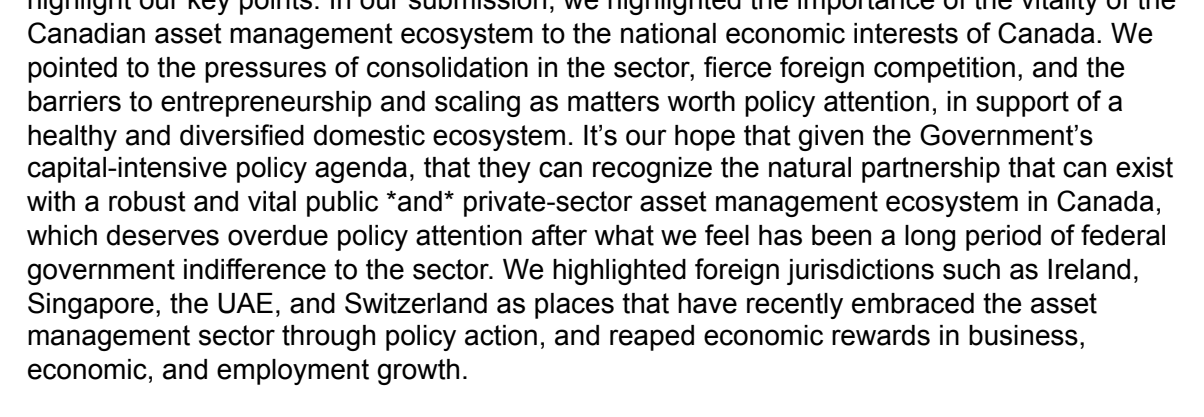


Canadian Advocacy Newsletter

August 2025

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Monthly Summary



As September looms, our advocacy program is picking up steam, booking meetings and building plans for both proactive engagement with government and regulators, and responding to a packed calendar of regulatory consultations (see more below).

We recently submitted CFA Societies Canada's pre-budget consultation comments to the Government of Canada, and plan on meeting with key officials in the coming weeks to highlight our key points. In our submission, we highlighted the importance of the vitality of the Canadian asset management ecosystem to the national economic interests of Canada. We pointed to the pressures of consolidation in the sector, fierce foreign competition, and the barriers to entrepreneurship and scaling as matters worth policy attention, in support of a healthy and diversified domestic ecosystem. It's our hope that given the Government's capital-intensive policy agenda, that they can recognize the natural partnership that can exist with a robust and vital public "and" private-sector asset management ecosystem in Canada, which deserves overdue policy attention after what we feel has been a long period of federal government indifference to the sector. We highlighted foreign jurisdictions such as Ireland, Singapore, the UAE, and Switzerland as places that have recently embraced the asset management sector through policy action, and reaped economic rewards in business, economic, and employment growth.

We also highlighted what we see as an opportunity for the federal government to re-engage and revitalize its leadership and coordinative roles in areas of financial policy with the financial consumer experience in mind, and to make new gains in regulatory cooperation and harmonization, reinforce competition domestically, and to take a more aggressive stance on Canada's competition as a jurisdiction for growth within the global financial services industry. We highlighted recent global comparative reports and recommendations, and some perceived opportunities for sector reforms.

Overall, we are optimistic from recent meetings that this is an opportunity to forge a new and productive relationship between the investment profession and our sector and the federal government, contributing to the growth and robustness of the Canadian economy.

