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Chair Summary **Canadian Advocacy Council**



Doug Sarro, CFA
Chair
Canadian Advocacy
Council

We enter into the fall season with substantial uncertainty about the make-up of the senior team at our largest capital markets regulator, the Ontario Securities Commission (OSC). Back in March, the regulator announced the departures of several of its top executives as part of a "strategic evolution," coinciding with the launch of a new [strategic plan](#) outlining the regulator's long-term policy and operational direction. At time of writing, however, the regulator had yet to appoint replacements who could contribute to implementing this plan.

Most prominently, the OSC has yet to name a permanent head of enforcement—one who can deliver its strategic plan's promise to crack down on bad actors and misconduct. Its new office of registration, inspections and examinations, tasked with oversight of portfolio managers, investment fund managers, and certain categories of securities dealers, also lacks permanent leadership. In addition, the OSC has yet to name new heads of its Innovation Office and its Investor Office.

Hopefully, my concerns about these vacancies will soon prove to be overblown. Maybe the OSC is well on its way towards filling these positions, and we'll start to see some announcements in the coming weeks. But if we don't see progress, we might need to start asking why the regulator is having trouble filling out its executive team, and what this might mean for its ability to continue delivering on its mandate.

Published Letters **Canadian Advocacy Council**



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

Submitted September 17, 2024

CIRO published for comment its proposed amendments to its proficiency rules applicable to investment dealer Approved Persons.

The CAC is pleased that CIRO intends to introduce an exam blueprint or syllabus with information such as topic weightings and sample exams, with the aim of providing sufficient information to enable self-directed study candidates to reasonably prepare for and pass exams.

The CAC made comments acknowledging the changes dropping the proposed requirement for firm sponsorship as part of exam eligibility, but cautioned against unconstrained advertising and buy-side recruitment by exam preparatory vendors and the possibility of misleading representations that could be made to industry aspirants.

The CAC suggests that CIRO should introduce training and continuing education components on issues related to artificial intelligence, diversity, equity, inclusion, Indigenous reconciliation, ESG and climate-related issues, and other emergent developments relevant to the competency profiles. The CAC also made targeted suggestions around transition relating to CFA Program.

Response Drafting in Progress **Canadian Advocacy Council**



OSC - Proposed process for distributing disgorged funds to harmed investors

Due October 9, 2024

The Ontario Securities Commission (OSC) published for comment a rule proposal that would establish a new process for returning money to harmed investors.

The proposed process would apply when disgorgement is ordered in an enforcement proceeding before the Capital Markets Tribunal or the Ontario Superior Court of Justice and the OSC receives sufficient funds to make a distribution feasible.

The OSC is publishing the rule proposal to address recent legislative amendments to the Ontario Securities Act, the Commodity Futures Act, and the Securities Commission Act, 2021. Upon proclamation, the legislative amendments will create a statutory framework for the distribution of money received by the OSC under disgorgement orders.



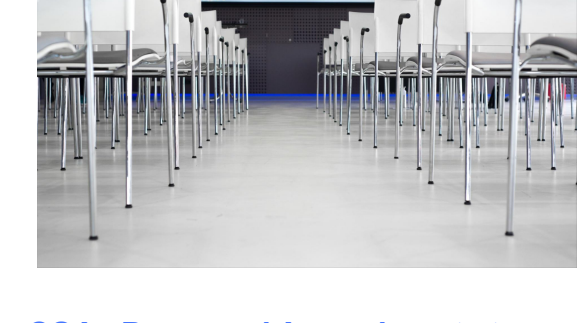
CSA - Proposed amendments to mandatory central counterparty clearing of derivatives

Due December 19, 2024

The members of the Canadian Securities Administrators are publishing for comment proposed amendments to National Instrument 94-101 Mandatory Central Counterparty Clearing of Derivatives (National Instrument 94-101).

The proposed amendments to National Instrument 94-101 aim to update the list of mandatory clearable derivatives to reflect the transition to a new interest rate benchmarks regime based on overnight risk-free interest rate benchmarks. Specifically, the Proposed Amendments reflect the cessation of certain inter-bank offered rates (IBORs) and the Canadian dollar offered rate (CDOR) interest rate benchmarks.

The Proposed Amendments also contemplate adding credit default swaps (CDS) referencing certain indexes as mandatory clearable derivatives.



CSA - Proposed Amendments to Modernize Continuous Disclosure Regime for Investment Funds

Due January 17, 2025

The Canadian Securities Administrators (CSA) have published for comment a series of proposed amendments aimed at modernizing the continuous disclosure regime for investment funds. These proposals are designed to provide investors with more focused and valuable disclosure while reducing the regulatory burden on investment fund managers.

The CSA proposes to replace the existing annual and interim Management Report of Fund Performance (MRFP) with a new annual and interim Fund Report. The proposed Fund Report was developed using behavioural insights research, which provides information on how people think, behave and make decisions. This included carrying out rigorous investor testing aimed at comparing the effectiveness of several alternative proposed versions of the Fund Report against a sample MRFP.

