CFA Societies Canada

Canadian Advocacy Newsletter
October 2025

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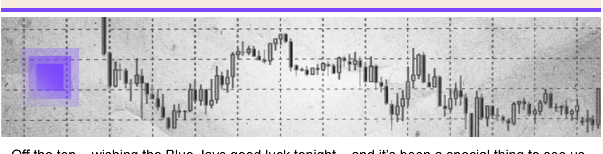
Monthly Summary



Off the top – wishing the Blue Jays good luck tonight – and it's been a special thing to see us all come together around Canada's (for now only) team.

Why mention this in a newsletter about policy advocacy? Because thematically, we've been pushing government and regulators to think about our industry's 'case for Canada' in a deglobalizing and increasingly economically adversarial world. It animated my comments on a panel at last week's annual Alberta Securities Commission Connect conference in Calgary, where I spoke about how we need to draw on the best aspects of Calgary's (and by extension, Canada's) engineering culture to think about the opportunities for us to be more innovative, solution-oriented and thoughtful in our approaches to regulating and growing Canadian capital markets – and asset management particularly. I think there's an abundant opportunity as we think about regulating innovative areas of the capital markets to think about how we innovate in better aligning policies and processes towards their policy goals and our shared objectives. Policy frameworks that introduce a different (but not shorter) stack of forms for (at best) uploaded/emailed/manual filing by PDF, and that hint at relaxed regulatory expectations, without specifying minimal 'must-haves' don't reduce friction and uncertainty, and don't get us any closer to our oft-stated growth objectives. And they stand in the way of Canadian businesses being globally relevant and competitive. I think we can take the opportunities of this AI-driven era to explore more utility-like approaches to bringing firms and regulators together through data linkages to (perhaps even better) pursue public interest regulatory objectives, de-sludge the work of regulation and compliance, and better enable capital markets participants to serve investors and our economy to grow. But it demands a change in mindset from the status-quo, and a change in approach relating to resolving the uncertainty created by a principles-based regulatory approach as it regards the articulation and enablement of the meeting of minimum regulatory expectations. But to return to the engineering culture – this starts with the collective mindset that this is figureoutable.

We continue to bring this attitude to our work advocating for entrepreneurship, competition, and innovation with multiple governments and regulators across Canada in partnership with our peer organizations in the Canadian Asset Management Entrepreneurship Alliance. We continue to advocate that Canada needs to urgently chart its own course for the investment and financial services sector within the context of renewed concerns about economic sovereignty, and the government's many identified needs for capital deployment and investment at-scale, where our profession and industry is a necessary partner. We remain concerned that our lack of regulatory harmonization will make it difficult to be as dynamic and responsive in Canada as some of these changes abroad should demand, and that our regulatory structures that focus on process perhaps over outcomes don't serve this moment. We need to work harder to meet this moment by being dynamic, harmonized, and ambitious.

As we head into the end of the year, both our proactive outreach agenda and responsive commentary plates are full, as we (continue to!) await the Supreme Court's decision in *Lundin v. Markowich*, and continue to engage on proficiency evolution in the Canadian industry, noting particularly Fitch Learning's recent purchase of the legacy Canadian Securities Institute business from Moody's.

We will again highlight that effective January 1, 2026, CIRO's new proficiency model takes effect, with significant new recognition for CFA Program in the form of exam waivers. CFA charterholders or recent passers of the Level 1 exam will be able to avail themselves of a waiver for the introductory CSIE exam, and either of the qualifying 'segment' exams – Retail or Institutional. This process runs through the CIRO dealer member firm at the time of registration, so there's no action to take on an individual level to qualify. See CIRO's proficiency website for more details on the new model, and expect to see more awareness-building soon on what this means for CFA charterholders and current and potential CFA candidates from our channels.

Michael Thom, CFA
Managing Director
CFA Societies Canada

Response Drafting in Progress — Canadian Advocacy Council

CSA Launches Consultation on ETF Regulatory Framework

Due October 31, 2025 (Response will be summarized in next month's newsletter)

The Canadian Securities Administrators (CSA) have published a consultation paper examining whether the current regulatory framework for exchange-traded funds (ETFs) remains appropriate, given the sector's rapid growth and unique features.

