentation and disclosure in financial statement*, criteria that additional subtotals “*not be displayed more prominently than the totals and subtotals required by IFRS Accounting Standards*”. It would be helpful to clarify whether additional line items and subtotals meeting the requirements of IFRS 18.24, would continue to be viewed as GAAP measures outside the financial statements.
- *Presentation of a “two-step” reconciliation* – We are concerned that the ability to reconcile a specified measure to a total or subtotal not presented in the primary financial statements could result in the creation of additional unintended non-GAAP measures. For example, where a reconciliation from net income to Adjusted EBITDA, includes an EBITDA subtotal, would the staff view the EBITDA subtotal as an additional non-GAAP measure, despite the EBITDA subtotal not being used or evaluated by management as a specified measure. We would suggest clarifying and providing guidance in CP 52-122 whether such total or subtotal presented in a ‘two-step’ reconciliation needs to be categorized in accordance with NI 52-112 (e.g., as a non-GAAP measure) and reminding issuers of their disclosure obligations for such total or subtotals, if this is the case.

We would also like to highlight that a two-step reconciliation, if elected by an Issuer that is also a SEC Issuer, may be inconsistent with the SEC rules on non-GAAP financial measures. We would encourage you to consider including cautionary language to the respective subsection to that effect similar to the cautionary language with respect to total segment measures in CP 52-112.

Further, we would encourage that the CSA undertake a review of other national instruments in light of IFRS 18, including those outside the scope of NI 52-112 such as National Instrument 81-106, *Investment Fund Continuous Disclosure*, to identify other amendments or clarifications that may be required and to ensure such national instruments do not contravene with the requirements of IFRS 18 and other IFRS Accounting Standards.

We will be pleased to discuss any of our comments further if required. Any questions can be directed to Alexia Donoghue ([adonoghue@deloitte.ca](mailto:adonoghue@deloitte.ca)).

Yours truly,

*Deloitte LLP*

Chartered Professional Accountants



February 11, 2026

DELIVERED BY EMAIL

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

The Secretary  
Ontario Securities Commission  
20 Queen Street West  
19<sup>th</sup> Floor, Box 55  
Toronto, Ontario  
M5H 3S8  
Fax: 416-593-2318  
[Email: comments@osc.gov.on.ca](mailto: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  
Fax: 514-864-8381  
[Email: consultation-en-cours@lautorite.qc.ca](mailto:consultation-en-cours@lautorite.qc.ca)

Dear Sirs/Mesdames,

**Re: Comments on proposed amendments to National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosures* (NI 52-112)**

Intact Financial Corporation (IFC) is a publicly traded company listed on the Toronto Stock Exchange (TSX: IFC) with a market capitalization of approximately CAN\$50.7 billion, as at December 31, 2025.

IFC the largest provider of property and casualty insurance in Canada and have successfully exported our strengths across North America, the UK and Europe. Our growing Commercial and Specialty solutions network now spans over 150 countries. With a customer-driven mindset, we have expanded our operations to include insurance distribution, restoration and prevention.

We solidify our outperformance by leveraging our competitive advantages: global leadership in data and AI for pricing and risk selection; deep claims expertise and integrated supply chain

INCLUDES COMMENT LETTERS RECEIVED



network; and strong capital and investment management. Our total annual operating direct premiums written has tripled over the last decade to \$25 billion.

IFC welcomes the opportunity offered by the Canadian Securities Administrators (CSA) to comment on the notice published on November 13, 2025 which is proposing draft amendments to NI 52-112 (Proposed Amendments), arising from the new IFRS 18 *Presentation and Disclosure in Financial Statements* (IFRS 18), that requires disclosure of management-defined performance measures (MPMs) in a note to the financial statements (FS).

We acknowledge the efforts of the CSA to minimize disruption to existing disclosure practices and reduce duplicative disclosure following IFRS 18 for non-GAAP financial measures disclosures. even with the allowance to incorporate information by reference, we believe the **disclosure effectiveness is not optimal** due to IFRS 18 requirements.

Please refer to our comments attached in **Appendix 1**.

Thank you for allowing us the opportunity to provide our feedback.

Sincerely,

A handwritten signature in blue ink that reads "Frédéric Cotnoir".

**Frédéric Cotnoir**  
Executive Vice President &  
Chief Legal Officer  
Intact Financial Corporation

A handwritten signature in black ink that reads "Ken Anderson".

