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VIA EMAIL

Regulatory Transformation and Strategic Research  
Ontario Securities Commission  
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**Re: *Transforming How We Share Ontario's Securities Regulation - Consultation on a Machine-Readable Regulatory Dataset (the "Consultation")***

The Canadian Advocacy Council of CFA Societies Canada (the "CAC")<sup>1</sup> appreciates the opportunity to provide the following comments on the Consultation.

**General Comments**

We commend the Ontario Securities Commission (the "OSC" or the "Commission") for undertaking this work. A reliable and openly accessible machine-readable rendering of Ontario securities law and regulation holds genuine promise: it could reduce the cost of compliance, lower barriers to entry for smaller firms and new market entrants, and support the development of regulatory technology that assists investors. We support the initiative, and we would encourage the Commission to advance it promptly.

We direct our comments at the question of how the dataset should be characterised, since that question governs much of what follows. Although we recognise the appeal of presenting the dataset as an authoritative statement of the law, we have concerns that doing so would expose the initiative to legal difficulty and, at the same time, work against the very speed the Commission is seeking. We would therefore encourage the Commission to publish the dataset expressly as derivative, non-authoritative content, being a faithful map of the enacted law rather than a substitute for it. As we explain below, this is the faster path. It keeps the dataset clear of the rule- and policy-making processes that an authoritative interpretation would require, and it addresses the risk that automated systems, and those who rely on them, come to treat the dataset as the law itself.

Our comments fall under four headings, and respond to the Commission's invitation to identify the greatest potential impact of the initiative and any unintended consequences it should anticipate: the derivative character of the dataset; its design for automated and AI-assisted use;

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<sup>1</sup> The CAC is an advocacy council for CFA Societies Canada, representing the 12 CFA Institute Member Societies across Canada and over 21,000 Canadian CFA charterholders. The council includes investment professionals across Canada who review regulatory, legislative, and standard setting developments affecting investors, investment professionals, and the capital markets in Canada. Visit [www.cfacanada.org](http://www.cfacanada.org) to access the advocacy work of the CAC. As the global association of investment professionals, CFA Institute sets the standard for professional excellence and credentials. The organization is a champion of ethical behaviour in investment markets and serves as the leading source of learning and research for the investment industry. CFA Institute believes in fostering an environment where investors' interests come first, markets function at their best, and economies grow. With more than 200,000 charterholders worldwide across 160 markets, CFA Institute has ten offices and 160 local societies. Find us at [www.cfainstitute.org](http://www.cfainstitute.org) or follow us on LinkedIn and X at @CFAInstitute.



its alignment with established legislative-data standards; and the related questions of access, licensing, and correction. We have framed each to assist the Commission in advancing the proof of concept quickly, with appropriate guardrails in place.

### **The dataset should be published as derivative, not as an authoritative interpretation**

We note that the materials accompanying the Consultation are not yet settled on the question of authority. The proposed schema contemplates metadata on the legal validity of instruments that only the regulator can provide authoritatively, together with a “source of truth” use case for automated assistants, while the same materials also anticipate disclaimers and terms of use. We query whether these positions can be reconciled, since content cannot readily be authoritative and disclaimed at the same time.

No comparable jurisdiction that we are aware of has made the machine-readable rendering of its law legally authoritative. In the United States, the Securities and Exchange Commission furnishes structured Inline XBRL data as an exhibit that is excluded from officer certifications and from audit assurance, in a form that XBRL International describes as “less authoritative”.<sup>2</sup> The United Kingdom’s [legislation.gov.uk](http://legislation.gov.uk) keeps the enacted text as the governing version and displays a currency indicator where a consolidation may not reflect every amendment. The Government of Canada’s Justice Laws website treats the official consolidation, rather than the data feed, as the governing text. The consistent practice is that the machine-readable layer assists the reader while the enacted instrument governs.