Key areas of focus include:

- Secondary market trading and liquidity
- Creation/redemption mechanisms involving authorized dealers
- The ETF arbitrage process
- Investor access to U.S. and foreign ETFs through brokerage and fund structures

The consultation draws on findings from a recent OSC study and international best practices from IOSCO. ETFs in Canada have grown to $518B AUM as of year-end 2024, with strong retail participation, a trend the CSA expects to continue.

Stakeholders are encouraged to share their views on regulatory enhancements and cross-border ETF access.

OSC Seeks Feedback on Draft Action Plan for Truth and Reconciliation

Due October 31, 2025 (Response will be summarized in next month's newsletter)

The Ontario Securities Commission (OSC) has published its draft Action Plan for Truth and Reconciliation (APTR) and is inviting feedback from Indigenous communities, investors, market participants, and other stakeholders across Ontario.

The APTR outlines the OSC's commitment to building a more inclusive, culturally aware, and secure capital markets environment, in alignment with the Truth and Reconciliation Commission of Canada's Calls to Action.

CIRO Proposes Updated Guidance on Order Execution Only (OEO) Accounts

Due November 10, 2025

CIRO is proposing to replace its current OEO Guidance (Note 3400-21-003) with new guidance reflecting the rapid growth of do-it-yourself (DIY) investing. The Proposed Guidance clarifies the prohibition on recommendations in OEO accounts under the Investment Dealer Partially Consolidated (IDPC) Rules while broadening the types of decision-making supports OEO Dealers can offer. It adopts a principle-based approach, outlining safeguards that OEO Dealers should consider to better support clients in these channels.

CSA Seeks Feedback on Venture Issuer Semi-Annual Reporting Pilot

Due December 22, 2025

The Canadian Securities Administrators (CSA) are launching a multi-year pilot allowing eligible venture issuers on the TSXV and CSE to voluntarily adopt semi-annual financial reporting. The initiative aims to reduce reporting costs while maintaining transparency.

CSA Consults on Harmonized Self-Certified Investor Prospectus Exemption

Due January 5, 2026

Securities regulators across 11 Canadian jurisdictions have published a Notice and Request for Comment on Proposed Multilateral Instrument 45-111, which would harmonize the self-certified investor prospectus exemption. The proposal builds on successful local exemptions and is intended to expand capital-raising opportunities for businesses while allowing eligible investors with relevant experience or expertise to participate more broadly.

If adopted, the harmonized rule would replace existing provincial and territorial blanket orders, set an annual $50,000 investment cap for self-certified investors, and operate alongside the accredited investor exemption.

Response Drafting in Progress — Canadian Investment Performance Council

CFA Institute Seeks Feedback on Exposure Draft Guide for Best Practices in Return Attribution Reporting

Due December 12, 2025

CFA Institute is seeking public comments on its *Exposure Draft of the Guide for Best Practices in Return Attribution Reporting*. The proposed Guide focuses on ex post return attribution, analyzing historical performance to identify sources of added value, and aims to establish best practices for fair presentation and full disclosure of attribution information in marketing and client reporting materials.

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

Volunteer Spotlight — Canadian Advocacy Council

Andrew Kupfer, CFA
CAC Member since September 2024.

Andrew Kupfer, CFA, brings a dual lens of financial industry experience and legal training to his work on the Canadian Advocacy Council. He began his career at Mackenzie Investments in business development and product-focused roles before earning a law degree from Western University. Now a securities associate at Blake, Cassels & Graydon LLP, Andrew works on capital markets and M&A matters.

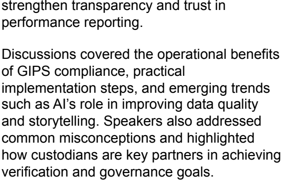
Andrew was drawn to the CAC by the chance to merge his practical and legal expertise to support meaningful policy engagement. He values the Council's diversity of backgrounds and its focus on thoughtful, balanced advocacy.