**Ken Anderson, FCPA, FCA**  
Chief Financial Officer  
Intact Financial Corporation

INCLUDES COMMENT LETTERS RECEIVED



## Appendix 1 – Comments on 52-112 definitions & disclosure ineffectiveness

### 1) Definitions

The CSA is publishing draft amendments to Part 1- Definition and Application of NI 52-112, such as:  
“Amending the definition of “non-GAAP financial measure” to include MPMs, and  
“Adding new definitions for “additional subtotal” and “management-defined performance measure”.

We agree that the definition of “non-GAAP financial measure” should be expanded to include MPMs, ensuring that these measures disclosed under IFRS 18 remain subject to NI 52-112 when presented outside of an issuer’s financial statements. As we promote connectivity with IFRS 18, we also agree with adding the definition of additional subtotal in the scope of NI 52-112.

### 2) Incorporating information by reference

The CSA is publishing draft amendments to NI Subsection 5(1), subsection 5(1.1), subsections (5.2) and (5.4) of NI 52-112 Section 5 – Incorporating information by reference, such as:

“The Regulation allows an issuer to incorporate by reference certain disclosure, when the MD&A includes the information required under the provisions referenced in paragraphs 5(1)(a) to (f), and if the reference is to the issuer’s MD&A.”

(1.1) Despite paragraph (1)(a), an issuer may incorporate by reference the information referred to in subparagraph 6(1)(e)(ii) in respect of a management-defined performance measure if the reference is to the notes to the financial statements of the entity to which the measure relates.

We appreciate the aim of the Proposed Amendments to include MPMs within the scope of NI 52-112 while allowing appropriate cross-referencing to information in the FS to minimize disruption to existing disclosure practices and reduce duplicative disclosure.

With IFRS 18, some measures will be classified as MPMs (per a specific definition), and will be disclosed in the FS, while others will remain non-GAAP financial measures (per NI 52-112 definitions) and be disclosed in the MD&A. As a result, in practice, issuers will either:

- (i) **incorporate by reference**, which can reduce accessibility of information. For instance, investors may be required to navigate two documents to have a comprehensive list of non-GAAP measures and may need to refer to two documents to get a clear view of the composition of non-GAAP ratios; or
- (ii) **repeat the same information** in both documents for transparency and completeness of information, leading to **duplicative disclosure and reducing disclosure effectiveness**.

We believe disclosure effectiveness principle should guide how to best disclose the information and that further alignment in international disclosures requirements, including the location of MPMs and non-GAAP financial measures, would help enhance information transparency and comparability.

As a result, we encourage the CSA to consider this issue in future engagements with international bodies of securities regulators and standard setters, including the International Accounting Standards Board (IASB), to advocate for better alignment on the location of MPMs and disclosures of non-GAAP financial measures, improving disclosure effectiveness.



In summary, we believe there is an opportunity for the CSA to consider further amendments NI 52-112 to simplify non-GAAP disclosure requirements, particularly in contexts these measures are widely understood and consistently employed by issuers within the same peer group—such as the insurance industry. We also want to highlight that MPMs will be audited figures which may reduce regulatory and compliance risk.



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

**Via e-mail**

The Secretary  
Ontario Securities Commission  
20 Queen Street West  
19th Floor, Box 55  
Toronto ON M5H 3S8  
Fax: 416-593-2318  
comment@osc.gov.on.ca

**Via e-mail**

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, QC G1V 5C1  
Fax: 514-864-8381  
consultation-en-cours@lautorite.qc.ca

February 11, 2026

Dear Sirs/Mesdames:

**Comment Letter on Proposed Amendments to National Instrument  
52-112 *Non GAAP and Other Financial Measures Disclosure***

We appreciate the opportunity to comment on the Canadian Securities Administrators' ("CSA") Proposed Amendments to National Instrument 52-112 *Non GAAP and Other Financial Measures Disclosure* ("Proposed Amendments") and the Proposed Amendment to the Companion Policy 52-112 *Non-GAAP and Other Financial Measures Disclosure* ("Proposed Changes").

We support the CSA's objective to reduce the uncertainty regarding issuers' obligations related to disclosure of non-GAAP financial measures. These efforts are particularly important in light of new IFRS Accounting Standard, IFRS 18 *Presentation and Disclosure in Financial Statements* ("IFRS 18") which will require disclosure of management-defined performance measures ("MPMs") in a note to the financial statements.

We encourage the CSA to continue regulating non-GAAP financial measures that are disclosed outside the financial statements, even when these measures satisfy the definition of MPMs per IFRS 18. It is important to clarify that the inclusion of requisite MPM disclosures in the financial statements per IFRS 18 does not, in itself, exclude that measure from being considered a non-GAAP financial measure under the National Instrument when it is disclosed externally.