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

Volunteer Spotlight **Canadian Investment Performance Council**



Bradley Sinclair, CFA, CIPM

Brad has served on the CIPC since July 2023.

Brad leads the Performance function at CPP Investments and is responsible for calculating returns of all the Fund's investments and their benchmarks along multiple dimensions to assess investment performance. Prior to joining CPP Investments in 2016, he worked at a mid-sized asset owner (2013-2016) and at an asset servicing firm (2006-2013). Brad has a Master of Finance from the University of Toronto (MFin), is a CFA charterholder, and has obtained the Certificate in Investment Performance Measurement (CIPM).

What would you tell other charterholders or investment professionals about the CIPC?

The CIPC is a group of volunteers who work to improve the Performance profession in Canada. They use their diverse experience from different segments of the Investment Management industry. They help future performance professionals, leaders, and organizations face the performance challenges of today and tomorrow. They aim to teach and grow the Performance profession across Canada.

What aspects of the CIPC's work inspire you the most?

I am inspired to give back to the Performance profession across Canada as I am truly passionate about the importance of function within the Investment Management industry. I have grown and learned so much throughout the years that I want to share, educate, and guide others to this rewarding career. I also recognize I still have much to learn from others, and being part of the CIPC has provided me an opportunity to learn and grow as well.

News



Canadian Advocacy Council

CAC Mention in Investment Executive Article "Rulebook rewrite sparks pushback"

The Canadian Advocacy Council was quoted in *Investment Executive* regarding CIRO's consultation on the latest phase of its effort to consolidate the existing rulebooks for mutual fund and investment dealers.

As journalist James Langton of CFA, "The Canadian Advocacy Council of CFA Societies Canada's (CAC) submission said that, while the council supports implementing the new rules once all consultations are complete, it doesn't believe an additional consultation on the final rulebook is needed before the new rules can be adopted."

"We would encourage CIRO to instead focus its resources on expediting the implementation of the consolidated rules and therefore proceed with the approval without republication once the phased consultations are complete," the CAC said."



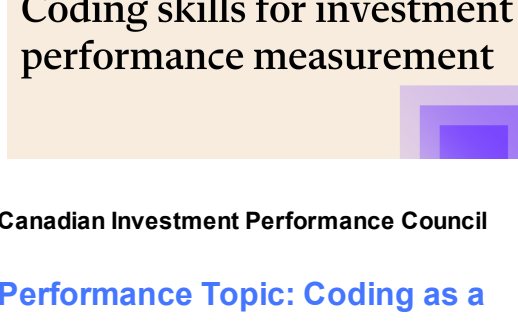
Industry News

OSC Investor Advisory Panel seeks new applicants

The Ontario Securities Commission (OSC) is inviting applications for membership on its independent Investor Advisory Panel (IAP), an advisory committee to the OSC that provides the primary retail investor perspective on policy, rule-making and other regulatory initiatives.

The IAP advises and comments on proposed rules, policies and investor protection issues. It considers the views of a broad range of investors by consulting with them and organizations representing investors.

If you are interested, please submit your resume indicating your relevant experience by October 16, 2024, to investor@office@osc.gov.on.ca.




Canadian Investment Performance Council

Performance Topic: Coding as a Skillset for Investment Performance Measurement

The Canadian Investment Performance Council frequently posts various performance topics and other items of interest to the performance measurement community on LinkedIn.

In their [most recent post](#), they outline how coding is becoming a valuable skillset for those within the performance measurement team at asset managers and asset owners and discuss the areas of performance where coding skills are being used.

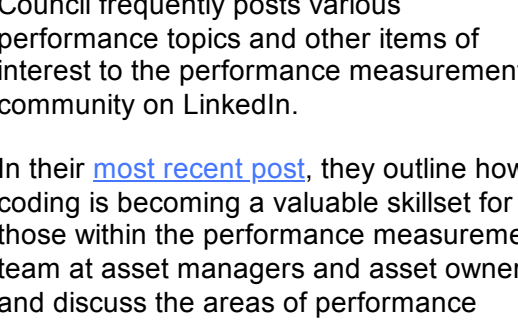


Canadian Advocacy Council

CAC welcomes new member, Andrew Kupfer, CFA!

Please join us in welcoming the newest member of the Canadian Advocacy Council, [Andrew Kupfer, CFA!](#)

Andrew, a member of CFA Societies Toronto, began his career at Mackenzie Investments, where he spent more than four years serving in a variety of business development functions including Product Management, Product Development and Product Marketing. Andrew then went on to obtain his Doctor of Law (JD) from Western University. Currently, he works at Blake, Cassels and Graydon LLP as an associate in the Securities practice group.



