ANNEX B

Summary of Comments and CSA Responses

This annex summarizes the comment letters and our responses to these comments.

This annex contains the following sections:

1. Introduction
2. Responses to comments received on the Revised Materials

1. Introduction

Drafting Suggestions

We received a number of drafting suggestions and comments. While we incorporated many of these suggestions, this annex does not include a summary of all the drafting changes we made.

Categories of comments and single responses

In this annex, we consolidated and summarized the comments and our responses by the general themes of the comments. We have included section references to the Revised Materials for convenience.

2. Responses to Comments Received on the Revised Materials

Subject	Summarized Comment	Response
General comments	10 commenters supported the Revised Materials. 10 commenters indicated that there was substantial progress made in addressing comments from the first comment period.	We thank the commenters for their views.

Subject	Summarized Comment	Response
General comments	Four commenters raised concerns about a lack of consistency with international regulators, specifically the U.S. Securities and Exchange Commission (**SEC**).	The disclosure required for non-GAAP financial measures is generally consistent to what is currently expected by other international regulators. The identification of a non-GAAP financial measure is substantially similar to other international regulators. To address the difference, and ensure sufficient disclosure is provided for certain measures disclosed outside of financial statements, the total of segments measure and capital management measure concepts have been introduced.
General comments	Three commenters expressed that the Revised Materials were not in-line with CSA's reducing regulatory burden strategic initiative.	The Materials were developed with a focus on identifying opportunity to reduce burden while continuing to address the regulatory objectives sought. For example, the scope of the application and incorporation by reference requirement in the Materials were revised to respond to suggestions from commenters on how to reduce the extent of burden of the Revised Materials.
General comments	Two commenters recommended emphasizing the importance of governance and controls that an issuer's board, audit committee and management must exercise with the review and disclosure of specified financial measures.	Adding governance and controls guidance to the Materials is out of scope for this project. We would however point out that our regulations, guidelines and guidance currently set out the board, audit committee and management responsibility for financial reporting.
General comments	11 commenters expressed the need for application guidance or asked for clarification as to the categorization of certain financial measures.	Change made. We have included some additional examples and a flowchart in the Companion Policy. We will also include additional examples in a Staff Notice to be published after the Materials.
General comments	Two commenters indicated that the scope of the Revised Materials is too narrow.	We thank the commenters for their views, but disclosure in the noted areas was beyond the scope of this project. Regulation or guidance in these areas may be considered in the future.

Subject	Summarized Comment	Response
	Two commenters expressed that specific regulation or guidance on non-financial measures or operational measures should be considered. In addition, one commenter indicated that we should monitor international developments in this area.	
General comments	Nine commenters indicated that the CSA should consider the burden to issuers in adopting these Revised Materials if these proposals are to be subsequently revised when the International Accounting Standards Board (**IASB**) finalizes its standard in regard to the IASB's Exposure Draft on *General Presentation and Disclosures*. Six commenters also suggested that the CSA consider a transitional period for the Revised Materials to allow the CSA to understand and monitor where the IASB project is headed and conduct additional outreach regarding the implications of the IASB's proposals and to ensure sufficient flexibility to deal with any fundamental incompatibility issues that may arise.	We note that IASB project is still underway and is not anticipated to be finalised in the current year. We also anticipate that an IASB standard is unlikely to be effective until approximately 18-24 months after being published in its finalised form. Thus, we see no reason to delay this project for multiple years and have decided to proceed with the Materials to address the disclosure and reporting concerns in regard to specified financial measures in the Canadian marketplace. If necessary in the future, we may update the Materials (or other regulations or guidance) to respond to these and other marketplace changes (if any). We will continue to closely monitor developments in this area.
General comments	Five commenters raised concerns that the categorization of the same or similar financial measures may differ between issuers depending on whether these measures are presented in the financial statements or where this categorization difference arises due to differing accounting policies.	We acknowledge that the categorization of same or similar financial measures may differ between issuers depending on where the measure is disclosed; however, we have tried to address this issue primarily through the introduction of the total of segments measure and capital management measure disclosure requirements.

Subject	Summarized Comment	Response
General comments	One commenter agreed that other financial measures should be distinguished from and should not be subject to the same degree of disclosure mandated with respect to non-GAAP financial measures. Two commenters were concerned that the other financial measures category unnecessarily expanded the scope of the existing SN 52-306 and might be confusing to both issuers and investors.	We think that the disclosure requirements for other financial measures provides an appropriate solution to address the concerns raised by stakeholders.
Section 1 – Definitions		
General comments	One commenter suggested that the distinction as to whether a Specified Financial Measure appears in the primary financial statements or the notes to the financial statements may create a perception that the notes to the financial statements are less important than the primary financial statements. Two commenters recommended clarifying that the term "financial statements" includes both the primary financial statement and the notes to the financial statements.	The primary financial statement distinction is necessary for certain disclosure requirements, such as the prominence and reconciliation requirements which reference the most directly comparable financial measure disclosed in the primary financial statements of the entity. No change made. The content of financial statements is a generally understood term and is described in the issuer's financial reporting framework, as well as in the prospectus and continuous disclosure requirements in securities legislation.
General comments	One commenter recommended that we replace "most comparable" with "most directly comparable" in the Revised Materials.	Change made. The term "most directly comparable" has been included to be consistent with the concepts and wording in SN 52-306 and the SEC requirements.
section 1 – capital management measure definition	One commenter requested clarification on whether the reference to the notes to the financial statements in the capital management measure definition was intended to refer to the complete set of financial statement notes or just the capital	No change made. While the majority of capital management measures, as defined in section 1 of the Instrument, will typically be disclosed in a specific financial statement note in an issuer's financial statements (i.e., identified as a capital management note or another similar term), the location of this

Subject	Summarized Comment	Response
	management note presented to meet the requirements under the financial reporting framework.	disclosure is not specified under the issuer's financial reporting framework. As such, any measure in the issuer's financial statement notes that meets the definition of a capital management measure is captured as a capital management measure under the Instrument.
section 1 – non-GAAP financial measure definition	One commenter supported that the non-GAAP financial measure definition was changed to more align with the SN 52-306 definition. One commenter suggested that some of the clarifications included in the Revised Materials in respect of the definition of a non-GAAP financial measure be included in the non-GAAP financial measure definition in the Revised Materials.	We thank the commenter for their views. No change made. In order to keep the non-GAAP financial measure definition concise, we have not modified the definition in the Instrument to include the guidance provided in the Companion Policy.
section 1 – non-GAAP ratio definition	One commenter indicated that many ratios are calculated using more than one non-GAAP financial measure and that the non-GAAP ratio definition should be revised to reflect this.	Change made. The non-GAAP ratio definition has been revised to include a reference to "one or more" non-GAAP financial measures as components of the non-GAAP ratio.
section 1 – supplementary financial measure definition	One commenter suggested removing the "periodic basis" reference in paragraph (a) of the supplementary financial measure definition. One commenter suggested removing the "intended to be" reference in paragraph (a) of the supplementary financial measure definition.	No change made. We consider the periodic basis concept necessary to limit the scope of the specified financial measures. No change made. We consider the "intended to be" concept necessary to capture a supplementary financial measure that is disclosed by an issuer for the first time, when the measure is intended to be disclosed on a periodic basis.
section 1 – total of segments measure definition	One commenter indicated that a component of a line item for which the component has been calculated in accordance with the accounting policies used to prepare the line item presented in	Change made. The total of segments measure definition was amended to exclude a component of a line item for which the component has been calculated in accordance with the accounting policies used to prepare the line item presented in the financial statements.

Subject	Summarized Comment	Response
	the financial statements should not be captured as a total of segments measure. One commenter asked for clarification on whether the reference to the notes to the financial statements in the total of segments measure definition was intended to refer to the complete set of financial statement notes or just the segment note presented to meet the requirements under the issuer's financial reporting framework.	 No change made. We thank the commenter for its view. While the majority of total of segments measure, as defined in section 1 of the Instrument, will typically be disclosed in a specific financial statement note in an issuer's financial statements (i.e., identified as an operating segment note, or another similar term), the location of this disclosure is not specified under the issuer's financial reporting framework. As such, any measure in the issuer's financial statement notes that meets the definition of a total of segments measure may be captured as a total of segments measure under the Instrument.
Sections 2 and 3 – Application – reporting issuers and issuers that are not reporting issuers		
General comment	Two commenters indicated that we should consider limiting the Revised Materials to documents where its content would reasonably be expected to affect the market price or value of a security of the issuer.	No change made. We do not agree with introducing the scope exemption suggested.
Section 4 – Application – exceptions		
4(b)	Four commenters recommended that the SEC foreign issuer exemption should also apply to Canadian SEC issuers.	No change made. The application of the Materials to SEC issuers is consistent, and based on similar rationale, to the application of other requirements to these issuers under current Canadian securities legislation, such as the forward-looking information disclosure requirements and material change reporting. In addition, SEC issuers, as defined in National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*, are principally regulated in Canada, and as such, we as regulators would be regulating and enforcing these Materials under Canadian securities

Subject	Summarized Comment	Response
		legislation rather than through the interpretation of a U.S. rule.
4(c)(i) and (ii)	One commenter indicated that disclosures provided under National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (**NI 43-101**) that are exempt from the Revised Materials should be specifically labelled as such in order to differentiate from other measures that would otherwise be within the scope of the Revised Materials.	No change made. We have not prescribed specific labelling requirements for NI 43-101 measures to be consistent with the other application exemptions.
4(c)(iii)	One commenter indicated that section 5.14 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* should be included as an exception in the Revised Materials.	No change made. We are of the view that clear and transparent disclosure should be provided to investors for any specified financial measures that are disclosed using oil and gas metrics.
4(d)(i)	Two commenters recommended that the exemptions in the Revised Materials be expanded to include any valuation report or fairness opinion that is filed or incorporated by reference in a document. Three commenters also recommended that all third-party reports be exempt from the Revised Materials.	Change made. Refer to subparagraph 4(1)(d)(i) of the Instrument for this expanded exemption. In addition, an exemption was added in paragraph 4(1)(g) of the Instrument to exempt the disclosure of a specified financial measure made by a registered firm, if (i) the document in which the disclosure is made is intended to be, or is reasonably likely to be, made available to a client or a prospective client of the registered firm, and (ii) the measure does not relate to the registered firm's financial performance, financial position or cash flow.
4(d)(ii)	One commenter recommended that the exemption in subparagraph 4(d)(ii) of the Revised Materials be expanded to include voluntary pro forma financial statement filings.	No change made to expand the exemption in subparagraph 4(d)(iii) of the Instrument. Pro forma financial measures that are not required by securities legislation are an area of concern for regulators. We are of the view that additional disclosure is needed for these measures when required pro forma financial statements are not available.

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4(e)	Two commenters recommended that the exemption in paragraph 4(e) of the Revised Materials be expanded to include all regulatory bodies as well as both required and recommended measures.	No change made. The exemption in paragraph 4(1)(e) of the Instrument was not expanded to include recommended disclosures in order to ensure that any financial measures exempt from the Instrument be limited to those required under law or by an SRO of which the issuer is a member, where the law or the SRO's requirement specifies the composition of the financial measure and where the financial measure has been determined in compliance with that law or requirement.
Application to comparables	One commenter suggested that we expand exceptions for comparables, i.e., information that compares an issuer to other issuers.	No change made. As specified financial measures are not standardized financial measures under the financial reporting framework used to prepare the financial statements of the entity to which the measure relates, these specified financial measures may not be comparable to similar financial measures disclosed by other issuers, and as such, should generally not be used as comparables.
Application to exchangeable security issuers and credit support issuers	One commenter indicated that the Revised Materials should not apply to an exchangeable security issuer that files required disclosure of a parent issuer, or a credit support issuer that files required disclosures of a parent credit supporter, in each case under Part 13 of National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**).	No change made. We are of the view that the Instrument should apply to a parent issuer or a parent credit supporter in respect of their disclosure of a Specified Financial Measure in a document, unless one of the exemptions in section 4 of the Instrument are met.
Application to executive compensation	Two commenters expressed support that the Revised Materials would apply to executive compensation disclosures. One commenter expressed that the application of the Revised Materials to executive compensation disclosures would add to the burden of disclosure applying to proxy circulars and would be too	Change made. Considering the nature and purpose of executive compensation disclosures, further exemptions were added in subsection 4(2) of the Instrument to limit disclosure relating to specified financial measures to the information required under paragraph 6(1)(b), the identification as a non-GAAP financial measure, and the quantitative reconciliation disclosure requirements under paragraph 9(c) and clauses 6(1)(e)(ii)(C) and 10(1)(b)(ii)(C), as we are of the view that

Subject	Summarized Comment	Response
	cumbersome. This commenter indicated that if the requirements under the Revised Materials be maintained, the correlation between the requirements in subsection 2.1(4) of Form 51-102F6 *Statement of Executive Compensation* (**Form 51-102F6**) and the requirements under the Revised Materials should be better explained with potential consequential guidance or amendments made to the subsection 2.1(4) of Form 51-102F6 requirements. One commenter indicated that the requirements in paragraphs 6(b), (c) and (d) and in subparagraphs 6(e)(ii) and (iii) of the Revised Materials did not make sense in the context of discussing executive compensation policies.	the information provided under these requirements is important in the context of executive compensation disclosures.
Application to financial covenants	One commenter suggested that the disclosure of a financial covenant derived from a material contract should be excluded from the application of the Revised Materials.	Change made. An exemption was added to paragraph 4(1)(f) of the Instrument.
Application to social media	One commenter suggested that the Revised Materials should not apply to disclosure on websites or social media.	No change made. The use of specified financial measures in disclosures made on websites and social media continues to be an area of concern for regulators.
Section 5 – Incorporating information by reference		
General comment	One commenter suggested that a simple cross-reference to the location of the required information in the MD&A would be sufficient, rather than requiring incorporation by reference.	No change made. It is our view that cross-referencing would not be sufficient to ensure that any information incorporated by reference into a document will form part of that document.
General comment	While this one commenter was supportive of our efforts to streamline disclosures through incorporation by reference, the commenter	No change made. It is not expected that the calculation or the usefulness of the same Specified Financial Measure would differ with its use in the MD&A to discuss the issuer's

Subject	Summarized Comment	Response
	indicated that an issuer should be required to disclose any differences in the definition or the usefulness of a Specified Financial Measure between different documents (i.e., the same measure is defined or used differently in the MD&A than it is for executive compensation disclosures).	operations or its use in another document, such as an information circular, for executive compensation disclosures.
5(1)	Two commenters recommended that incorporation by reference be permitted for the following disclosure requirements for all specified financial measures: composition explanation and the explanation that the measure is not a standardized measure. One commenter indicated that the incorporation by reference for the quantitative reconciliation requirement will not be sufficiently accessible in the context for an investor to utilize.	Change made to allow incorporation by reference for the composition information. See subsection 5(1) of the Instrument. No change made to allow incorporation by reference for the explanation that the measure is not a standardized measure, as we feel that this information is important to highlight in each document where a Specified Financial Measure is disclosed. No change made. We thank the commenter for its view. We have retained the option for a quantitative reconciliation to be provided in a document, except within the MD&A and earnings releases since these are the most critical documents looked-at by investors and where the use of specified financial measures is generally most prevalent.
5(3)(a)	Two commenters recommend that we allow incorporation by reference from interim MD&A to annual MD&A. Two commenters recommended that section 5 of the Revised Materials should also allow incorporation by reference to the financial statements and not just the MD&A.	No change made. The MD&A is meant to be the main repository where recent disclosures relating to specified financial measures, as required under the Instrument, can be found for each Specified Financial Measure disclosed by the issuer. Adding incorporation by reference of information included in other documents, including previous MD&A filings, may obscure the relevant information and increase the burden placed on readers in locating the information themselves.

Subject	Summarized Comment	Response
5(3)(b)	17 commenters recommended that issuers be permitted to incorporate by reference the information required under the Revised Materials in a news release issued or filed by the issuer if the reference is to the MD&A of the issuer.	Change made to allow incorporation by reference for the information required under the Instrument, as specified in subsection 5(1), in a news release issued or filed by the issuer if the reference is to the most recent MD&A of the issuer. However, as outlined in subsection 5(4) of the Instrument, for earnings release filings made under section 11.4 of NI 51-102, the issuer would be required to provide a quantitative reconciliation, as applicable, if a Specified Financial Measure was disclosed in this earnings release.
Part 2 – Disclosure Requirements **Sections 6 to 11**		
6(a)(i), 8(a), 11(a)(i) – labelling	One commenter requested that we remove the requirement that a Specified Financial Measure be labelled using a term, that given the measure's composition, describes the measure.	No change made. We are of the view that the label which identifies a Specified Financial Measure must be appropriate given the nature of information.
6(c), 7(2)(c), 8(b), 9(b), 10(b) – prominence	One commenter supported the prominence requirement as a key feature of the Revised Materials. Two commenters indicated that the prominence requirement is too burdensome and that a materiality threshold should apply to this requirement or greater prominence should be given to the most directly comparable financial measure presented in the primary financial statements only when it would be misleading not to do so.	No change made. We thank the commenters for their views. Prominence is an area of concern for regulators as it has been a long-standing issue with respect to the misuse of specified financial measures.
6(d), 8(c), 9(d), 10(c) – comparatives	Four commenters recommended that the requirement to disclose comparatives should allow that the issuer exercise judgment as to whether	Change made. We have changed the requirement in paragraphs 6(1)(f), 8(d), 9(d) and 10(1)(c) of the Instrument to require comparatives only in an MD&A or an earnings

Subject	Summarized Comment	Response
	disclosure of comparatives is necessary to not mislead investors. One commenter recommended that we allow for an exception from the requirement to provide comparative period disclosure where this information can be obtained from the issuer's most recent annual period or its most recent interim period filings. One commenter indicated that the requirement to disclose a measure for a comparative period using the same composition is too rigid and that we should revert back to "consistent basis" used in the SN 52-306.	release of the issuer (unless impracticable to do so for certain specified financial measures). No change made, considering the change made above to limit the instances where the disclosure of comparatives is required. No change made. We are of the view that the application of the "same composition" term in the Instrument does not substantially differ from the SN 52-306 "consistent basis" guidance.
6(e), 7(2)(d), 8(d), 9(c), 10(a), 11(b) – in proximity to the first instance	Three commenters asked for clarification in regard to the application of proximity to the first instance.	Change made. We have included additional guidance in the Companion Policy.
6(e)(iii), 8(d)(i), 10(a)(i), 11(b) – composition	One commenter suggested that clarification be made as to whether a separate explanation of a Specified Financial Measure's composition is still required when the composition of the measure is explicit in its label.	Change made. We have added guidance in the Companion Policy to clarify the composition requirement and to include an example of what that composition disclosure would entail.
Section 6 – Non-GAAP financial measures that are historical information		
6(b), 6(c) – most comparable financial	One commenter indicated that they believed the requirements in paragraphs 6(b) and 6(c) overlapped.	No change made. The requirement in paragraph 6(1)(c) of the Instrument is to disclose the most directly comparable financial measure that is presented in the primary financial statements of the entity to which the non-GAAP financial

Subject	Summarized Comment	Response
measure and prominence		measure relates; however, the requirement in paragraph 6(1)(d) of the Instrument relates to prominence and that the non-GAAP financial measure should be disclosed with no more prominence than that of the most directly comparable financial measure. We do not view the requirements of paragraphs 6(1)(c) and (d) to be overlapping.
6(c), 6(e)(iv)	One commenter expressed concern that the following Revised Materials guidance would preclude disclosure of similar measures that the commenter would consider to be important and useful to investors: prominence considerations in regard to the use of multiple non-GAAP financial measures and the use of the term "incremental" in the context of requiring information to be incremental in order to be considered useful.	No change made. The prominence and usefulness of non-GAAP financial measures guidance has been retained since these continue to be areas of concern for regulators.
6(e)(vi) – explanation of change	One commenter indicated that the requirement to explain the reason for a change in a non-GAAP financial measure under subparagraph 6(e)(vi) of the Revised Materials should be sufficient and that there should be no specific requirement to restate a non-GAAP financial measure for a comparative period.	No change made. Comparative period information is important for investors to understand and assess the non-GAAP financial measure being disclosed.
6(e)(i) and (ii) – identification and not a standardized financial measure disclosure	Four commenters indicated that the wording in the Revised Materials that a non-GAAP financial measure be cross-referenced to a section each time it is disclosed, is not aligned with the wording in paragraph 6(e) of the Revised Materials itself, which only requires the disclosure provided for in that paragraph to be made "in proximity to the first instance" of the non-GAAP financial measure in	Change made. The identification of the measure as a non-GAAP financial measure has been moved out of subparagraph 6(1)(e)(i) of the Revised Materials to paragraph 6(1)(b) of the Instrument and as such the "in proximity to the first instance" would not apply to this disclosure item. In addition, additional guidance was added in section "Paragraph 6(1)(b) – Identification of a non-GAAP financial measure" of the Companion Policy in regard to footnote use.

Subject	Summarized Comment	Response
	the document, not each time in the document where the measure appears.	
Section 7 – Non-GAAP financial measures that are forward-looking information		
7(2)(b) – historical non-GAAP financial measure	Two commenters suggested that we remove the requirement to disclose the related historical financial measure.	No change made for these views; however, we did clarify in section 7 of the Companion Policy that the equivalent historical non-GAAP financial measure is required to be disclosed in the same document as the non-GAAP financial measure that is forward-looking information.
7(2)(d) – significant difference	Three commenters asked for more clarity in respect of the requirement to describe significant differences between the non-GAAP financial measure that is forward-looking information and the equivalent historical non-GAAP financial measure.	Change made. We have included additional clarifying language in the Companion Policy.
7(3)	One commenter asked for clarification as to whether the exemption in subsection 7(3) of the Revised Materials is meant to apply only when the SEC issuer is required to comply with Regulation G under the 1934 Act or if the SEC issuer may voluntarily comply with Regulation G under the 1934 Act. One commenter indicated that the 7(3) exemption for SEC issuers should be limited to those entities that are SEC issuers filing outside of the Multi-Jurisdictional Disclosure System.	No change made. We are of view that subsection 7(3) of the Instrument is clear that the exemption is available to any disclosure of a non-GAAP financial measure that is forward-looking information made by an SEC issuer in compliance with Regulation G under the 1934 Act. No change made. The subsection 7(3) exemption is meant to apply to all SEC issuers complying with Regulation G under the 1934 Act.
Section 8 – Non-GAAP ratios		
8(b) – prominence	One commenter recommended that we remove the requirement that a non-GAAP ratio be disclosed with no more prominence in the document than that of a similar financial measure presented in the	No change made. Prominence is an area of concern for regulators.

Subject	Summarized Comment	Response
	primary financial statements to which the non-GAAP ratio relates.	
8(d)(i) – component of the non-GAAP ratio that is a non-GAAP financial measure	Five commenters asked for clarification of the requirement to identify each non-GAAP financial measure that is used as a component of the non-GAAP ratio. One commenter recommended that the components of a non-GAAP ratio need not be reconciled if the component is not otherwise disclosed in the document.	Change made. The requirement in subparagraph 8(c)(ii) of the Instrument was clarified to require that each non-GAAP financial measure that is used as a component of the non-GAAP ratio be "disclosed" rather than "identified". No change made. We consider information about these non-GAAP financial measure components used in the calculation of the non-GAAP ratio to be key in understanding the non-GAAP ratio.
Section 9 – total of segments measures		
9(c) – quantitative reconciliation	Six commenters recommended that we remove the quantitative reconciliation requirement for the total of segments measure or allow a cross-reference to the reconciliation included in the financial statement notes.	No change made. We are of the view that a quantitative reconciliation requirement for a total of segments measure under paragraph 9(c) of the Instrument is needed to ensure that a consistent form of reconciliation is provided to readers in the same manner as the non-GAAP financial measure reconciliation. This will also ensure that the quantitative reconciliation gives the total of segments measure the necessary context when it is disclosed outside of the issuer's financial statements. In addition, the quantitative reconciliation for the total of segments measure was retained to ensure consistency of presentation with SEC issuers complying with Regulation G and Item 10(e) of Regulation S-K since such measures would meet the definition of a non-GAAP financial measure under SEC requirements.

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	One commenter recommended that the requirements of paragraph 9(c) of the Revised Materials be revised so that the level of detail required to be provided when presenting a quantitative reconciliation for a total of segments measure be clear, in order to adequately comply with the requirements set out in paragraph 9(c).	Change made. We have amended paragraph 9(c) of the Instrument to clarify that the quantitative reconciliation be in the permitted format outlined in subsection 6(2) of the Instrument.
Section 10 – capital management measures		
General comment	Three commenters suggested that the Revised Materials should be clarified in respect of an issuer's requirement to comply with section 6 of the Revised Materials for each non-GAAP financial measure used in the calculation of a capital management measure. One commenter recommended that the components of a capital management measure that are non-GAAP financial measures should not need to be reconciled if the non-GAAP financial measure component is not otherwise disclosed in the document.	Change made. We have amended subparagraph 10(1)(b)(i) of the Instrument to clarify that an issuer is required to disclose any non-GAAP financial measures used in the calculation of a capital management measure. No change made. We consider information about these non-GAAP financial measure components used in the calculation of the capital management measure to be key in understanding the capital management measure.
10(b) – prominence	One commenter recommended that the requirement that the capital management measure be disclosed with no more prominence in the document than that of similar financial measures presented in the primary financial statements of the issuer, be removed, citing that the disclosure of a similar financial measure is highly subjective.	No change made. Prominence is an area of concern for regulators.
Section 11 – supplementary financial measures		
11(b) – composition	One commenter recommended that the requirement in paragraph 11(b) be removed as it	No change made. Transparency around the composition of a supplementary financial measure and the clear labelling of

Subject	Summarized Comment	Response
	was their view this requirement overlapped with the requirement in paragraph 11(a).	this measure in paragraphs 11(b) and 11(a), respectively, are the primary concerns we identified in respect of these supplementary financial measures. We do not view the requirements in paragraphs 11(a) and (b) to be overlapping.
Section 13 – Effective date		
13	Five commenters indicated that they would support a long transition period leading up to the effective date to ease the transition burden on issuers. Some of these commenters also indicated that we should consider making the Revised Materials effective for the beginning of an annual financial reporting period to ensure consistent and comparable reporting over periods.	We agree with the comment and have included a transition provisions in Part 13 of the Instrument.