To prevent potential confusion in the market, we believe it is essential to explicitly state that MPMs which, by definition, are used in public communications, are subject to securities legislation when



disclosed outside the financial statements. The most effective way to achieve this clarification would be to include direct acknowledgment in the National Instrument that MPMs are, first and foremost, considered non-GAAP financial measures.

We believe that further guidance and clearer disclosure requirements are critical to ensuring high-quality financial information and enabling investors to more effectively compare issuer performance within and across industries.

While we support the objectives of the Proposed Amendments, we outline below our observations and suggestions for consideration by staff of the CSA. Certain provisions could benefit from additional clarification to help avoid differing interpretations and inconsistent application across issuers, which could unintentionally increase market uncertainty.

### **Definition of Additional Subtotals**

We would appreciate further clarification of the proposed definition of “additional subtotal” in the Proposed Amendments. The term is already defined in IFRS 18, paragraph 24 (as noted in the Companion Policy), but the definition in Part 1, “additional subtotal”, subparagraph (b) of the Proposed Amendments appears to conflict with the IFRS definition because IFRS 18 requires an “additional subtotal” to comprise amounts recognized and measured under IFRS. Further, an IFRS 18-defined “additional subtotal” can also qualify as an MPM<sup>1</sup> and thus as a specified financial measure within the National Instrument. Using a differently worded definition for the same term could therefore create uncertainty and increase the risk of inconsistent application across the financial statements and related external disclosures. To avoid confusion and promote consistency, we suggest aligning the National Instrument’s definition with IFRS 18, paragraph 24, and providing illustrative guidance or examples that explain how any differences should be reconciled.

We note from the Background in the Request for Comment that the CSA intended additional subtotals to be presented no more prominently than subtotals and totals required by IFRS Accounting Standards. Because an additional subtotal as defined by IFRS 18 can also qualify as an MPM, an additional subtotal may be subject to the Non-GAAP financial measures requirements when disclosed outside the financial statements. The prominence requirement that is entailed for these additional subtotals is then most relevant to additional subtotals that do not meet the MPM definition in IFRS 18. To reduce potential ambiguity, we suggest the following, which we believe would promote consistent application:

- Amend the proposed definition of “additional subtotal” so it explicitly aligns with the meaning ascribed to that term in the accounting standards applied in preparing the financial statements (for example, IFRS 18 paragraph 24) or otherwise refer directly to those accounting principles.
- Clarify in the National Instrument that the presentation prominence requirement applies to additional subtotals only to the extent those subtotals do not meet the definition of an MPM.

Adding an illustrative example or brief guidance explaining how the prominence requirement interacts with MPMs would further help issuers apply the rule consistently.

### **Definition of Non-GAAP Ratios**

Consistent with the National Instrument’s treatment of ratios, under IFRS 18 a ratio itself does not meet the definition of an MPM. However, the numerator or denominator of a ratio may meet the MPM definition; when this occurs, that component (“MPM component”) would be subject to the relevant disclosure requirements of IFRS 18. In providing the relevant disclosures for that MPM component in the financial statements, issuers may discuss the ratio (either explicitly or by reference) to explain, for example, why the MPM component provides useful information about the entity’s financial performance. We suggest that the staff provide clarification and guidance on this interaction to support consistent application by issuers.

---

<sup>1</sup> See diagram on page 48 of [KPMG’s First Impressions: Presentation and disclosure – IFRS 18](#)



## Rebuttable Presumption – IFRS 18 paragraph 120

IFRS 18 requires an entity to presume that a subtotal of income and expenses used in its public communications outside its financial statements communicates management’s view of an aspect of the entity’s financial performance.<sup>2</sup> However, IFRS 18 allows management to rebut that presumption where it has reasonable and supportable information to do so. While we expect such rebuttals to be uncommon, they could result in a measure that might otherwise qualify as an MPM not being included in the financial statements. In our view, the National Instrument’s guidance would still apply to that measure by virtue of subparagraph (b) of the National Instrument’s definition of a Non-GAAP financial measure. We suggest the Companion Policy include brief commentary to clarify this interaction and to help issuers apply the requirements consistently.

### Part 3.1, subsection 11.1 ADDITIONAL SUBTOTAL DISCLOSURE:

#### “Presented” vs. “Disclosed”

We offer the following observation and request clarification concerning Section 11.1’s proposed requirements for disclosing additional subtotals. Section 11.1 as currently proposed prohibits issuers from disclosing additional subtotals unless the criteria in paragraphs (a) and (b) are met. In paragraph 11.1(a), staff requires disclosure of “...the most directly comparable financial measure **disclosed** in the primary financial statements of the entity.” [emphasis added]. We understand this to mean the financial measure actually **presented** in the primary financial statements, rather than any measure that could be interpreted as “most directly comparable” that is **disclosed** within the notes to the financial statements. We therefore request clarification on this point.

