

February 1, 2022

VIA EMAIL

British Columbia Securities Commission  
Alberta Securities Commission  
Financial and Consumer Affairs Authority of Saskatchewan  
Manitoba Securities Commission  
Ontario Securities Commission  
Autorité des marchés financiers  
Financial and Consumer Services Commission (New Brunswick)  
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward  
Island  
Nova Scotia Securities Commission  
Superintendent of Securities, Newfoundland and Labrador  
Superintendent of Securities, Northwest Territories  
Superintendent of Securities, Yukon  
Superintendent of Securities, Nunavut

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**Re: CSA Staff Notice and Request for Comment 11-343 - Proposal to Establish a  
CSA Investor Advisory Panel**

The Canadian Advocacy Council of CFA Societies Canada<sup>1</sup> (the “CAC”) appreciates the opportunity to provide the following comments on the Proposal. As an overarching comment, we are highly supportive of the CSA’s proposal to establish an Investor Advisory Panel. Our comments below include suggestions of matters for further consideration relating to items addressed in the Staff Notice and the IAP’s Terms of Reference.

We agree with the propositions underlying and in the Substance and Purpose in the Staff Notice, in that we also believe regulation and policy development will be improved through increasing investor involvement in the policymaking and regulatory processes, and that more active intervention on the part of regulators to increase this involvement is

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<sup>1</sup> The CAC is an advocacy council for CFA Societies Canada, representing the 12 CFA Institute Member Societies across Canada and over 19,000 Canadian CFA Charterholders. The council includes investment professionals across Canada who review regulatory, legislative, and standard setting developments affecting investors, investment professionals, and the capital markets in Canada. Visit [www.cfacanada.org](http://www.cfacanada.org) to access the advocacy work of the CAC.

CFA Institute is the global association of investment professionals that sets the standard for professional excellence and credentials. The organization is a champion of ethical behavior in investment markets and a respected source of knowledge in the global financial community. Our aim is to create an environment where investors’ interests come first, markets function at their best, and economies grow. There are more than 178,000 CFA Charterholders worldwide in over 160 markets. CFA Institute has nine offices worldwide and there are 160 local member societies. For more information, visit [www.cfainstitute.org](http://www.cfainstitute.org).

necessary. As one of the more active investor-minded commenters in Canada on securities policy matters, we would welcome additional informed and resourced advocates for the interests of investors and fairer markets. Relative to other adjacent or comparable securities regulatory jurisdictions, it is our view that there is a stark paucity of such advocates in Canada, and that Canada's securities regulation and ultimately investors would benefit from the active encouragement, development, and more frequent articulation of investor-focused policy views. **We applaud the CSA for the major step in that direction that this Staff Notice represents.** With investor protection being a primary purpose of securities legislation and attendant regulation, we believe that it's incumbent upon regulators to develop more robust sources of investor-related information and inputs, both qualitative and quantitative. We believe that the proposed CSA IAP would be well-positioned to inform and potentially partially direct such development, and to contribute to solving the collective action problem of the diffuse beneficial interests of retail investors in improved securities regulation.

While the Staff Notice primarily contemplates responsive functions of the IAP, we would also encourage the CSA to consider what proactive or strategic functions might be informed through the involvement of retail investor advocates, such as specific investor-focused policy projects being raised to the CSA Chairs' or Policy Coordination Committee's attention for consideration, or the origination and direction of research efforts relating to investor issues or strategic policy matters. We note particularly the lack of a standing and coordinated strategic policy function within the CSA that could be directed towards matters of major import and perform detailed cross-jurisdictional, legal, or subject matter research and analysis on major regulatory questions. We believe that the IAP could be well-positioned to partially inform and/or govern such a function should one come into existence.

We note the existing fragmentation of CSA jurisdictions' considerable investor education and outreach efforts, and question whether the IAP might have some role in encouraging the harnessing of these resources towards thoughtfully coordinated and more impactful efforts for Canadian investors.

While we note and applaud the diversity considerations in the panel's intended composition and selection criteria, we query whether a body primarily composed to represent retail investor interests broadly can also satisfy the outstanding need within Canadian securities regulation to specifically consult on and consider matters relating to diversity, equity, inclusion, and Indigenous reconciliation. We would encourage further efforts on the part of the CSA to regularize specific consideration and consultation relating to these matters as part of the policy process.

We believe that regularized influx of investor perspectives are missing relating to several major operational areas of regulatory function, particularly those where policy formation and related consultation is not a regular activity. We believe that the functioning of securities regulation in Canada and accountability to its investor-focused purpose could be helped by establishing more regularized dialogue between investor advocates and these areas of operational regulatory function, perhaps starting through dialogue with the IAP.

We would appreciate greater detail on the selection criteria and intended composition of the Panel's membership, and how consideration of candidate/member experience, professional background, and subject matter expertise can be balanced with the need to control for conflicts and/or implicit interests relating to professional commitments or other economic interests of candidates/members. Consideration should also be given to familiarity with a range of regulated registration categories and business models, and an interface through which items relating to areas under the supervision of a self-regulatory organization can be effectively communicated. We particularly note prior proposals and discussion relating to formalized investor advisory mechanisms for IIROC and the New SRO, of which we were supportive, and would encourage formalized communication and coordination with such a body. We would also appreciate greater detail on any anticipated communication and/or coordination with similarly-purposed advisory bodies of provincial securities regulators, such as the OSC's IAP.

We would be supportive of greater resourcing of the IAP relating to in-person IAP meetings, particularly in its formative stages, as we believe the degree of engagement in and efficacy of longer-form strategic and governance-oriented meetings in virtual/electronic formats is limited. We also believe that relationships within the IAP and with the CSA Secretariat and Chairs could be strengthened through increased support for regularized in-person meetings.

### **Concluding Remarks**

We strongly support the CSA's efforts to gain insights from an investor perspective through the proposed creation of an Investor Advisory Panel. As noted above, we believe the Panel could be improved through additional resourcing and consideration of an expanded mandate, either initially or following some series of initial Panel milestones.

We thank you for the opportunity to provide these comments and would be happy to address any questions you may have. Please feel free to contact us at [cac@cfacanada.org](mailto:cac@cfacanada.org) on this or any other issue in future.

(Signed) *The Canadian Advocacy Council of  
CFA Societies Canada*

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