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June 14, 2022

Vanessa Countryman
Secretary, Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-0609

Re: File No. S7-10-22 - Proposed Rule, *The Enhancement and Standardization of Climate-Related Disclosures for Investors*

Dear Ms. Countryman,

We are writing on behalf of Chartered Professional Accountants of Ontario (“CPA Ontario”) in response to the **Securities Exchange Commission’s (“SEC”)** request for comment on the issued proposed rule, *The Enhancement and Standardization of Climate-Related Disclosures for Investors* (the “Proposed Rule”).

CPA Ontario is the regulatory body of Ontario’s Chartered Professional Accountants (“CPAs”). We are the largest provincial CPA body in Canada, regulating more than 99,000 members and 21,000 students. We thank you for the opportunity to provide our comments on the Proposed Rule and appreciate the coordination efforts undertaken with different stakeholders in the development of climate-related disclosures.

We believe establishing a global set of sustainability reporting standards that include climate disclosures is of utmost importance. The biggest challenge currently facing investors is the consistency and comparability of current sustainability disclosures. A globally consistent, comparable, and reliable corporate reporting system is indispensable in providing all stakeholders with a clear and accurate picture of an organization’s ability to create sustainable value over time.

We support the efforts on the Proposed Rule and ask that the SEC continues to review the development of climate disclosure rules globally to promote consistency and comparability, and to ensure they meet the needs of investors and key stakeholders. We also support global consistency efforts that will help to ensure that disclosure requirements do not become so onerous and complex that they discourage companies from global market participation and other critical capital market activities of investing, lending, and financing.

Our response to the Proposed Rule focus on Canadian issuers that are eligible to file under the Multijurisdictional Disclosure System (“MJDS”) and Canadian issuers that would be defined as a foreign private issuer (“FPI”) by the SEC. Accordingly, we have provided our feedback to question 181 and question 189 of the Proposed Rule, respectively.

MJDS eligible issuer

For MJDS eligible issuers, the Proposed Rule does not include a proposal to amend Form 40-F to include the proposed climate disclosure requirements. Question 181 of the Proposed Rule is requesting feedback as to whether these issuers should be allowed to comply with the Canadian climate-related disclosure requirements.

Form 40-F is used by an MJDS eligible issuer to register securities or to file its annual report under the U.S. Securities and Exchange Act of 1934. Currently, an MJDS eligible issuer is permitted to register securities in the US by use of the documents prepared largely in accordance with Canadian filing requirements. Accordingly, MJDS eligible issuers can access US capital markets with reduced administrative burdens and reduced SEC compliance obligations. MJDS has been very successful in facilitating cross-border public offerings of securities between the United States and Canada by avoiding unnecessary duplicative regulatory review and by reducing the costs and additional time required to comply with two disclosure regimes.



CPA Ontario agrees with the SEC's proposal not to amend Form 40-F and recommends that the SEC permit MJDS eligible issuers to comply with the Canadian climate disclosure requirements. This will significantly reduce cost for MJDS eligible issuers and avoid possible confusion in the marketplace that may result from dual reporting compliance requirements on climate disclosure. This will also ensure the continued success, growth and interdependencies between our two markets.

The SEC should have confidence in the Canadian climate disclosure requirements as set out in the Canadian Securities Administrators ("CSA") proposal, [National Instrument 51-107 – Disclosure of Climate-related Matters](#) (the "CSA Proposal"). The CSA Proposal were developed based on the recommendations from the Task Force on Climate-Related Financial Disclosures, similar to the approach used in the development of the Proposed Rule.

Given the infancy of climate disclosure requirements, we expect continued adjustments and amendments globally with a view to creating an integrated universal language for climate disclosures that will promote consistency and comparability.

Foreign private issuers

Question 189 of the Proposed Rule refers to the International Sustainability Standards Board ("ISSB") and the possibility of adopting ISSB standards as an alternative reporting provision. The SEC requests feedback on whether FPIs should be allowed under an alternative reporting provision.

The Proposed Rule currently proposes to amend Form 20-F and the Securities Act forms, that a FPI may use to register the offer and sale of securities under the Securities Act, to require the same climate disclosures as proposed for a domestic issuer. Adding the Proposed Rule climate requirements for an FPI, in addition to international climate requirements, would place significant administrative burden on these entities in addition to marketplace confusion.

We are particularly concerned for smaller entities with constrained resources that may have to incur such significant expenses to satisfy additional climate disclosure requirements, and accordingly recommend SEC allow FPIs to be under the alternative reporting option based on the ISSB.

In summary, we recommend that the climate disclosure requirements follow a similar approach to the financial reporting requirements that are currently in place for FPIs and MJDS eligible issuers. Climate disclosures are becoming as important as financial reporting disclosures and should follow the similar requirements.

As these proposed climate disclosure requirements continue to be refined and finalized, we encourage the SEC (and other regulators) to avoid regulatory and standard setting fragmentation through aligning of key concepts, terminologies, and metrics on which disclosure requirements are developed.

Thank you for this opportunity to provide feedback on the Proposed Rule. We would be pleased to further discuss our feedback with the SEC.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Carol Wilding".

Carol Wilding, FCPA, FCA
President and Chief Executive Officer, CPA Ontario