

Canadian Advocacy Newsletter

August 2023

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Chair Summary

Canadian Advocacy Council



Doug Sarro, CFA
Chair, Canadian Advocacy Council

Two years ago, the client-focused reforms started taking effect. These reforms generally require securities advisers and dealers, when faced with material conflicts of interest with retail clients, to resolve these conflicts in the best interests of these clients.

Earlier this month, Canadian securities regulators published initial findings from a compliance review meant to evaluate firms' implementation of these reforms. The results sound troubling. Regulators say roughly 80% of the firms reviewed fell short of the reforms' standards on conflicts of interest.

Does this reflect firms' failure to grapple with the implications of the reforms? Or regulators' failure to fully communicate how these reforms apply to individual firms' circumstances?

In all likelihood, it's a bit of both. And maybe regulators should do more to recognize that. Instead of casting compliance reviews as enforcement proceedings in miniature, regulators could recognize them as the collaborative exercise they are supposed to be. Regulators and firms alike learn from these reviews. Regulators gain insight into how their reforms work on the ground, allowing them to offer guidance that maps the intent behind their reforms onto firms' on-the-ground realities. Firms, in turn, gain insight into this intent and identify opportunities to adapt their practices in light of it.

Regulatory staff don't hold a monopoly on regulatory expertise. That's why CAC's participation in the rulemaking process is so important. And it's why I hope regulators will seize more opportunities to continue engaging with and learning from stakeholders after the rulemaking process is complete.

Published Comment Letters

Canadian Investment Performance Council



CFA Institute - Exposure Draft Guidance Statement on Firms Managing only Broad Distribution Pool Funds

The Canadian Investment Performance Council of CFA Societies Canada (CIPC) had the opportunity to provide [comments](#) on the Exposure Draft Guidance Statement on Firms Managing only Broad Distribution Pool Funds

Response Drafting in Progress

Canadian Advocacy Council



Finance Ontario - New Regulation of the SCA that prescribes purposes for which OSC can use enforcement money

Currently, the OSC can allocate money it receives from enforcement orders or settlements ("enforcement money") for one of the purposes specified in section 19(2)(b) of the Securities Commission Act, 2021. The Ministry of Finance is proposing to make a new regulation that would prescribe two new purposes for which enforcement money can be used.

CIRO - Proposed Proficiency Model - Approved Persons under the Investment Dealer and Partially Consolidated Rules

CIRO is seeking feedback on its proposed proficiency model. CIRO is proposing the proficiency model shift from a course centric model with exams tied to courses, to an assessment centric model with some mandatory education and training.



CSA - Corporate Governance Disclosure Changes

The CSA is seeking comment on two approaches to build upon the existing disclosure requirements in Form 58-101F1 regarding the representation of women on boards and in executive officer positions and board renewal adopted by most CSA jurisdictions in 2014.

Finance Manitoba - Financial Planner Title Protection in Manitoba

The Manitoba is seeking public comment regarding the advisability of introducing financial planner title protection legislation in Manitoba.

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

Volunteer Spotlight

Canadian Investment Performance Council



Kenrick Ohid, CIPM

Kenrick has served on the CIPC (former Vice Chair) since June 2017.

Kenrick joined TD Asset Management Inc. (TDAM) in February 2004. Currently he is responsible for a team that quantifies and attributes the performance and risk associated with TDAM's products and investment processes. He also has a primary focus on GIPS Composites and Regulatory Reporting. Kenrick is currently a member of the GIPS Standard Technical Committee and a lecturer in the Investment Foundation Certificate with the CFA Institute.

Kenrick graduated from University of the West Indies with a Bachelor of Science in Economics. He also holds an MBA from Edinburgh Business School (Graduate School of Business of Heriot-Watt University, Scotland). He earned his Certificate in Investment Performance Measurement (CIPM) in November 2016 and has completed various courses with the Canadian Securities Institute. In 2008 and 2020, he was a Recipient of the Vision in Action award and Star award respectively at the TD Bank Financial Group. He also obtained the Teacher of the Year Award at George Brown College where he has been a part time instructor in Managerial Accounting, Financial Accounting and Corporate Finance since 1999. He is currently a part time professor at York University and George Brown College.

What would you tell new members about the CIPC?

This is an opportunity for new members to have a voice within the Performance Measurement Industry. You will have the opportunity to collaborate with an experienced and diverse Council. The Group will bring change and awareness with reference to Performance Measurement and Attribution in the Canadian Financial Industry.

Why are you passionate about the GIPS standards/ What aspects of the GIPS standards are you most passionate about?

