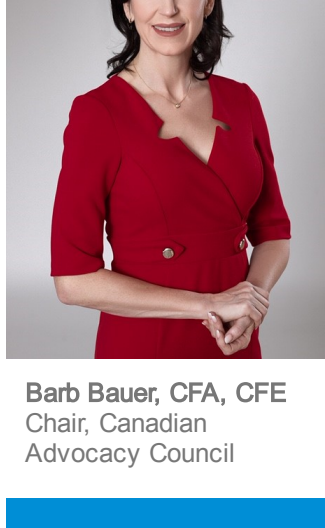


February 2023

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Chair Summary Canadian Advocacy Council



Barb Bauer, CFA, CFE  
Chair, Canadian  
Advocacy Council

When I think of March, I think of longer, warmer days as we prepare to welcome spring.

It also historically continues to be a busy time for the Council and this year is no different. We recently held an in-person meeting, and it's hard to believe, but have begun discussions around planning for next fiscal year, including recruitment. Please contact us if you're interested in a discussion about potentially joining the Council.

We have filed numerous letters in response to regulatory consultations, summarized below. We also have several comment letters in progress.

The work CAC continues to undertake on behalf of our stakeholders would not be possible without the efforts of our tremendous volunteers. Thank you all for your ongoing commitment.

Published Comment Letters Canadian Advocacy Council

[OBSI - Governance Review - Request for Public Comment](#)

**About the notice**  
The Ombudsman for Banking Services and Investments (OBSI) is seeking input from stakeholders and the public in relation to its organizational governance. This consultation is focused on understanding how OBSI's board can best ensure that it has the opportunity to consider the perspectives of stakeholders with financial services industry expertise and consumer advocacy expertise in its decision making. OBSI is committed to ensuring a deep knowledge of these perspectives at the board level because they are crucial to ensuring that the organization is able to continue to fulfill its mission of helping to ensure a fair, effective and trusted financial services sector.

**Overview of Council's comments**  
The CAC supports enhancements to OBSI's governance structure, with a view to ensuring diverse industry and financial consumer voices are heard in pursuit of its organizational mandates. OBSI should adopt a skills-based nominations structure whereby directors are nominated through a process requiring well defined skills and attributes, rather than a process that requires the nomination by inclusion of representatives from any particular industry or consumer group. This would mitigate the risk that directors' independence and loyalty to OBSI are perceived as being compromised by a conflicting duty to a particular constituency or industry segment.

To be clear, pursuit of these reforms is no reason to delay or defer action on the long-stated legislative and regulatory intention to grant OBSI binding authority and sole recognition over securities and banking-related disputes.

[AMF - Second Consultation - Regulation Respecting Complaint Processing and Dispute Resolution in the Financial Sector](#)

**About the notice**  
The AMF has published for consultation a new version of the draft Regulation respecting complaint processing and dispute resolution in the financial sector. The Notice of Consultation as well as the draft Regulation are available in the "Public Consultations" section of the AMF Website. The first version of this draft Regulation, published in the fall of 2021, generated many comments, particularly regarding the regulatory compliance burden it imposed. Thus, some rules and practices have been reviewed in order to allow greater flexibility for financial institutions, financial intermediaries and credit assessment agents in the processing of complaints, while maintaining the AMF's objective to ensure that consumer complaints are processed fairly.

The AMF plans to hold a meeting early January 2023 to discuss the changes and answer questions from participants. It also plans to address the new rules applicable to the reporting of complaints to the AMF.

**Overview of Council's comments**  
The Council continues to support efforts to strengthen and harmonize the complaint handling process across various financial sectors in Québec and believes a number of proposed provisions in the Draft Regulation are an improvement to the existing regulations, including:

- the notion of a common set of rules relating to the fair processing of complaints
- enabling financial institutions with the ability to identify recurring issues and take action to address them
- a process that allows for faster resolution of complaints that can be effectively handled within 10 days of receipt. For other types of complaints, including those where the complainant is a vulnerable client, the possibility to extend the time period for processing a complaint beyond 60 days to up to 90 days

With respect to the definition of a complaint itself, the Draft Regulation proposes a broader definition than in the original consultation. However, a complaint should also cover potential clients as well as former clients of the named institutions.