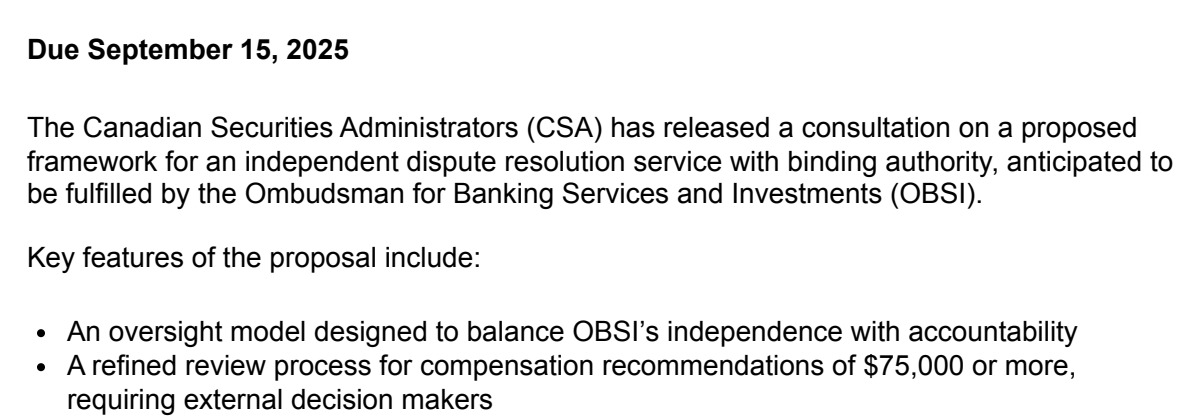
Otherwise, we're sharpening our pencils on the many comment letters to be written, awaiting the Supreme Court's decision in *Lundin v. Markowich*, and looking to continue to engage on proficiency evolution in the Canadian industry, noting particularly Fitch Learning's recent purchase of the legacy Canadian 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

Published Letters

Canadian Advocacy Council



Ontario Proposes New Capital-Raising Options for Credit Unions

Submitted August 29, 2025

The Ontario government sought input on proposed amendments to the Credit Unions and Caisses Populaires Act, 2020 (CUCPA) that would allow credit unions to raise capital from non-members through the sale of investment shares.

Currently, credit unions can only issue investment shares to members. The proposed changes would enable access to public and private capital markets, expanding long-term funding options. Boards would have discretion over the structure of these shares, including voting rights.

The CAC supported the proposal, but made suggestions to reinforce investor protection and disclosure mechanisms, and to examine minimum statutory governance rights for non-member shareholders. The Council also urged examination of enhancements to credit union board duties, and suggested a regulatory approval framework for credit unions seeking to issue investment shares to non-members for the first time.

Response Drafting in Progress

Canadian Advocacy Council

OSC Proposes New Restrictions on Short Sellers Participating in Offerings

Due September 3, 2025

The Ontario Securities Commission (OSC) is seeking public comment on proposed amendments to OSC Rule 48-501 and related changes to the Companion Policy (48-501CP).

The Proposed Amendments would prohibit investors who made short sales of a security in the five business days prior to the pricing of a prospectus offering or private placement from purchasing securities in that same offering, even if:

- They were unaware of the offering,
- The offering did not represent a material fact or change,
- Or the short sale had no effect on the market price.

Exemptions may apply in certain cases.

CSA Seeks Feedback on Proposed Framework for Binding Dispute Resolution

Due September 15, 2025

The Canadian Securities Administrators (CSA) has released a consultation on a proposed framework for an independent dispute resolution service with binding authority, anticipated to be fulfilled by the Ombudsman for Banking Services and Investments (OBISI).

Key features of the proposal include:

- An oversight model designed to balance OBISI's independence with accountability
- A refined review process for compensation recommendations of \$75,000 or more, requiring external decision makers
- No proposed changes to OBISI's six-year limitation period, though feedback is invited

The CSA notes that granting binding authority is a significant step toward a more efficient, fair, and predictable complaints process for investors and businesses alike.

CIRO Proposes Rule Changes to Clarify Disgorgement Authority for Mutual Fund Dealers

Due September 24, 2025

The Canadian Investment Regulatory Organization (CIRO) has proposed amendments to its Mutual Fund Dealer (MFD) Rules to explicitly confirm the authority of hearing panels to order disgorgement. While the rules already allow fines equal to up to three times the profit gained or loss avoided through a violation, the proposed changes aim to harmonize wording with Investment Dealer and Partially Consolidated (IDPC) Rules, providing greater clarity and predictability for Mutual Fund Dealer Members and Approved Persons.

CSA Proposes Ban on Chargebacks to Strengthen Investor Protection

Due September 24, 2025

The Canadian Securities Administrators (CSA) have proposed amendments to National Instrument 31-103 that would prohibit the use of chargebacks in the distribution of investment fund securities.

Chargebacks, where upfront commissions are clawed back if a client redeems early, pose a conflict of interest, potentially leading representatives to prioritize compensation over client needs. The proposed ban aims to eliminate this risk and reinforce trust in Canada's capital markets.

