

April 2023

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Chair Summary

Canadian Advocacy Council



Barb Bauer, CFA, CFE
Chair, Canadian
Advocacy Council

Spring is the time of plans and projects. The Council is currently planning for its next in-person meeting this May.

We have two 'projects' or responses currently in draft, noted below. The first relates to Canada's New SRO – soon to officially be the Canadian Investment Regulatory Organization (CIRO) – and its proposal on the distribution of funds disgorged and collected through CIRO's *Disciplinary Proceedings to Harmed Investors*. We appreciate that CIRO has proposed to enhance the enforcement process (which already includes disgorgement and collection) to add a mechanism to distribute these funds to harmed investors. The notion of directing funds earmarked as disgorgement to harmed investors has obvious appeal; however, the Council has some reservations about the proposed design features and efficacy of such a program. Stay tuned for highlights from our filed letter.

The initiatives undertaken by the Council would not be possible without the commitment and support of its members – thank you to our members and the leadership at CFA Societies Canada who give their time to this Council.

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.

CSA - Proposed Amendments to Form 58-101F1 - Corporate Governance Disclosure of National Instrument 58-101 Disclosure of Corporate Governance Practices and Proposed Changes to National Policy 58-201 Corporate Governance Guidelines (Due July 12, 2023)

About the notice

The CSA released for comment proposed amendments to Form 58-101F1 *Corporate Governance Disclosure* as well as to NP 58-201 *Corporate Governance Guidelines*. The changes are specific to board nominations, board renewal and diversity, and would require disclosure on aspects of diversity beyond the representation of women for non-venture issuers. Two versions of Form 58-101F1 are being proposed, which are generally aligned with respect to disclosure requirements related to board nominations and board renewal but use different approaches respecting diversity-related disclosure. The key distinction between the two approaches is that one version does not require reporting on the representation of certain enumerated groups and rather leaves it to the issuers to determine the most relevant aspects of diversity. Similarly, two versions of the amendments to the National Policy are being proposed, to ensure compatibility with the proposed disclosure requirements in the Form. The guidelines would specifically address the responsibilities of the nominating committee, the written policy respecting the director nomination process, the use of a composition matrix, effective succession planning and the mechanisms of board renewal, including term limits. It would also address topics such as the written diversity policy and targets for achieving diversity on the board and in executive officer positions.

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

Volunteer Spotlight

Canadian Investment Performance Council



Lawrence Li, CFA, CIPM

Lawrence has served on the CIPC since June 2020.

Lawrence is currently the Senior Manager of Investment Analytics at Connor, Clark & Lunn Financial Group, where he leads three teams of finance professionals providing support across the asset management value chain, including performance/attribution, investment analytics, and sales/marketing services. Prior to this, he held leadership roles in global firms such as HSBC, UBS, Merrill Lynch and JP Morgan. He also spent 3 years working in the public sector in Japan for the Ministry of Education.

Why are you passionate about the GIPS® standards?

Because this is the only globally recognized reporting standard accepted by many well known industry leaders. I think it is great that CFA Institute has continued to invest in the evolution and promotion of them. I can't think of another industry-led standard that has the breadth of adoption and recognition that GIPS has.

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

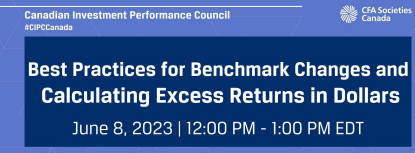
Definitely the people. Also the time we spend discussing ideas and ways to further promote the importance of the GIPS standards and performance in Canada.

News

Register for the CIPC Virtual Roundtable (June 8, 2023)

The Canadian Investment Performance Council of CFA Societies Canada, a volunteer committee dedicated to promoting GIPS standards in Canada, is hosting their next virtual roundtable on June 8, 2023 from 12 pm to 1 pm.

Join moderator Paul Boaden, CFA and speakers Matt Swan, CFA and Emil Vassenne, CIPM, as they discuss *Best Practices for Benchmark Changes and Calculating Excess Returns in Dollars*.



[Register Here](#)



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 April 30, 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](#)

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](#)



Registration is now open for the 27th Annual GIPS Standards Conference

Reconnect with colleagues as industry and regulatory experts discuss the latest trends and challenges in investment performance. Register by 30 June for the best rates.

Date: October 17-18, 2023
Location: Chicago, IL

Is your firm interested in being a conference sponsor? Contact Jonathan.Centry@cfainstitute.org

[Register Here](#)

New episode of the Guiding Assets podcast now available



Dive deep into the world of asset allocation with Anubhuti Gupta, CFA, CIPM, a senior principal consultant for Mercer's Wealth business in Singapore. They discuss the impact of inflation on portfolios and how investors can structure them for resilience amidst inflationary pressures. They also explore the challenges of diversification in 2022 and the importance of private markets in portfolio allocation. Additionally, they touch on the benefits of investing governance, the role of Outsourced Chief Investment Officer (OCIO) providers, and the importance of keeping an open mind throughout our investment careers.

Join this insightful conversation and navigate the ever-changing landscape of investing and asset allocation.

[Listen Here](#)



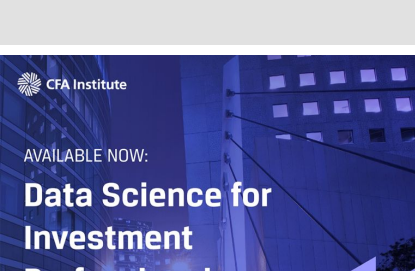
Lise Estelle Brault, CFA appointed to CFA Institute's Capital Markets Policy Council

We wish to congratulate Lise Estelle Brault, CFA, Senior Director, Data, Fintech and Innovation at [Autorité des marchés financiers](#) (Québec) and [CFA Montréal](#) board member, on her appointment to the CFA Institute Capital Markets Policy Council!

The Capital Markets Policy Council (CMPC) works with the Capital Markets Policy Group staff by providing guidance on financial market regulatory and policy issues, all from the perspective of what is best for markets, investors, and clients. The CMPC also assists staff with perspectives on research and advocacy positions developed in response to critical issues in the capital markets.

[Learn More](#)

Launch of Data Science for Investment Professionals Certificate



CFA Institute recently announced the Data Science for Investment Professionals Certificate is now open for registrations.

The Data Science for Investment Professionals Certificate provides practical knowledge of data techniques and machine learning fundamentals and how they are used in the investment process. This certificate is designed to enable the application machine learning concepts to real-world investment problems and explain them clearly to a non-expert audience and clients. Certificate holders will have the opportunity to gain practical experience through immersive code labs that draw on real-world scenarios.

The certificate is composed of five courses with practical application exercises and one final assessment.

[Learn More](#)

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



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Next CAC Meeting Scheduled: Friday, May 26, in-person, Toronto

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ADVOCACY

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