He is especially passionate about investor education and sees the CAC's role becoming even more vital as financial technology and product innovation evolve.

"As technology continues to evolve, we'll need thoughtful, experienced voices to help advocate for investors to ensure new products are available, understandable, and appropriately regulated, without harming innovation."

We're proud to spotlight Andrew, whose interdisciplinary experience supports the CAC's mission to advocate for investor-focused policy in an ever-changing marketplace.

News



CFA Societies Canada News

CIPC Asset Owner Forum Roundup (October 23, 2025)

On October 23, the Canadian Investment Performance Council hosted the CIPC Asset Owner Forum: GIPS Standards and Asset Owner Compliance, where Canadian asset owners explored how the Global Investment Performance Standards (GIPS®) can strengthen transparency and trust in performance reporting.

Discussions covered the operational benefits of GIPS compliance, practical implementation steps, and emerging trends such as AI's role in improving data quality and storytelling. Speakers also addressed common misconceptions and highlighted how custodians are key partners in achieving verification and governance goals.

The key takeaway: accuracy builds confidence, and transparency builds trust.

Thank you to our event sponsor, TSG, and to all participants for contributing to this important dialogue on advancing GIPS adoption across Canada's asset owner community.

CFA Societies Canada News

Media Mention: Proprietary shelves and sales pressure: A closer look at retail banking advice

A recent *Investment Executive* feature ("Proprietary shelves, sales pressure not a problem, most retail planners say," Oct. 21, 2025) explores how planners at Canada's Big Six banks view the limitations of proprietary product shelves and the influence of sales culture on client advice.

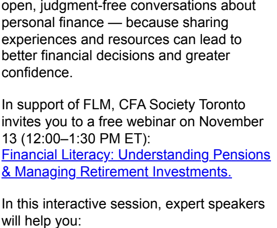
Surveying 300 branch-based planners for the 2025 *Report Card on Banks*, researchers found strong satisfaction with product quality (8.8/10) and suitability of product choices (8.9/10), even though all major banks now operate with closed, proprietary shelves. Most respondents said they can meet clients' needs without undue sales pressure, but about one in five voiced concerns about product restrictions or limited third-party options.

Michael Thom, CFA, Managing Director of CFA Societies Canada, provided perspective on the inherent conflicts such models create:

"If you've got an entirely closed shelf, to deliver entirely unconflicted advice is not possible. It's a question of 'How do you disclose [the conflicts].'"

He further noted that across financial services, "it's typically a matter of *how conflicted you are, not whether you're conflicted.* Material conflicts should be avoided, mitigated, or otherwise addressed," adding that this requires "effort, skill, and education" to design proper controls that support unbiased advice.

The piece also highlights commentary from investor advocates, who warn that proprietary fund structures may limit competition and contribute to higher mutual fund costs for Canadians. Regulators at the OSC and CIRO continue to review bank-owned dealers' sales practices and conflicts oversight.



Society Events

November is Financial Literacy Month - let's "Talk Money"!

This year marks the 15th anniversary of Financial Literacy Month (FLM) in Canada, led by the Financial Consumer Agency of Canada (FCAC). The 2025 theme, "Talk Money," encourages Canadians to have open, judgment-free conversations about personal finance — because sharing experiences and resources can lead to better financial decisions and greater confidence.

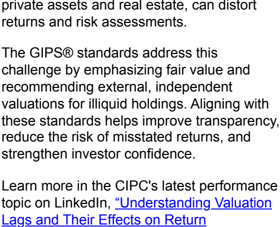
In support of FLM, CFA Society Toronto invites you to a free webinar on November 13 (12:00–1:30 PM ET): Financial Literacy: Understanding Pensions & Managing Retirement Investments.