[AMF - Draft Regulation Respecting the Prohibition on Charging Certain Fees from Holders of Individual Variable Insurance Contracts Relating to Segregated Funds](#)

**About the notice**  
Draft Regulation respecting the prohibition on charging certain fees from holders of individual variable insurance contracts relating to segregated funds.

**Overview of Council's comments**  
The Council strongly supports banning deferred sales charges ("DSCs") and other forms of upfront commissions in segregated fund contracts. We would also strongly recommend that the AMF evaluate a potential ban on the "advisor chargeback" option for segregated funds.

Our key comments are summarized below:

- We agree that DSCs are inconsistent with the objective of supporting the fair treatment of clients.
- We believe DSCs and other types of upfront compensation create conflicts between consumers and advisors, incentivizing advisors to sell products that provide them with the highest compensation rather than the most suitable products for their clients.
- We also believe the advisor chargeback option carries the same conflicts as other upfront compensation structures for advisors.

[FRSA - Consultation on Proposed Amendments to the UDAP rule - Deferred sales charges](#)

**About the notice**  
FRSA has released a short consultation that proposes amendments to its Unfair or Deceptive Acts or Practices Rule. The amendments would eliminate DSCs on new segregated fund contracts effective as of June 1, 2023. For contracts that are pre-existing, new requirements would include customer disclosure and limits on the use of existing DSC options. The consultation has a one-page appendix flow chart that is a good illustration of what FRSA's expectations are of insurers in various circumstances.

**Overview of Council's comments**  
The Council supports the proposed ban on DSCs, as well as the general elimination of conflicts of interest and regulatory arbitrage. However, the Council believes that additional disclosure is necessary for customers to fully understand the costs of available or chosen sales options. The Council also urges FRSA to review the "Advisor Chargeback" option for a ban, as it raises inherent conflict of interest issues. Overall, we support the amendments and urges their implementation at the earliest opportunity.

Response Drafting in Progress Canadian Advocacy Council

[CSA - 21-403 - Access to Real-Time Market Data \(Due February 10, 2023\)](#)

**About the notice**  
The consultation goes through the CSA's findings with respect to their review of concerns raised by market participants in Canada about accessing real-time market data. They are seeking feedback on a two-stage set of options that may be considered in future to deal with the concerns raised. Initial options look at using standardized terminology to describe data products and how they are accessed, enhancing the transparency of any proposed fee changes by marketplaces, and reviewing the current methodology the CSA uses to allocate fees amongst marketplaces, while longer-term, the CSA is considering overhauling the whole regime. Potentials include leveraging the current IP model, or introducing an entirely new model for data consolidation. There are a number of embedded questions which get quite granular with respect to current fees.

[IIROC - Review of the IIROC Arbitration Program \(Due March 6, 2023\)](#)

**About the notice**  
IIROC is undergoing a review of their arbitration program (last reviewed in 2011), which requires dealers to participate in binding arbitration at a request of a client. The consultation is in response to 17 recommendations made by an independent working group, which range from changes that can immediately be put in place to those changes that will require further public consultation. IIROC proposes to maintain the program alongside OBSI's dispute resolution services and the availability of litigation as avenues of redress for clients. As the arbitration program is intended to be an alternative to litigation, focusing on complex and large claims. IIROC is considering having the program available only for claims above OBSI's claim threshold (except in Québec). Recommendations for immediate implementation include revising program materials to use plain language and increase public awareness of the program, as well as allowing parties to pick their own arbitrator and establishing shorter timelines for certain case resolutions. A pilot program is suggested for certain procedural changes, including case management and mandatory mediation. Public consultation is suggested for items such as the potential publication of arbitration decisions and an increased award limit.

[IIROC/CSA - Joint CSA and IIROC Staff Notice 23-329 - Short Selling in Canada \(Due March 8, 2023\)](#)

**About the notice**  
The Canadian Securities Administrators (CSA) and the Investment Industry Regulatory Organization of Canada (IIROC) are seeking input from investors, industry and the public on the current regulatory framework surrounding short selling in Canada. In a published staff notice, the CSA and IIROC:

- Offer an overview of the existing regulatory landscape for short selling, including rules governing failure to settle trades,
- Provide an update on current related initiatives, and
- Request public feedback on areas for regulatory consideration

The staff notice also describes recent international developments and highlights the results of a study completed by IIROC on failed trades. The CSA also published a summary of comments and responses to CSA Staff Consultation Paper 25-403 Activist Short Selling. This consultation paper was published on December 3, 2020 to facilitate the discussion about concerns relating to activist short selling and its potential impact on capital markets.

**\*\*If you would like to participate or provide comments to ongoing initiatives, please contact [cac@cfacanada.org](mailto:cac@cfacanada.org)\*\***

Volunteer Spotlight Canadian Investment Performance Council



**Paul Boaden, CFA, CIPM**

Paul has served on the CIPC since June 2019.

Paul is a Director, Performance & Analytics at RBC Global Asset Management (RBC GAM) in Toronto. He joined the performance team at RBC GAM in November 2008 and is currently responsible for leading a global team that calculates, analyzes, presents and reports on numerous outcomes. Reports include trailing performance, equity and fixed income attribution, ex-post risk, including portfolio characteristics across multiple asset classes. In addition, Paul oversees RBC GAM's compliance with the GIPS Standards and annual verification process.

Prior to joining the RBC GAM team, Paul worked for State Street Canada for 5 years. Paul became a CFA charterholder in 2006 and earned his Certificate in Investment Performance Measurement (CIPM®) in 2010.

**What is it about volunteering with the CIPC that appealed to you most?**

The opportunity to work and network with so many talented and passionate performance professionals from across Canada, while providing the opportunity to explore and advocate for the challenges and opportunities that Canadian investment managers face when implementing the GIPS® Standards.

**Why do you think promotion of industry standards like the GIPS Standards is important?**

The GIPS Standards are the only globally recognized standard for performance measurement which provides best practices for calculation methodology, and the disclosures needed to create a level playing field for investment managers when competing for new business across the globe.

News

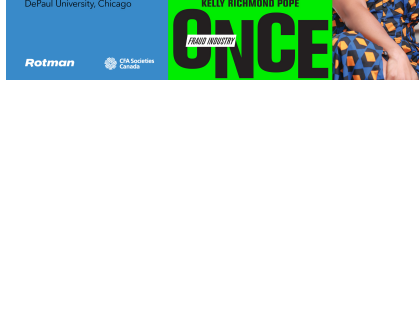
[Book Launch: Kelly Pope on Secrets from the Trillion-Dollar Fraud Industry](#)

We are pleased to announce that CFA Societies Canada and the University of Toronto - Rotman School of Management have scheduled the date for our third co-presented book launch!

The next great read in this series is "Fool Me Once: Scams, Stories, and Secrets from the Trillion-Dollar Fraud Industry," by Kelly Pope. Filled with fascinating stories and insightful analysis, "Fool Me Once" will open your eyes and challenge your thinking. It will inspire you to question your own preconceived notions about fraud. It will challenge your beliefs about yourself and other people. And it will help you understand a phenomenon that most of us fail to grasp—until it's too late.

Event Details: March 23, 2023 - 5:00pm - 6:00pm (EDT)  
Regular Price: \$43.99 + HST (CFA Society Member Price: \$38.99 + HST)

Includes a copy of the book shipped complimentary post-event. [Contact your local society](#) for the discount code or unique registration link.



Register Here

**Finalists Announced**

CFA Societies Canada Local Ethics Challenge winners announced

Congratulations to the student teams from Saint Mary's University, Université Laval, University of Ottawa and Edwards School of Business, University of Saskatchewan, for winning their local CFA Ethics Challenge competitions and making it to the National Round being held on May 5th. We look forward to seeing all the teams compete for the title of 2023 CFA Societies Canada Ethics Challenge champions!