#### Amendment to the Companion Policy

##### Clause 6(1)(e)(ii)(C) and subsection 6(2) – Reconciliation of a non-GAAP financial measure

###### *Presentation of a ‘two-step’ reconciliation*

We suggest staff consider including a brief, practical example to illustrate how the proposed presentation might be applied. A simple illustration showing how “additional subtotals” could be incorporated into a two-step reconciliation, with clarification of the expected disclosures and presentation in that scenario, would assist issuers and help prevent inadvertent misapplication of the guidance.

#### Other Matters

Lastly, we recommend that the CSA undertake a comprehensive review of securities legislation and Staff Notices to identify provisions that could be inconsistent with the introduction of IFRS 18 and the withdrawal of IAS 1, such an assessment will allow the CSA to determine whether additional amendments will be needed before the January 1, 2027 effective date.

For example, National Instrument 81-106 *Investment Fund Continuous Disclosure* (section 3.2, item 17) currently requires unrealized gains or losses to be presented as a line item in the statement of comprehensive income, a requirement that may warrant reconsideration under IFRS 18’s new presentation and disclosure framework. A targeted review, coupled with a prioritized plan for updates or transitional guidance, could help support smoother implementation and reduce the risk of unintended conflicts or uncertainty for issuers.

Please contact Abhimanyu Verma ([averma@kpmg.ca](mailto:averma@kpmg.ca)) or Julia Suk ([juliasuk@kpmg.ca](mailto:juliasuk@kpmg.ca)) if you wish to discuss any of the issues raised in this letter.

---

<sup>2</sup> IFRS 18.BC347



Yours sincerely,

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants



February 11, 2026

British Columbia Securities Commission

Alberta Securities Commission

Financial and Consumer Affairs Authority of Saskatchewan

Manitoba Securities Commission

Ontario 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

Care of:

The Secretary Ontario Securities Commission

[comment@osc.gov.on.ca](mailto:comment@osc.gov.on.ca)

Me Philippe Lebel Corporate Secretary and Executive Director, Legal Affairs Autorité des marchés financiers

[consultation-en-cours@lautorite.qc.ca](mailto:consultation-en-cours@lautorite.qc.ca)

**Re: CSA Notice and Request for Comment – Proposed Amendments to National Instrument  
52-112 Non-GAAP and Other Financial Measures Disclosure**

We welcome the opportunity to comment on the proposed amendments to National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure and its Companion Policy and related Consequential Amendments.

PricewaterhouseCoopers LLP  
PwC Tower, 18 York Street, Suite 2500  
Toronto, Ontario, Canada M5J 0B2  
T: +1 416 863 1133, F: +1 416 365 8215  
Fax to mail: [ca\\_toronto\\_18\\_york\\_fax@pwc.com](mailto:ca_toronto_18_york_fax@pwc.com)

[www.pwc.com/ca](http://www.pwc.com/ca)

PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership..

INCLUDES COMMENT LETTERS RECEIVED

Overall, we agree with the proposed amendments to the National Instrument and its related Companion Policy. We also support the CSA's proposed approach to ensuring that non-GAAP measures that have historically been subject to National Instrument 52-112 continue to be subject to the rules post adoption of IFRS 18. We also agree with the amendment to the definition of non-GAAP financial measures by including management-defined performance measures.

### **Guidance on misleading measures and disclosure**

In evaluating the proposed amendments to NI 52-112, we considered aspects of the proposal that intersect with the principles of IFRS 18 and management-defined performance measures (MPMs). Specifically, we considered paragraph 123 of IFRS 18, which requires an entity to label and describe MPMs in a clear and understandable manner that **does not mislead** users of financial statements (emphasis added). We also note Paragraph B134(b), which expands on specific disclosure requirements when an entity has calculated a measure using accounting policies that are different from those used for items in the statement of financial performance and when the calculation differs from accounting policies required or permitted by IFRS Accounting Standards. This guidance recognises that an MPM that adjusts an IFRS-defined measure using individually tailored accounting policies would be acceptable, provided there are clear and understandable disclosures that would not result in an MPM to be misleading.

