

Goodbye, SEDAR. Hello, SEDAR+

written by Peter Clausi | April 26, 2022

In theory, [Sedar](#) (System for Electronic Document Analysis and Retrieval) was intended to be a filing system developed for the Canadian Securities Administrators to:

- facilitate the electronic filing of securities information as required by Canadian Securities Administrators;
- allow for equal access to and the public dissemination of Canadian securities information collected in the securities filing process; and
- provide electronic communication between electronic filers, agents and the Canadian Securities Administrator.

In reality, as anyone who has ever used it can attest, it is not user-friendly, and hasn't been since it was first introduced. Here's a simple example. Assume a company has changed its name but you want to find its by-laws or articles under the former name (those by-laws and articles remain in effect). Unless you know the former name, it's hit-and-miss whether you will be able to find those documents under the former name.

That seems like a minor thing, but the by-laws for every company set out how to call a shareholder meeting for that company. If you're planning a dissident shareholder meeting to oust underperforming management (as I do from time to time) you need those by-laws to guide your decision-making. Without the by-laws you're reduced to guessing as to the proper process, and if you don't follow the proper process then your dissident shareholder meeting is invalid. Time and money are wasted, and underperforming management continues to underperform.

To file at Sedar is a monstrous pain as well. Whoever does the actual filing needs to apply to get the Sedar application

software to become a client. I've been through the application process and it is not simple, straightforward, or transparent. Once the special client software has been installed, the filing process is not intuitive and it's not unusual to have to call the help desk on routine matters. Payments for the filings are made through an ancient Electronic Data Interchange system.

Finally, with the evolution of technology and the rise of cybercrime, this antiquated system cannot be secure against the malicious. Every filer has financial information in the Sedar system, which information is at risk.

After 25 years of clunkily serving the investing public, Sedar is finally being put to rest. Replacing it is a new system called Sedar+ (not real imaginative there with the new name).

The change is supposed to happen in late 2022. The new system will be web-based, so filers won't need clunky dedicated client software. The CSA claims, "SEDAR+ will be easier to use, more intuitive, and more modern compared to the legacy systems, which are end-of-life and cannot respond to the evolving needs of market participants."

Eventually, it is the plan to pick up other databases into Sedar+, including the horrific pain that is Sedi (System for Electronic Disclosure by Insiders), the Cease Trade Order list, the Disciplined List, and exempt market filings. This should provide investors with better search functionality and an integrated view of issuer information. Another benefit of the integrated data is intended to be the ability to access a reporting issuers list that includes data from all jurisdictions.

Why does this matter? How you do due diligence review in the investing world can be as important as the facts disclosed in the process. Knowing how the new systems work provides a smart

investor with advantages over the uneducated. Better access to the data you need facilitates more efficient all-in-one-place research. Making the filing process better reduces the burden on reporting issuers (and later insiders). Finally, it offers better cybersecurity for those with financial information in the system.

Let's hope it does better than CNN+.