



## Broadcasting Public Notice CRTC 2007-64

Ottawa, 15 June 2007

### Call for comments on a proposed Broadcasting Ownership Information Management System

*In this public notice, the Commission invites comments on a proposed broadcasting ownership reporting mechanism designed to provide greater flexibility in the furnishing of ownership information and documents, and to ease the related general administrative burden. This proposal is part of the Commission's commitment to introduce new streamlining measures and to establish regular reporting mechanisms. The deadline for submissions is 13 september 2007*

#### Introduction

1. In early 2006, during an industry consultation initiated by the Commission, certain stakeholders expressed their concerns over the current requirements regarding the filing of ownership information, which are viewed as cumbersome. Stakeholders suggested that an annual filing requirement would alleviate these concerns.
2. As discussed in this public notice, the Commission proposes to implement a Broadcasting Ownership Information Management System (BOIMS) that would contribute to the timely examination of all broadcasting applications, reduce the duplication of ownership information and related documents already on file with the Commission, and ensure regular updates of ownership information. The overall objective of the proposed BOIMS is to provide greater flexibility in the furnishing of ownership information and documents, and to ease the administrative burden related to the filing of such items. To ensure the effectiveness of this system, the Commission must be satisfied that the accuracy and quality of the information held for all licensees is not compromised.

#### The current system

3. The Commission requires the filing of ownership information and related documents to ensure compliance of licensees with the *Direction to the CRTC (Ineligibility of non-Canadians)*, SOR/97-192, dated 8 April 1997, as amended by SOR/98-1268, dated 15 July 1998, and the *Direction to the CRTC (Ineligibility to Hold Broadcasting Licences)*, SOR/85-627, dated 27 June 1985, as amended by SOR/97-231, dated 22 April 1997, as well as with the broadcasting regulations and policies in place.<sup>1</sup> Currently, such information is generally filed by applicants/licensees either through an application process or pursuant to a notification requirement.

<sup>1</sup> The *Broadcasting Distribution Regulations*, sections 4(4) and 4(5); the *Radio Regulations*, 1986, sections 11(4) and 11(5); the *Specialty Services Regulations*, sections 10(4) and 10(5); the *Pay Television Regulations*, sections 6(4) and 6(5); and the *Television Broadcasting Regulations*, sections 14(4) and 14(5).

4. The Commission's current application process requires the filing of ownership details through an application for a new licence, for a licence renewal, or for a change in ownership and/or transfer of control (shares or assets) of a broadcasting undertaking. Applicants complete a shareholding table, a directors and officers table, and a control statement (ownership information), for the licensee/proposed licensee and for the shareholder corporations that form part of its ownership chain (holdings). If the ownership information is already in the Commission's records, applicants may refer to the application through which this information was last supplied, and confirm that this information is still accurate. As support for the ownership information, applicants are also required to provide related corporate and ownership documents (ownership documents) that are not already on file with the Commission.
5. Once an application is published, the information filed in the context of the application becomes accessible for consultation on the Commission's Web site, and at any of the Commission's documentation centres and offices.
6. Under the Commission's notification requirements, licensees are required, pursuant to the broadcasting regulations and policies in place, to notify the Commission of certain ownership changes, within 30 days of such changes.
7. The ownership information is registered in the Commission's Broadcasting Ownership System (BOS). The ownership structure of various licensees in the BOS is available in chart format (Ownership charts) on the Commission's Web site.

### **The proposed BOIMS**

8. The new BOIMS that the Commission proposes to implement would replace the current ownership filing process with a single annual filing of ownership information for each licensee and its holdings. It would also provide, for consultation purposes, an ownership summary report that would enable the licensees to refer to their ownership information, and enable the public to view ownership information similar to that which is now available through the current application process. The proposed BOIMS is not to be viewed as an additional reporting burden, but instead as a different vehicle for facilitating the filing and tracking of ownership information.

### **Annual filing of broadcasting ownership information**

9. During the first year of the BOIMS, all licensees would be required to file a complete ownership report. In subsequent years, licensees would be required, once a year, on a pre-determined filing date, to either attest that the ownership information on file is still accurate, or supply the necessary updates.