In this interactive session, expert speakers will help you:

- Understand how Canada's four-pillar pension system and CPP work
- Learn practical strategies for long-term investing and retirement planning
- Build financial confidence by recognizing and avoiding common pitfalls

Whether you're just starting your career or planning for retirement, this is your chance to strengthen your financial knowledge and take control of your financial future.

- **Date:** November 13, 2025
- **Time:** 12:00–1:30 PM ET
- Register now



CIPC News

CIPC Performance Topic: Understanding Valuation Lags and Their Impact on Performance Reporting

Accurate performance reporting begins with accurate valuations. For asset owners and managers, valuation lags, especially in private assets and real estate, can distort returns and risk assessments.

The GIPS® standards address this challenge by emphasizing fair value and recommending external, independent valuations for illiquid holdings. Aligning with these standards helps improve transparency, reduce the risk of misstated returns, and strengthen investor confidence.

Learn more in the CIPC's latest performance topic on LinkedIn, "Understanding Valuation Lags and Their Effects on Return Calculations."

CFA Societies Canada News

Media Mention: Concerns Follow Regulators' Survey of Mutual Fund Representatives

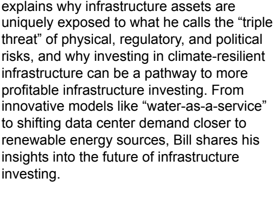
A recent survey by the Ontario Securities Commission (OSC) and the Canadian Investment Regulatory Organization (CIRO) has reignited debate over proprietary product shelves and advisor knowledge under Canada's client-focused reforms (CFRs).

The survey of mutual fund representatives at major bank branches found that most (78%) believed their largely proprietary product shelves met client needs, though nearly half (48%) felt clients could benefit from broader access to third-party funds. Notably, almost one-quarter of reps could not correctly define a management expense ratio (MER), raising questions about product knowledge and compliance with CFR requirements.

Michael Thom, Managing Director of CFA Societies Canada, highlighted a core tension in the current regulatory landscape in a recent *Investment Executive* article: "If you wanted a less conflicted and more competitive [product shelf] that was broadly in the public interest, [the regulators] would hold you to perhaps even a higher standard." He added that one of the original purposes of the CFRs was "meaningful KYP and shelf management," and urged regulators to be transparent if those objectives have shifted, explaining "what changed and why."

Regulators have said they will publish further CFR guidance by year-end, including recommendations related to product due diligence and conflicts of interest on proprietary shelves.

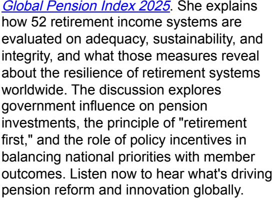
Research, Advocacy, Standards and Professional Learning



Podcast

Bill Green: Rethinking Infrastructure Investing for a Changing Climate

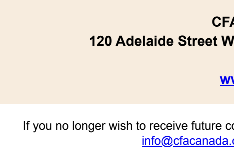
Bill Green, managing partner at Climate Adaptive Infrastructure, joins host Deborah Kidd, CFA, director, Global Industry Standards at CFA Institute, to discuss how climate change is reshaping risks and opportunities in critical infrastructure. He explains why infrastructure assets are uniquely exposed to what he calls the "triple threat" of physical, regulatory, and political risks, and why investing in climate-resilient infrastructure can be a pathway to more profitable infrastructure investing. From innovative models like "water-as-a-service" to shifting data center demand closer to renewable energy sources, Bill shares his insights into the future of infrastructure investing.



Podcast

Christine Mahoney: What the Mercer CFA Institute Global Pension Index Says About the Health of Retirement Systems

Mercer Senior Partner Christine Mahoney joins host Mike Wallberg, CFA, to unpack key findings from the *Mercer CFA Institute Global Pension Index 2025*. She explains how 52 retirement income systems are evaluated on adequacy, sustainability, and integrity, and what those measures reveal about the resilience of retirement systems worldwide. The discussion explores government influence on pension investments, the principle of "retirement first," and the role of policy incentives in balancing national priorities with member outcomes. Listen now to hear what's driving pension reform and innovation globally.



November is Financial Literacy Month

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