

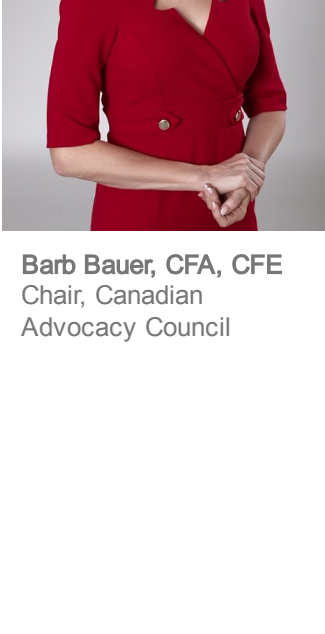
March 2023

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Chair Summary

Canadian Advocacy Council



I love spring as it's a first-hand reminder of how revitalizing change can be. Change is underway on our Council as we have a call out for new members. This is an opportunity to collaborate with incredible professionals with diverse experiences.

Although backgrounds vary, we come together with a common interest and passion - that Canadians have access to fair and efficient capital markets that are not only transparent but also provide investors with necessary protection. Our Canadian markets and the global financial ecosystem continue to evolve and for regulatory oversight to remain "fit for purpose" it must do the same.

Regulators and SROs regularly seek consultation on proposed rules. As investment professionals we can lend valuable insights from our experience and expertise to these proposed regulatory changes, priorities, and innovations under consideration. Please consider lending your time and voice to [this Council](#).

The Council filed several letters in response to consultations this past month. With respect to the Consultation on Access to Real-Time Market Data, we support those aspects of the Consultation aimed at enhancing transparency and accountability by ensuring that all fees and increases to those fees for RTMD in Canada are subject to public notice and comment. We note many laudable features in the options but highlight that the Council would like to see a model which involves regular comparisons with foreign market data fees and fee structures to ensure that data on our markets is competitive. The importance is underscored given the inter-listed nature of our markets and the comparably inexpensive RTMD rates in the U.S. The initiatives undertaken by the Council (including above and below) would not be possible without the commitment and support of its members. I want to close out by taking this space to thank our members who give their time to this Council.

Published Comment Letters

Canadian Advocacy Council

[CSA - 21-403 – Access to Real-Time Market Data.](#)

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.

Overview of Council's comments

The Council is highly supportive of the effort to bring greater transparency and accountability to the fees associated with accessing real-time market data ("RTMD") in Canada.

Given the comparatively high price of accessing RTMD in our country, the Council supports efforts to place a reasonable cap on these fees. Specifically, the Council:

- prefers to see a model that cross-references fees in Canada with other international markets, like the United States, to evaluate the reasonableness of these fees
- encourages substantive engagement and responsiveness to feedback in pursuit of fairness and the balancing of the many interests at play,
- encourages the inclusion of a diverse range of market participants and interested stakeholders in the formation of a new industry group to identify and standardize terms and definitions,
- recommends the adoption of a formal regulatory fee mechanism for non-professional subscriber fees and support the standardization of key terms and definitions for the access to, receipt, distribution, and use of RTMD products,
- recommends a review of the DFM model in Canada as to its fit for purpose.

[New SRO of Canada - Review of the IIROC Arbitration Program](#)

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.

Overview of Council's comments

The Council has provided general comments on the Consultation regarding the IIROC Arbitration Program. The Council is generally supportive of the recommendations set out, including:

- greater transparency on the functioning of the Program going forward, including accessibility, costs, and procedures
- more transparency on the implementation of the Program would help ensure it is serving its purpose
- availability of data relied on in forming the WG Recommendations,
- regular public reporting of how many claims fall into each of the tiers,
- an Annual Report on the functioning of the Program, as well as a standard review period instituted for the Program, such that evaluations can be done on a regular instead of an ad hoc basis.

The Council is in favour of the greater transparency surrounding the roster of arbitrators proposed in the WG Recommendations. It also notes the 2-year limitation period to be at the very low end of an admittedly wide spectrum of limitation periods across Canada. Further, the Council suggests that a renewed review of the Program may be necessary following if and when OBSI receives binding authority.

[IIROC/CSA - Joint CSA and IIROC Staff Notice 23-329 - Short Selling In Canada](#)

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.

Overview of Council's comments

The Council supports initiatives to review existing regulation to ensure effectiveness, but this exercise should be driven by data and an awareness of potential unintended consequences of regulatory changes. Short selling makes critical contributions to market liquidity and price formation, supporting robust capital markets. In the absence of evidence of specific harm(s), we should not proceed with rule changes that could serve as a general deterrent to short selling and potentially significantly impair the quality of Canadian capital markets.