I am passionate about GIPS standards because it is built on the premise of fair representation and full disclosure. CFA Institute invests many resources in promoting the standards, which is always evolving and growing as the industry expands. I am passionate about all aspects of the standards because they are interdependent on each other.

News



Industry Roundtable

OSC announces roundtable on strengthening diversity in Canada's capital markets

The OSC will be hosting a roundtable on diversity, beyond gender, on **Thursday, September 14 from 9:00 a.m. - 11:30 a.m. ET.**

The roundtable will facilitate a robust discussion on the Canadian Securities Administrators' (CSA) diversity [consultation](#) which is seeking stakeholder input on two approaches to corporate diversity. Visit the [registration](#) page to attend virtually.



CFA Institute Conference

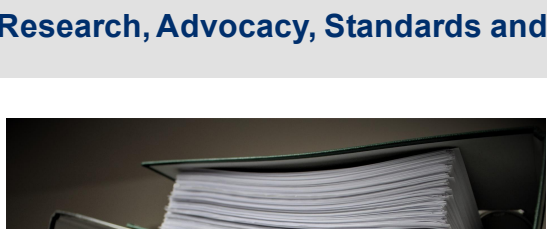
27th Annual GIPS® Standards Conference

Gain insights into outsourcing considerations and reconnect with industry peers at the 27th Annual GIPS Standards Conference this October.

[Registration](#) includes your live event pass, networking opportunities with the GIPS standards community, and access to on-demand session recordings.

Taking place **October 17-18** in Chicago, IL.

Research, Advocacy, Standards and Professional Learning



Standards

Survey Report of Firms on GIPS® Standards Error Correction Policies

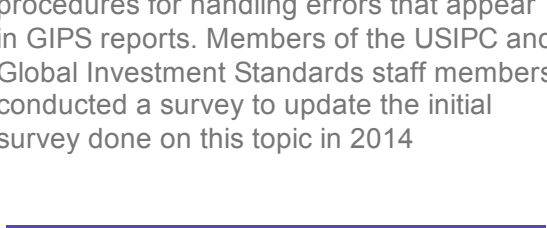
Firms that comply with the GIPS standards are required to establish policies and procedures for handling errors that appear in GIPS reports. Members of the USIIPC and Global Investment Standards staff members conducted a survey to update the initial survey done on this topic in 2014.



Research

Private Shareholder Engagements on Material ESG Issues

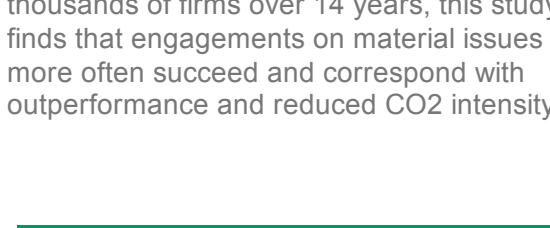
Do private shareholder engagements on ESG issues have an impact? Analyzing thousands of firms over 14 years, this study finds that engagements on material issues more often succeed and correspond with outperformance and reduced CO2 intensity.



Research Report

Future State of the Investment Industry

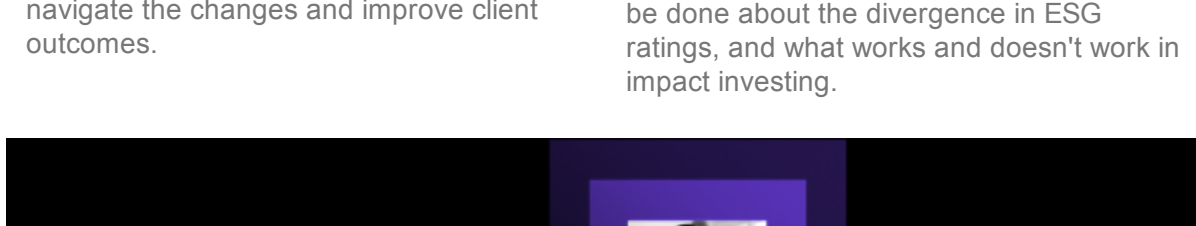
This report frames the most significant developments that will affect the investment industry in the next 5-10 years. It provides a road map for investment professionals to navigate the changes and improve client outcomes.



Podcast

Julian Kölbl: Cutting through the Confusion and ESG Ratings and What Works in Impact Investing

This episode of the Sustainability Story tackles two areas of mass confusion in the world of sustainable investing: what should be done about the divergence in ESG ratings, and what works and doesn't work in impact investing.



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: Tuesday, September 12 at 4:15 pm EDT

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