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Chair Summary

Canadian Advocacy Council



Parham Nasser, CFA
Chair, Canadian
Advocacy Council

The new year and decade present a myriad of opportunities for our team to explore and be excited about. Along with our orderly regulatory consultation advocacy (see current projects below), the CAC has been gaining momentum on developing processes that foster more proactive efforts and engagements. In short, this includes (i) putting resources behind potential thought leadership and educational projects, and (ii) being more strategically engaged and included in forums that shape the Canadian regulatory landscape. Amidst our efforts to explore and execute these new opportunities, we are maintaining and strengthening our active voice in the Canadian regulatory landscape.

We acknowledge that the success of our advocacy efforts relies on more than the expertise of our council members. In fact, every ounce of support and promotion of our efforts from local societies, their respective leaders, and individual members helps garner more attention and further our collective advocacy goals. In this light, we continue to build momentum behind our advocacy efforts by:

1. Engaging local society members with specialized or regional knowledge on local policy advocacy matters. For example, in 2019 we worked with several knowledgeable Albertan CFA charterholders via a working group on the Alberta Security Commission's efforts to facilitate capital formation in the province, met/consulted directly with the ASC multiple times, and produced a comment letter summarizing our views.
2. Partnering with local societies for promotion of our advocacy efforts. For example, CFA Society Vancouver includes a dedicated section about advocacy and the CAC's efforts in their monthly newsletter, and
3. Fostering more alignment and cooperation on advocacy with CFA Institute and our 12 Canadian societies through events like CFA Institute's Advocacy Workshop (scheduled for March 30th-April 1st, 2020) and our Canadian Society Advocacy Advisory Meeting ("SAAM"), scheduled for May 28th, 2020.

Response Drafting in Progress

Canadian Advocacy Council

About the notice

The draft amendments follow a review by IIROC of all its derivatives related rules to ensure they are clear, up to date, and consistent with regulations for securities-related activities. Stage 1 expands current regulation for futures and options to cover OTC derivatives by replacing and expanding various defined terms. IIROC is also proposing an expansion to the definition of an “institutional client” to include individuals with at least \$10m of assets under administration and to non-individuals engaged in specified hedging activities. They also propose to expand many of the business conduct rules to derivatives activities, such as BCP requirements, sales conduct requirements, best execution and suitability. Cumulative loss limits would also be required for any type of derivative account offering, and additional account opening procedures and/or IIROC approval would be required prior to offering certain highly leveraged and complex products to retail clients. IIROC has also prepared a new draft risk disclosure statement for derivatives, and has suggested additional proficiency requirements for representatives (which would need to be worked on in conjunction with the CSA projects on proficiency and derivative registrations).

CSA Consultation Paper 51-405 – Consideration of an Access Equals Delivery Model for Non-Investment Fund Reporting Issuers (Due March 9, 2020)

About the notice

The CSA is soliciting views on the suitability of introducing an “access equals delivery” model in the Canadian market, such that delivery of a document would be effected by the issuer alerting investors through a news release that the document is publicly available on the System for Electronic Document Analysis and Retrieval (SEDAR) and the issuer’s website. They are also looking for input on which documents (prospectuses, financial statements, MD&A and other) should be included in an access equals delivery model.

****If you would like to participate or provide comments to ongoing initiatives, please contact cac@cfacanada.org****

Other Updates



Congratulations to the CAC’s Past Chair **Rob Gouley, CFA** and CFA Society Toronto’s Past Chair **Anish Chopra, CFA** for being selected to join the Ontario Financial Services Regulatory Authority (FSRA)’s consumer advisory panel. Read more about how the panel will impact policy changes [here](#).



We’re excited to announce that CFA Societies Canada (including the CAC) has been invited to join the [Canadian Securities Administrators \(“CSA”\) Client-Focused Reforms Implementation Committee](#) in an official status as observer. As such, we’ll be included in all meetings and correspondence of the committee and have a meaningful seat at the table in considering the challenges and opportunities that this large new piece of securities regulation holds for Canadian investors and the Canadian investment industry.

This invitation marks a milestone for the CAC and CFA Societies Canada, as it’s the first time that we’ve been invited ‘into the room’ of a CSA committee and its work in a formal way. We thank the CSA for this opportunity and hope that it’s just the next step in a more productive and growing relationship as we move forward.



As part of IIROC's Dealer Member Plain Language Rule Book ("PLR Rule Book") project, the CFA Program has been granted new regulatory recognition for proficiency in many individual registration categories. These changes will be effective June 1, 2020.

Under the new PLR Rule Book, passing the Level 1 CFA exam (or higher) is now an acceptable alternative to the Canadian Securities Course for all individual registration categories. Additionally, the CFA charter meets IIROC's proficiency requirements for categories in portfolio management, other senior individual registration categories, and is the sole credential recognized for the Supervisory Research Analyst registration category.

This is the culmination of collaboration and dialogue with IIROC dating back many years, and is a material step forward for recognition of the CFA Program in Canada. Many thanks are due to the tireless efforts on this file by **CFA Institute**, and particularly to **CFA Society Toronto** who was critical in originating this opportunity and carrying it forward.

You will see CFA Institute communications in the coming weeks on this item, along with talking points for use by society leaders. Integration of this new recognition into the broader promotional materials of the CFA Program for Canada and resources for societies' programs will be an ongoing effort. We are also working closely with IIROC to provide any necessary information and resources to their dealer member firms.

For more details on IIROC's PLR Rule Book, please see [here](#) for the new rule book in full (see Rule 2600 for individual registration categories and proficiency requirements), and [here](#) for the recently-released guidance notes from IIROC.

The Canadian Advocacy Council strives to advance market integrity, transparency and investor protection, on behalf of CFA Societies Canada and Canadian CFA charterholders.



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Next In-Person Meeting Scheduled: Friday, February 28, 2020 in Toronto

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