Event

Book Launch Event: 'The Journey of Leadership'

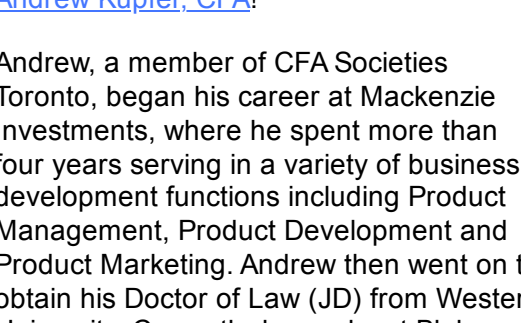
The next great read in CFA Societies Canada and the University of Toronto - Rotman School of Leadership's co-presented book launch series:

The Journey of Leadership' with Mark Fields and Hans-Werner Kaas

[Register](#) to attend in-person on October 10 at 5:30-6:30 pm EDT.

Virtual Streaming is available exclusively to Canadian CFA Society members.

The registration fee of \$47.00+HST includes a copy of the book (discounted to \$37.00+HST for Society members with code; please contact your [local society](#) for details).



Industry News

CSA seeks applications for Investor Advisory Panel

The Canadian Securities Administrators (CSA) is inviting [applications for membership on its Investor Advisory Panel \(IAP\)](#).

The CSA IAP was established in July 2022 to ensure retail investors' interests in being concerned are considered as policies are being developed. The Panel currently has one member vacancy and is seeking applications. IAP members are appointed for staggered terms of either two or three years, which may be renewed once.

Members are appointed for terms of up to three years and will be compensated for their time in meeting the [CSA IAP's mandate](#).

Applications are due by November 8, 2024.



Event

TSAM Toronto 2024 featuring guest speaker, Michael Thom, CFA

[TSAM Toronto 2024](#) is taking place on November 4th!

Join leading asset management firms in the Canadian market to discover strategies for efficiency across front, middle, and back-office operations and build lasting connections.

This year's featured speakers include CFA Societies Canada's Making Director, Michael Thom, CFA!

A limited number of free passes to TSAM Toronto are available for wealth managers, investment managers, wealth professionals, and advisors! [Reserve your pass](#) today!



Industry News

CIRO seeks Subject Matter Experts (SMEs) to participate in the development of new proficiency model

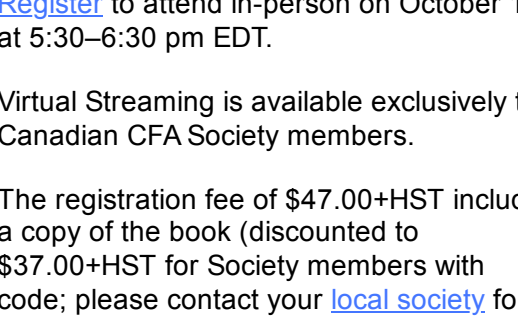
CIRO is seeking interested Subject Matter Experts (SMEs) to participate in the development of their new proficiency model.

Selected individuals will assist in the development of the exam blueprints as a member of a committee and review exam content, giving their experienced opinion on the relevance, technical correctness, currency, and clarity of the content.

They are seeking individuals with 7-10 years of experience who are highly competent and compliant from a regulatory perspective and understand how to apply the regulatory framework and requirements as part of their daily responsibilities within the context of their role.

For anyone interested in learning more, please email us at info@cfacanada.org, to request the full list of requirements and instructions on how to apply.

Research, Advocacy, Standards and Professional Learning



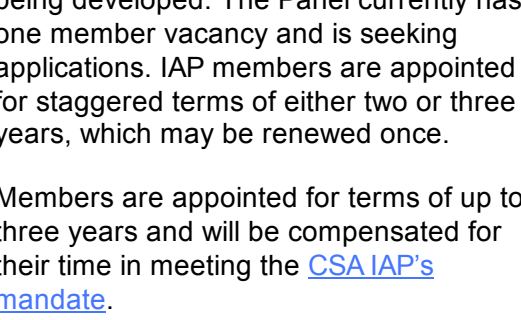
Podcast

Drew Estes, CFA: Investing through an Evolutionary Lens

Drew Estes, CFA, a portfolio manager at Banyan Capital Management, and host Mike Wallberg, CFA, discuss Drew's thought-provoking article, "Commercial Evolution," which explores the intersection of evolutionary biology and investment strategies.

He shares his disillusionment with traditional economic theories, particularly equilibrium theory, and advocates for a broader understanding of economics by incorporating biological concepts.

Drew explains how both economists and biologists study the same phenomenon—evolution—and highlights the importance of replication, heritable traits, and variability in commerce.



Podcast

Jane Thostrup Jagd: Aligning Company Boards, Investors, and Sustainability Goals


Listen in as Dr. Jane Thostrup Jagd, Director of Net Zero Finance at We Mean Business Coalition, and Josina Kamerling, Head of EMEA Regulatory Outreach at CFA Institute, discuss the necessity of integrating sustainability departments within companies, particularly in collaboration with financial teams. The challenge lies in ensuring that knowledge about sustainability extends beyond mere compliance and reaches all levels of the organization. There is a call for greater openness from financial professionals towards sustainability agencies.



2024 Compensation Study Data is now available!



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, October 25, in-person, Toronto, ON

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