Response Drafting in Progress

Canadian Advocacy Council

New SRO of Canada - Proposal on Distributing Funds Disgorged and Collected through New SRO Disciplinary Proceedings to Harmed Investors (Due May 1, 2023)


About the notice

The proposal relates to the current inability of the New SRO to release disgorged funds to investors that have suffered a loss, even if a disciplinary proceeding has ordered disgorgement. Disgorgement aims to ensure that respondents, who are found to be liable for breaching regulatory requirements, do not keep any funds they had obtained (e.g. incorrect fees), or benefit from losses avoided, as a result of their contravention. Based on an internal working group recommendation, the New SRO proposes to enhance its existing enforcement process (which already includes disgorgement and collection) to add a mechanism to distribute these funds to harmed investors. Under the proposal, an eligible investor would be a person who suffered direct financial loss because of the contravention giving rise to the disgorgement directly linked to the enforcement findings. A potential class of investors would be identified at the investigation stage. Once the enforcement process is complete and funds are disgorged and collected, notice would be provided to all known eligible investors, and claimants would need to opt in within a prescribed time frame and declare any recovery obtained elsewhere. Claims for payment would be made and assessed by a separate branch of the New SRO. Harmed investors would not be prevented from bringing civil claims or seeking compensation elsewhere for losses arising from the same conduct. Specific questions posed relate to the proposed restraints on eligibility and the potential for investor confusion with respect to their redress options.

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

Volunteer Spotlight

Canadian Advocacy Council



Dr. Li Zhang, CFA

Li has served on the CAC since July 2021.

Li is an associate professor at the School of Business and Economics, Thompson Rivers University. Her research interest includes corporate finance, corporate governance, financial information, and institutional investors. Before joining Thompson Rivers University, she taught finance and accounting at Shanghai Jiao Tong University in China and was the Area Editor of China Finance Review International. Li holds a Ph.D. from McGill University and an MBA from McMaster University.

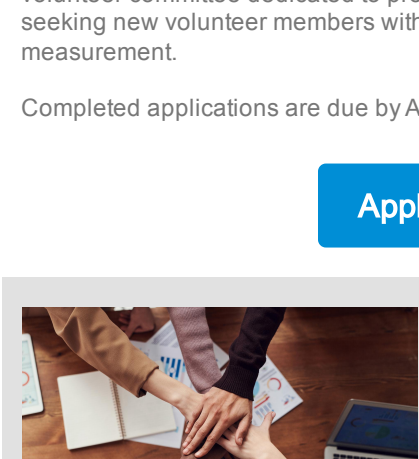
Why does advocacy matter to you?

Advocacy is crucial in the investment profession where the well-being of others is at stake. By promoting corporate governance, social responsibility, and protecting investors and minority shareholders, we can make a significant impact. The CAC is committed to ensuring the integrity and efficiency of capital markets, actively discussing regulatory changes to achieve this goal.

What advocacy issues are you most passionate about?

Corporate governance, social responsibility and the protection of minority shareholders.

News



CAC Call for Volunteers

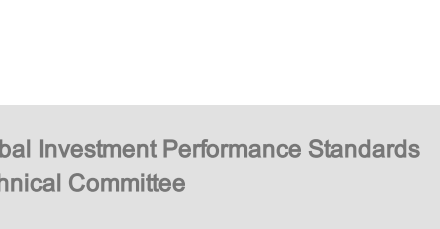
The Canadian Advocacy Council of CFA Societies Canada is seeking new volunteer members with interest and expertise in regulatory policy and one or more of the following areas:

- Advocacy
- Regulatory structure and SRO-specific issues
- Derivatives
- Marketplaces, clearing and market infrastructure, market data and market microstructure
- Strategy
- Enforcement
- Governance
- Investor protection and dispute resolution
- Investment funds/products

The CAC advocates to Canada's securities regulators, standard setters, self-regulatory organizations, industry groups, and legislators through direct engagement and the publication of comment letters on proposed rules and consultation papers.

Interested applicants can submit an application by Friday, April 21, 2023.

[Apply Here](#)

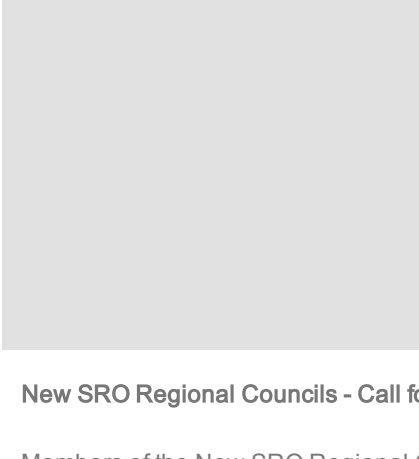


CIPC Call for Volunteers

The Canadian Investment Performance Council of CFA Societies Canada, a volunteer committee dedicated to promoting GIPS® Standards in Canada, is seeking new volunteer members with expertise and interest in performance measurement.

Completed applications are due by April 30, 2023

[Apply Here](#)



CFA Institute Seeks Volunteers for Global Investment Performance Standards (GIPS®) Committees and the ESG Technical Committee


In addition, CFA Institute is seeking to fill the Chair position on the GIPS Standards Asset Owner Subcommittee and the GIPS Standards Verification Subcommittee.

CFA Institute is actively recruiting volunteers to serve on the following committees and subcommittees:

- GIPS Standards Technical Committee
- GIPS Standards Asset Owner Subcommittee
- GIPS Standards Interpretations Subcommittee
- GIPS Standards Verification Subcommittee
- GIPS Standards Promotion Subcommittee
- GIPS Standards for Fiduciary Management Providers Technical Committee
- GIPS Standards United States Investment Performance Committee (USIPC)
- Environmental, Social, and Governance (ESG) Technical Committee

Applications are due by May 15, 2023.

[Apply Here](#)



New SRO Regional Councils - Call for Nomination

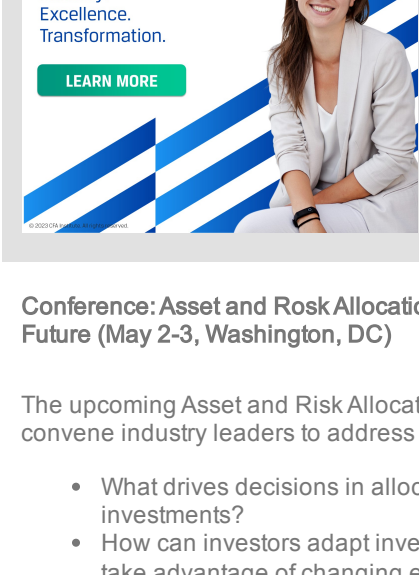
Members of the New SRO Regional Councils invite Dealer Members to nominate candidates for election to the Regional Councils in each Region where the Dealer Member has offices.

The Regional Councils play an important advisory role with respect to regional issues and provide a regional perspective on national issues, including client facing activities. They advise New SRO on industry trends of regulatory concern, provide input on the impact of New SRO's regulatory initiatives, and communicate high-level information regarding meeting discussions to their constituents.

Members of the Regional Councils have the opportunity to participate in the self-regulatory process, discuss various topics related to the securities industry and to connect with both other Dealer Members in their Region as well as with New SRO Staff.

Applications are due by April 17, 2023.


[Learn More](#)



The Evolution of the CFA® Program

CFA Institute recently announced some updates to CFA® Program that will further solidify its role as the premier investment analysis credential. Explore each of these six updates in more detail to learn what the changes mean for charterholders and candidates.

[Learn More](#)



Conference: Asset and Risk Allocation: Building Resilient Portfolios for the Future (May 2-3, Washington, DC)

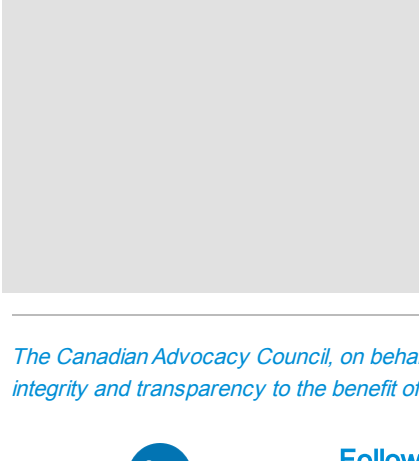
The upcoming Asset and Risk Allocation Conference by CFA Institute, will convene industry leaders to address questions such as:

- What drives decisions in allocations to public and private investments?
- How can investors adapt investment strategies and allocate capital to take advantage of changing economic conditions and longer-term trends?
- What are the fundamentals telling investors about valuation levels across asset classes?

Event Details: May 2-3, Washington, DC

Digital content packages are available for purchase for those not attending in person.

[Register Now](#)



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?
- Which 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](#)