

## CSA Pauses Climate-Related and Diversity-Related Disclosure Projects

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On April 23, 2025, the Canadian Securities Administrators (CSA) announced that it is [pausing](#) its work on developing a new mandatory climate-related disclosure rule and amendments to the existing diversity-related disclosure requirements. This pause is being made with the aim of supporting Canadian markets and issuers adjusting to the latest developments in the United States and globally. As an additional effort in recognizing the effects of global market uncertainty on companies and investors' decisions to participate in Canadian capital markets, the CSA also announced the implementation of [supportive measures](#) for market participants opting to go public, maintain a listing, and contribute to capital formation in Canada.

### Climate-Related Disclosure

In October 2021, the CSA released National Instrument 51-107 – *Disclosure of Climate-related Matters* which introduced draft climate-related disclosure requirements for most issuers. The CSA later announced, in July 2023, its plan for additional consultations to shape its draft rules based on the sustainability disclosure standards released by the International Sustainability Standards Board (ISSB). In December 2024, the Canadian Sustainability Standards Board (CSSB) issued its first set of sustainability standards (CSSB Sustainability Standards) which, overall, aligned with the global standards developed by the ISSB. The CSSB Sustainability Standards remain voluntary pending the implementation of a rule by the CSA which, at that time, confirmed it was continuing to work toward updating its mandatory climate-related disclosure rules.

Despite the above referenced pause in the development of a new mandatory climate-related disclosure rule, the CSA reminds issuers that “climate-related risks are a mainstream business issue and securities legislation already requires issuers to disclose material climate-related risks affecting their business in the same way issuers are required to disclose other types of material information.”<sup>1</sup> The CSA notes that the CSSB Sustainability Standards provide a useful voluntary disclosure framework for sustainability and climate-related disclosure. The CSA encourages issuers to refer to the CSSB Sustainability Standards when preparing their disclosures and to adhere to proper climate-related disclosure practices as it will work to continue addressing any misleading disclosure, which can include greenwashing.

### Diversity-Related Disclosure

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In April 2023, the CSA issued a notice and request for comment on two alternative proposals to update the diversity-related disclosure requirements under National Instrument 58-101 –*Disclosure of Corporate Governance Practices* (NI 58-101). One proposal sought to mandate reporting on the representation of five designated groups: women, Indigenous peoples, racialized persons, persons with disabilities and LGBTQ2SI+ persons, while the other proposal would permit companies to select, in addition to representation of women, supplemental diversity categories at their own discretion. The comment period for the alternative proposals to update NI 58-101 ended in September 2023.

Despite the above referenced pause in the development of amendments to the existing diversity-related disclosure requirements, the CSA confirms that the existing Canadian requirements for diversity disclosure under NI 58-101 continue to apply to non-venture issuers. Non-venture issuers remain responsible and obligated to disclose the representation of women on their boards and in executive officer positions under NI 58-101. Further, all public companies formed under the *Canada Business Corporations Act* are subject to additional diversity-related disclosure requirements which extend beyond representation of women, to also require disclosure in respect of Aboriginal peoples, persons with disabilities, and members of visible minorities.

## CSA Supportive Measures

In seeking to support the competitiveness of Canadian capital markets, the CSA also announced different measures to be implemented through coordinated blanket orders which have been effective since April 17, 2025.

A multi-faceted prospectus and disclosure blanket order (First Blanket Order) was adopted to reduce the regulatory burden and increase flexibility for current reporting companies or companies that decide to pursue an initial public offering (IPO) in Canada. The First Blanket Order expands and applies to all companies, and to the existing exemption from the requirement to provide audited financial statements for the third most recently completed financial year in connection with IPOs and to other transactions.

A second blanket order (Second Blanket Order) was adopted to provide a prospectus exemption for companies that will be going or have recently gone public in Canada through an underwritten IPO. Subject to certain conditions, the Second Blanket Order will give eligible companies increased flexibility to raise additional capital following the IPO.

Lastly, a third blanket order (Third Blanket Order) was adopted in Alberta, New Brunswick, Nova Scotia, Ontario, Quebec and Saskatchewan. Subject to certain terms and conditions, for eligible investors, the Third Blanket Order increases the investment limit under the offering memorandum exemption to allow for reinvestment of proceeds within a 12-month period. Currently, the other CSA jurisdictions do not impose such a limit.

## Going Forward

The CSA indicated that it would track domestic and international regulatory changes concerning climate and diversity related disclosures, with plans to reassess both initiatives in the “coming years” to establish final requirements for issuers. Until then, the CSA confirmed that it will continue monitoring issuer disclosure practices, will provide information and additional guidance as appropriate, and will address any misleading disclosure.

For more information on or assistance with disclosure matters for you or your organization, we welcome you to contact Cassels’ [Securities Group](#) to assist you further.

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<sup>1</sup> Canadian Securities Administrators, *CSA Updates Market on Approach to Climate-Related and Diversity-Related Disclosure Projects* (23 April 2025), online: CSA <https://www.securities-administrators.ca/news/csa-updates-market-on-approach-to-climate-related-and-diversity-related-disclosure-projects/>.

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