10. A complete ownership report would include, for example,
  - the share structure and shareholding details for the licensee and each entity which is part of its ownership structure, including any entity holding 10% or more of the voting interest of the licensee, the licensee's parent corporation, and all other entities that form part of the licensee's ownership structure;
  - a complete list of the directors/officers for each of the above-mentioned entities; and
  - corporate and ownership documents – including, for example, any new documents that amend the authorized capital of a corporation, or that introduce a name change, a new by-law, or a revised or amended voting trust or shareholders agreement – that are not already on file with the Commission.
11. With the exception of new applicants for which the ownership information is not already in the BOIMS, applicants would no longer be required to provide the above-mentioned ownership information through applications for a new licence or for a licence renewal. Instead, applicants would be asked to confirm in their application that the ownership information in the Commission's records is accurate and up-to-date.
12. In an application for a change in ownership and/or transfer of control, applicants would only be required to file the usual ownership information for any new entity not already in the BOIMS and for any existing corporation where a change is being effected. For the other shareholder corporations not affected by the change, applicants would be asked to confirm in their application that the ownership information in the Commission's records is accurate and up-to-date.

#### **Regulatory compliance**

13. The Commission reminds licensees that under the proposed BOIMS, they would remain subject, at all times, to the Commission's prior approval and notification requirements set out in the *Broadcasting Distribution Regulations*, the *Specialty Services Regulations*, the *Pay Television Regulations*, the *Radio Regulations, 1986*, and the *Television Broadcasting Regulations*. The Commission also notes that under the proposed system, a licensee that fails to complete its annual ownership filing requirements could face consequences such as a delay in the examination of its application.

#### **Ownership information summary report**

14. In order to facilitate licensees' access to their ownership information on file with the Commission, as well as for public consultation purposes, the Commission proposes, within the framework of the BOIMS, to make available on its Web site a broadcasting ownership summary report for each licensee and its holdings. A sample of this report,

including the information it would contain, is set out in the Appendix to this public notice. This report would eventually contain a summary of the corporate documents (type, date and jurisdiction) that the Commission already has on file for each corporation, thereby facilitating the identification by licensees of the ownership documents already on file with the Commission and, ultimately, reducing duplication.

### **Benefits of the BOIMS**

15. The Commission considers that benefits of implementing the BOIMS would include the following:
- a reduced workload both for applicants/licensees and for Commission staff in regard to the filing of applications;
  - a streamlined reporting process through the identification of information previously filed with the Commission;
  - reduced duplication of information and of documents already on file;
  - regular updates of ownership information for every licensee, including those who have not filed an application during the term of their licence; and
  - access at any given time to the ownership information summaries.

### **Specific issues for consideration**

16. The Commission considers the following issues and questions to be of particular importance for the present call for comments.

#### **Filing period**

17. The Commission wishes to adopt a filing schedule that would both satisfy the industry and allow the Commission to ensure that the ownership information filed within the BOIMS is reflected in its records in a timely manner. Accordingly, how should the Commission determine when licensees would be required to file their ownership information within the proposed system?

#### **Confidentiality**

18. With the exception of specific personal information that, pursuant to the *Privacy Act*, is protected at all times, some ownership information and documents filed through the proposed annual filing mechanism could be made available for consultation. Should a process similar to that set out in section 20 of the *CRTC Rules of Procedure*, regarding the filing of information through an application process, and should the guidelines set out in *Guidelines respecting the confidential treatment of annual returns and material or information filed in support of a broadcasting application before the Commission*, Circular No. 429, 19 August 1998, apply to the proposed BOIMS?

### **Non-Compliance**

19. To ensure the effectiveness of the proposed BOIMS, all licensees must comply with the annual filing requirements. What penalties and/or enforcement mechanisms should be implemented in the case of licensees that fail to comply with these requirements?

### **Ownership information display**

20. To ensure the effectiveness of the proposed BOIMS, all users must be able to obtain the information necessary for their purposes. Would the ownership details referred to in the Appendix to this public notice be sufficient and adequate for both the broadcasters and the public?

### **Call for Comments**

21. The Commission calls for comments that address the issues and questions set out above. The deadline for filing written comments is **13 september 2007**. The Commission will only accept submissions that it receives on or before the prescribed deadline.
22. The Commission will not formally acknowledge comments. It will, however, fully consider all comments and they will form part of the public record of the proceeding, provided that the procedures for filing set out below have been followed.

### **Procedures for filing comments**

23. Interested parties can file their comments to the Secretary General of the Commission:
  - **by using the**  
Broadcasting Intervention/Comments Form  
  
OR
  - **by mail to**  
CRTC, Ottawa, Ontario K1A 0N2  
  
OR
  - **by fax at**  
819-994-0218

24. Submissions longer than five pages should include a summary.
25. Please number each paragraph of your submission. In addition, please enter the line \*\*\*End of document\*\*\* following the last paragraph. This will help the Commission verify that the document has not been damaged during transmission.