We have also observed that CSA staff frequently comment when issuers present non-GAAP financial measures in a matter that is either confusing or potentially misleading, such as when such measures are inadequately defined, inconsistently calculated or when they obscure GAAP financial measures. CSA Staff Notices on Continuous Disclosure Review Programs routinely report on what may be considered potentially misleading. This guidance is a helpful resource for issuers and their advisors. However, given the heightened attention on non-GAAP financial measures that will qualify as an MPM for inclusion in financial statements, and the fact that both IFRS 18 and NI 52-112 both make important references to "misleading", we believe additional clarity in the proposed Instrument about what might be considered misleading would be appropriate and useful.

For example:

- For non-GAAP measures (and MPMs) that are calculated using individually tailored accounting policies, guidance on when such measures may be viewed as misleading, notwithstanding the fact that an issuer provides clear and understandable disclosures that meet the disclosure requirements under NI 52-112. For instance, if a measure would still be misleading even though the issuer provides clear disclosure that complies with the proposed instrument (and the required IFRS 18 disclosures), additional clarity on such circumstances would be useful.
- There may be non-GAAP measures commonly used in certain industries which are well-understood by investors. However, when that same measure is used by other issuers in other industries, it may be misleading. An example of this would be the use of “*core revenue*” which is commonly used by many issuers in the insurance industry and is generally well-understood by investors. However, when used by issuers in other industries, could it be considered misleading?

We encourage the CSA Staff to expand the guidance in the Companion Policy to National Instrument 52-112 to provide clarity on when a non-GAAP measure is misleading.

#### **Additional guidance on non-recurring**

IFRS 18, Paragraph B139 provides an example of describing reconciling items in the reconciliation of MPMs as “non-recurring”. Further, Part I, note 2 of the Illustrative examples to IFRS 18 also provide an example of an entity that defines non-recurring items that it does not expect to arise “*for several future annual reporting periods*” (although we acknowledge that illustrative examples in IFRS are not authoritative).

We note that subsection 6(2) of NI 52-112 explains that reconciling items should not be described as “*non-recurring*”, “*infrequent*”, “*unusual*” if a loss or gain of a similar nature is reasonably likely to occur within the entity’s 2 financial years that immediately follow the disclosure or has occurred during the entity’s 2 financial years that immediately precede the disclosure. IFRS 18 illustrative example uses the term “expected” which might imply a different threshold of occurrence than “reasonably likely”.

While we recognise that the CSA’s use of the term “reasonably likely” does not establish a bright line, such as “more likely than not”, we anticipate diversity in practice in how these principles are applied to a single adjustment that comprises a measure that is presented as both an MPM and a non-GAAP measure. Under IFRS 18, issuers will be expected to develop a clear policy on how individual MPMs are defined and

calculated, which should include a description of how they define “non-recurring”. We believe it would be useful if the Companion Policy expands their definition of “non-recurring” and encourages disclosure of an issuer’s “policy” for determining whether an adjustment is non-recurring.

Furthermore, if the probability of an adjustment reoccurring (ie. no longer “non-recurring”) becomes greater in the current period/year than it was in the prior periods/years, it would be helpful for CSA Staff to clarify if the measure is expected to be retrospectively restated or changed prospectively (i.e. how should a change in an issuer’s assessment of “non-recurring” against the policy be addressed?).

### **Additional subtotals**

*Additional subtotals* are defined in the proposed companion policy as a subtotal presented in the primary financial statements but not specified or required to be disclosed under IFRS Accounting Standards. It would exclude those amounts in paragraph 118 of IFRS 18 and include subtotals contemplated under paragraph 24 of IFRS 18. Under IFRS 18, however, these *additional subtotals* could be MPMs if the subtotals are discussed by management outside the financial statements as a measure of performance.

Since the proposed instrument now includes MPMs in the definition of non-GAAP measures, if additional subtotals are MPMs, we believe they would fall into the scope of also being a non-GAAP measure, even though management did not identify this as a non-GAAP measure previously. We also note that it would also not be possible for the additional subtotal to “*exclude an amount that is included in or include an amount that is excluded from*” (which is the second part of the non-GAAP definition). However, it might still be an MPM. It is unclear whether the CSA intended for these additional subtotals to also be identified as a non-GAAP financial measure.

We believe clarity should be provided around whether additional subtotals in the statement of performance that are not those required under IFRS accounting standards or specified in paragraph 118 and are MPMs – are therefore, by definition, also non-GAAP financial measures subject to the proposed instrument.

### **Other observations**

We recommend reviewing other national instruments, including those related to investment funds, considering the changes brought by IFRS 18 to identify and address any duplication or inconsistency with IFRS 18.

Should you have any questions regarding our response please contact Carolyn Anthony (carolyn.anthony@pwc.com) or Scott Bandura (scott.bandura@pwc.com).

Yours truly,

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants