

Proposed Changes to Companion Policy 52-109CP

The following are proposed changes to Companion Policy 52-109CP to National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*

1. Proposed changes to section 1.3

- 1.3 **Application to ~~venture~~senior unlisted issuers** – ~~Venture~~Senior unlisted issuers should note that the guidance provided in Parts 5 through 14 of this Policy is intended for issuers filing Form 52-109F1 and Form 52-109F2. Under Parts 4 and 5 of the Instrument ~~venture~~senior unlisted issuers are not required, but may elect, to use those Forms.

2. Proposed changes to section 6.5

- 6.5 **Delegation permitted in certain cases** – Section 3.1 of the Instrument requires a ~~non-venture~~senior listed issuer to establish and maintain DC&P and ICFR. Employees or third parties, supervised by the certifying officers, may conduct the design of the issuer's DC&P and ICFR. Such employees should individually and collectively have the necessary knowledge, skills, information and authority to design the DC&P and ICFR for which they have been assigned responsibilities. Nevertheless, certifying officers of the issuer must retain overall responsibility for the design and resulting MD&A disclosure concerning the issuer's DC&P and ICFR.

3. Proposed changes to section 15.1

PART 15 – ~~VENTURE~~SENIOR UNLISTED ISSUER BASIC CERTIFICATES

- 15.1 **~~Venture~~Senior unlisted issuer basic certificates** – Many ~~venture~~senior unlisted issuers have few employees and limited financial resources which make it difficult for them to address the challenges described in section 6.11 of the Policy. As a result, many ~~venture~~senior unlisted issuers are unable to design DC&P and ICFR without (i) incurring significant additional costs, (ii) hiring additional employees, or (iii) restructuring the board of directors and audit committee. Since these inherent limitations exist for many ~~venture~~senior unlisted issuers, the required forms of certificate for ~~venture~~senior unlisted issuers are Forms 52-109FV~~102SU~~1 and 52-109FV~~102SU~~2. These forms do not include representations relating to the establishment and maintenance of DC&P and ICFR.

Although Forms 52-109FV~~102SU~~1 and 52-109FV~~102SU~~2 are the required forms for ~~venture~~senior unlisted issuers, a ~~venture~~senior unlisted issuer may elect to file Forms 52-109F1 or 52-109F2, which include representations regarding the establishment and maintenance of DC&P and ICFR.

Certifying officers of a ~~non-venture~~**senior listed** issuer are not permitted to use Forms 52-109FV102SU1 and 52-109FV102SU2. Although a ~~non-venture~~**senior listed** issuer may face similar challenges in designing its ICFR, such as those described in section 6.11 of the Policy, the issuer is still required to file Forms 52-109F1 and 52-109F2 and disclose in the MD&A a description of each material weakness existing at the end of the financial period.

4. Proposed changes to section 15.2

- 15.2 **Note to reader included in ~~venture~~**senior unlisted** issuer basic certificates** – Forms 52-109FV102SU1 and 52-109FV102SU2 include a note to reader that clarifies the responsibility of certifying officers and discloses that inherent limitations on the ability of certifying officers of a ~~venture~~**senior unlisted** issuer to design and implement on a cost effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

5. Proposed changes to section 15.3

- 15.3 **Voluntary disclosure regarding DC&P and ICFR** – If a ~~venture~~**senior unlisted** issuer files Form 52-109FV102SU1 or 52-109FV102SU2, it is not required to discuss in its annual or interim MD&A the design or operating effectiveness of DC&P or ICFR. If a ~~venture~~**senior unlisted** issuer files Form 52-109FV102SU1 or 52-109FV102SU2 and chooses to discuss in its annual or interim MD&A or other regulatory filings the design or operation of one or more components of its DC&P or ICFR, it should also consider disclosing in the same document that:

- (a) the ~~venture~~**senior unlisted** issuer is not required to certify the design and evaluation of the issuer's DC&P and ICFR and has not completed such an evaluation; and
- (b) inherent limitations on the ability of the certifying officers to design and implement on a cost effective basis DC&P and ICFR for the issuer may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

A selective discussion in a ~~venture~~**senior unlisted** issuer's MD&A about one or more components of a ~~venture~~**senior unlisted** issuer's DC&P or ICFR without these accompanying statements will not provide transparent disclosure of the state of the ~~venture~~**senior unlisted** issuer's DC&P or ICFR.

6. Proposed changes to section 16.1

PART 16 – CERTIFICATION REQUIREMENTS FOR A NEW REPORTING ISSUER AND AN ISSUER THAT BECOMES A ~~NON-VENTURE~~SENIOR LISTED ISSUER

- 16.1 **Certification requirements after becoming a ~~non-venture~~senior listed issuer** – Sections 4.5 and 5.5 of the Instrument permit an issuer that becomes a ~~non-venture~~senior listed issuer to file Forms 52-109F1 – IPO/RTO and 52-109F2 – IPO/RTO for the first certificate that the issuer is required to file under this Instrument, for a financial period that ends after the issuer becomes a ~~non-venture~~senior listed issuer. If, subsequent to becoming a ~~non-venture~~senior listed issuer, the issuer is required to file an annual or interim certificate for a period that ended while it was a ~~venture~~senior unlisted issuer, the required form of certificate for that annual or interim filing is Form ~~52-109FV~~102SU1 or ~~52-109FV~~102SU2.