**Important notice**

26. Note that all information that you provide as part of this public process, except information granted confidentiality, whether sent by postal mail, facsimile, e-mail or through the Commission's Web site at [www.crtc.gc.ca](http://www.crtc.gc.ca), becomes part of a publicly accessible file and will be posted on the Commission's Web site. This information includes your personal information, such as your full name, e-mail address, postal/street address, telephone and facsimile number(s), and any other personal information you provide.
27. The personal information you provide will be used and may be disclosed for the purpose for which the information was obtained or compiled by the Commission, or for a use consistent with that purpose.
28. Documents received electronically or otherwise will be put on the Commission's Web site in their entirety exactly as you send them, including any personal information contained therein, in the official language and format in which they are received. Documents not received electronically will be available in PDF format.
29. Please note that the information you provide to the Commission as part of this public process is entered into an unsearchable database dedicated to this specific public process. This database is accessible only from the webpage of this particular public process. As a result, a general search of our Web site with the help of either our own search engine or a third-party search engine will not provide access to the information that was provided as part of this public process.
30. The Commission encourages interested parties to monitor the public examination file and the Commission's Web site for additional information that they may find useful when preparing their comments.

**Examination of public comments and related documents at the following Commission offices during normal business hours**

Toll-free telephone: 1-877-249-2782  
Toll-free TDD: 1-877-909-2782

Central Building  
Les Terrasses de la Chaudière  
1 Promenade du Portage, Room 206  
Gatineau, Quebec K1A 0N2  
Tel.: 819-997-2429  
Fax: 819-994-0218

Metropolitan Place  
99 Wyse Road  
Suite 1410  
Dartmouth, Nova Scotia B3A 4S5  
Tel.: 902-426-7997  
Fax: 902-426-2721

205 Viger Avenue West  
Suite 504  
Montréal, Quebec H2Z 1G2  
Tel.: 514-283-6607

55 St. Clair Avenue East  
Suite 624  
Toronto, Ontario M4T 1M2  
Tel.: 416-952-9096

Kensington Building  
275 Portage Avenue  
Suite 1810  
Winnipeg, Manitoba R3B 2B3  
Tel.: 204-983-6306  
TDD: 204-983-8274  
Fax: 204-983-6317

Cornwall Professional Building  
2125 - 11<sup>th</sup> Avenue  
Room 103  
Regina, Saskatchewan S4P 3X3  
Tel.: 306-780-3422

10405 Jasper Avenue  
Suite 520  
Edmonton, Alberta T5J 3N4  
Tel.: 780-495-3224

530-580 Hornby Street  
Vancouver, British Columbia V6C 3B6  
Tel.: 604-666-2111  
TDD: 604-666-0778  
Fax: 604-666-8322

Secretary General

*This document is available in alternative format upon request, and may also be examined in PDF format or in HTML at the following Internet site: <http://www.crtc.gc.ca>*

## Appendix to Broadcasting Public Notice CRTC 2007-64

### Broadcasting ownership summary report (sample)

0000000- Company A
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Legal Status			
Type of entity: Commercial corporation; Not-for-profit corporation; Cooperative; Partnership; etc.	Jurisdiction	0000/00/00	Public/private

Authorized securities and shareholders of record									
Type	Vote	Part	Authorized	Shares Issued	Shareholder	Shares Held	% Held	Ctzn	Res
Multiple	2		Unlimited	100,000.00	Holding 1 Inc.	40,000.00	40.00	Can	Can
					Holding 2 Inc.	30,000.00	30.00	Can	Can
					Holding 3 Inc.	30,000.00	30.00	Can	Can
Non-Voting	0		Unlimited	1,500,000.00	Public (Can)	1,300,000.00	66.67	Can	Can
					Public (N-Can.)	200,000.00	32.67	N-Can	N-Can
Subordinate	1		Unlimited	90,000.00	Public (Can)	89,810.00	99.79	Can	Can
					Public (N-Can.)	190.00	0.21	N-Can	N-Can

Voting structure		
Shareholder	% Voting Rights	% Voting Shares
Holding 1 Inc.	27.59	21.05
Holding 2 Inc.	20.69	15.79
Holding 3 Inc.	20.69	15.79
Public (Can.)	30.97	47.27
Other	0.06	0.10

Control determination	
Name	Type of control
Company A	Board of director

Board of directors			
Name	Position	Ctzn	Res
Director 1	Title	Can	Can
Director 2	Title	Can	Can
Director 3	Title	Can	Can
Director 4	Title	Can	Can
Director 5	Title	Can	Can