CIRO Proposes Rule Amendments to Improve Account Transfers

Due October 8, 2025

The Canadian Investment Regulatory Organization (CIRO) is seeking comments on proposed amendments to IDPC Rule 4800 and MFD Rule 2.12, aimed at modernizing account transfer requirements across the investment industry.

The proposed changes address long-standing inefficiencies in account transfer processes, which often lead to delays and client service disruptions. These issues stem from outdated manual systems and inconsistent regulatory coverage that currently excludes certain product manufacturers.

CIRO is also exploring technology solutions to enhance transfer efficiency, as outlined in its recent white paper, [Enhancing Timely and Efficient Account Transfers in Canada](#).

CSA Launches Consultation on ETF Regulatory Framework

Due October 17, 2025

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

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 support OEO Dealers can offer. It adopts a principle-based approach, outlining safeguards that OEO Dealers should consider to better support clients in these channels.

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

Volunteer Spotlight

Canadian Advocacy Council



Hari Marcovici, CFA
CAC Member since July 2024

Hari Marcovici, CFA, brings a unique blend of legal, regulatory, and investment expertise to his role on the Canadian Advocacy Council. A partner in the business law group at Goodmans LLP, Hari specializes in M&A and securities law, advising clients on complex cross-border transactions and corporate governance. His prior experience includes regulatory roles at the Ontario Securities Commission and senior positions at bank-owned asset managers.

Hari was drawn to the CAC by the opportunity to work with like-minded professionals to advocate for balanced, effective regulation. He's particularly focused on reducing regulatory burden and modernizing disclosure requirements to better serve investors and the industry. Looking ahead, he sees a key need for the CAC to shape policy on continuous disclosure for investment funds.

For Hari, the collaborative aspect of CAC work is especially meaningful:

"One of the most rewarding aspects of volunteering with the CAC is working alongside like-minded professionals to advocate for common-sense regulation that strikes the right balance between investor protection and market efficiency."

News



CFA Societies Canada News

Michael Thom, CFA, quoted in coverage of Fitch Learning's acquisition of CSI

Fitch Learning has acquired the Canadian Securities Institute (CSI) and Moody's Analytics Learning Solutions, a move that comes as Canada's proficiency regime undergoes major change with CIRO's new exam-based model launching in 2026.

CFA Societies Canada's Managing Director, Michael Thom, CFA, is featured in the [Advisor.ca article](#), underscoring the importance of strong education providers during this transition and welcoming Fitch Learning's growing presence in Canada. Thom notes, the potential for change in the education market is timely: "A new perspective on what the market needs in Canada and how they [Fitch] could build products and services to serve the market is needed."

Who should attend?

Investment committee members, HR leaders, finance and treasury professionals, and anyone responsible for CAP governance and asset management in Canada.

Location: CFA Society Toronto
Date: September 17, 2025



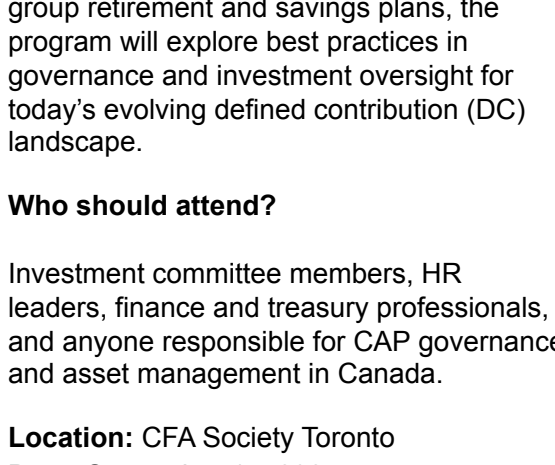
CIPIC News

CIPIC Launches LinkedIn Series on Navigating Risk and Performance

The Canadian Investment Performance Council (CIPIC) has launched a new 3-part LinkedIn series exploring risk and performance measurement, a topic at the core of sound investment decision-making.

- **Series 1: Understanding Investment Risk**
From market risk to liquidity risk and volatility, the first post breaks down key concepts and common measures like Value-at-Risk (VaR), beta, and standard deviation.
- **Series 2: Risk-Adjusted Returns**
Returns alone don't tell the full story. This post explores how risk-adjusted returns help investors understand performance relative to the risks taken.