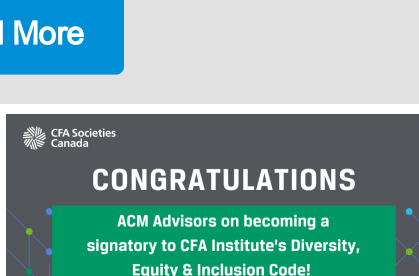
[Read More](#)

**ACM Advisors becomes signatory to CFA Institute's DEI Code**

Diversity, equity, and inclusion are crucial elements in the future of the investment industry and the success of investment firms. CFA Institute recognizes that a diversity of perspectives will lead to better investor outcomes; an inclusive investment industry will better serve our diverse society. In response, CFA Institute has developed a voluntary code to guide DEI, beginning in the United States and Canada.

Congratulations to **ACM Advisors** on becoming a signatory to CFA Institute's DEI Code! Thank you for your commitment to meaningful progress.

[Learn More](#)



**CFA Institute launches enhanced Investment Foundations Certificate**

The newly enhanced CFA Institute Investment Foundations® Certificate provides an overview of the essentials of finance, ethics, and investment roles, providing clear understanding of the global investment industry including terminology and foundational concepts.

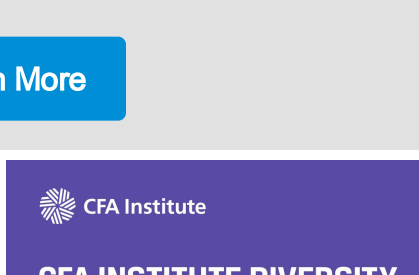
[Learn More](#)

**CFA Institute's DEI Code reaches more than 100 signatories**

CFA Institute, the global association of investment professionals, announces that more than 100 finance industry organizations across the United States and Canada have signed up to the industry's first voluntary Diversity, Equity, and Inclusion Code for the Investment Profession in the United States and Canada ("DEI Code") within the first year of the DEI Code's existence.

Launched by CFA Institute in February 2022, the DEI Code fosters action to advance diversity, equity, and inclusion in the investment industry through six metrics-based principles built to generate a cycle of positive change for individuals and organizations. The DEI Code also requires signatories to amplify the impact of their commitment by making the economic, business, and moral case for diversity, equity, and inclusion.

[Read More](#)



**Climate Risk and Returns**

Shaping a Sustainable, Profitable Future

20-21 April 2023 | New York City

Conference: Climate Risk and Returns: Shaping a Sustainable, Profitable Future (April 20-21, New York City)

As the world gathers for Earth Day 2023, CFA Institute is convening industry leaders from asset owners, investment managers, and listed companies to address the sustainability challenges and opportunities facing investors and boards today, including:

- How do asset owners see their role in driving sustainability?
- How does asset classes could accelerate the attainment of NetZero and generate returns?
- What does realistic energy transition look like?
- How might regulatory reporting developments impact your business?

Event Details: April 20-21, 2023, New York City

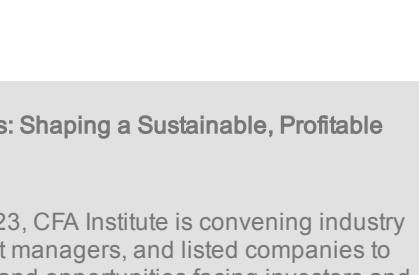
Not able to attend in person? Digital content packages are available for purchase.

[Register Here](#)

**CFA Institute's Certificate in ESG Investing**

Register for the Certificate in ESG Investing by 31 March to get exclusive access to three webinars and a discount code offering 10% off your registration price for the CFA Institute "Climate Risk and Returns: Shaping a Sustainable, Profitable Future" event.

[Register Now](#)



The Canadian Advocacy Council, on behalf of CFA Societies Canada, advances investor protection, industry professionalism, market integrity and transparency to the benefit of society.

[Follow us on LinkedIn](#)

Next CAC Meeting Scheduled: Tuesday, March 14, 2023 at 2:00 pm EDT

[Contact Us](#) [Subscribe](#)

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