Stay tuned for the final post in the series, where we'll cover common risk-adjusted return measures like Sharpe, Sortino, Treynor, and Information Ratio



CFA Societies Canada News

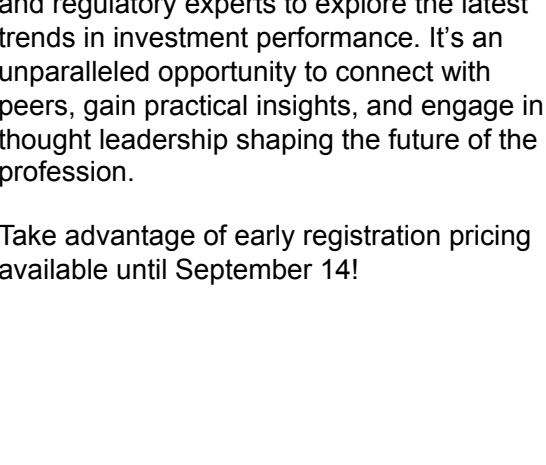
Strengthen your DC governance expertise

CFA Societies Canada and Mercer Canada invite you to the [DC School of Pension Investment Management \(DC SPIM\)](#), a one-day in-person seminar in Toronto on September 17, 2025. Designed for professionals with fiduciary responsibilities in group retirement and savings plans, the program will explore best practices in governance and investment oversight for today's evolving defined contribution (DC) landscape.

Who should attend?

Investment committee members, HR leaders, finance and treasury professionals, and anyone responsible for CAP governance and asset management in Canada.

Location: CFA Society Toronto
Date: September 17, 2025



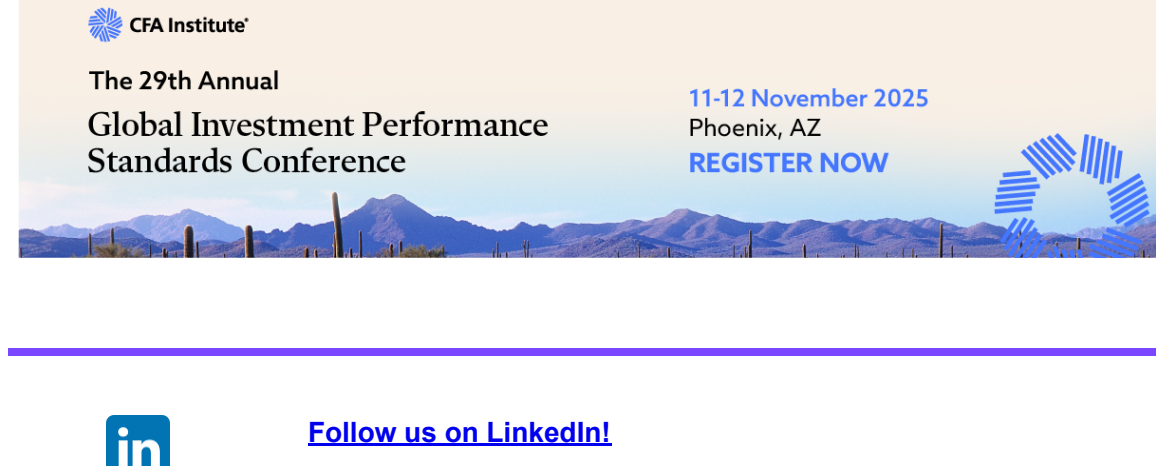
CFA Institute Events

Register Now for the GIPS® Standards Conference

[Register](#) for the 29th Annual GIPS® Standards Conference, taking place November 11-12, 2025 at the Sheraton Grand at Wild Horse Pass in Phoenix, AZ

This premier event brings together industry and regulatory experts to explore the latest trends in investment performance. It's an unparalleled opportunity to connect with peers, gain practical insights, and engage in thought leadership shaping the future of the profession.

Take advantage of early registration pricing available until September 14!



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ADVOCACY COLLABORATION COMMUNICATION INNOVATION

CFA Societies Canada
120 Adelaide Street West, Suite 2205, Toronto, ON M5H 1T1
T 416.366.3658
www.cfacanada.org

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