In Ontario, the point is more than one of prudent practice. Under the Securities Act, a “policy” is defined to include a written statement of the Commission of “the manner in which a provision ... is interpreted or applied”.<sup>3</sup> A dataset that has been approved for publication by the Commission, and that asserts how instruments implement, align with, or derogate from one another, is in substance a statement of how the Commission interprets and applies those provisions.

The practical significance of this for the initiative favours moving quickly. A structured dataset, with its controlled vocabularies and its encoded relationships, already resembles a codified instrument in form. Were the Commission to present that dataset as authoritative, it would face an unwelcome choice: either it would create interpretive guidance outside the notice-and-comment process the Act prescribes for policies, which the Act does not permit where the instrument is legislative in character,<sup>4</sup> or it would subject the dataset to the full rule-making process, which would defeat the speed the initiative is designed to achieve. We would strongly encourage the Commission to avoid that choice altogether, by publishing the dataset, and in particular the interpretive relationships it encodes, as expressly derivative content that binds no

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<sup>2</sup> *Inline XBRL Filing of Tagged Data*, SEC Release Nos. 33-10514; 34-83551 (June 28, 2018). Under the rule, the human-readable filing is the official disclosure, and the structured XBRL data is furnished as an Interactive Data File exhibit that is excluded from the officer-certification requirements (Rules 13a-14(f) / 15d-14(f)) and is not subject to audit or assurance. XBRL International characterises such exhibits as “(less authoritative)”: XBRL International, *SEC moves to accept Inline XBRL* (2018), <https://www.xbrl.org/briefing-sec-shift-to-ixbrl/>.

<sup>3</sup> *Securities Act*, R.S.O. 1990, c. S.5, s. 143.8(1)(b).

<sup>4</sup> *Securities Act*, R.S.O. 1990, c. S.5, s. 143.8(11).



person; by stating, in operative terms rather than in a footnote, that the published instrument prevails over the dataset in the event of any discrepancy; and by expressing that non-authoritative status in machine-readable form, so that a consuming system can act upon it. Of the encoded relationships, a deliberate statement that one instrument does not align with another warrants the most careful treatment, since it carries the clearest interpretive and compliance consequences.

### **Designing for automated and AI-assisted use**

We recognise that the case for burden reduction may assume that the dataset will be consumed by deterministic systems, in which a given input yields a stable and reproducible result. Several of the use cases the Commission has identified, including the training of language models and the grounding of an automated “source of truth” assistant, are not of that kind. Systems of that sort produce probabilistic outputs that vary between runs and that can be confidently wrong.

We would add a further consideration, that of concentration. If the dataset becomes the common source on which the market grounds its automated compliance tools, the Commission will have created a single dependency whose failures may propagate widely. International bodies have identified third-party dependency and concentration as sources of systemic and operational risk.<sup>5</sup> The converse risk is one of divergence, since a source that each firm’s system interprets for itself will yield inconsistent readings across the market. The financial industry’s own governance work catalogues these matters, including the risks arising from an absence of authoritative ground truth and from compromise of the data supply chain.<sup>6</sup>

We would encourage the Commission to design for these conditions from the outset. Each record should carry machine-readable metadata as to its authority, its currency, and its provenance, so that a consuming system can establish what it is relying upon and whether that reliance remains current. The dataset should be structured so that a conservative user may take the objective structure of an instrument while excluding the interpretive layer. We would also caution against reliance on declarative flags alone, such as an instruction not to train upon the data, since flags of that kind are advisory in nature and are best paired with binding terms of use.

### **Alignment with established legislative-data standards**

The Commission has drawn on the Akoma Ntoso and European Legislation Identifier standards for certain principles, while declining to align with them fully. We query whether a partial alignment serves the Commission’s own objectives. The cross-jurisdictional comparison and benchmarking use cases the Commission has identified depend upon shared vocabularies, and it is their common adoption that allows the law of one jurisdiction to be compared with that of

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<sup>5</sup> IOSCO, *Supervisory Toolkit for AI Use in Capital Markets*, Final Report FR/02/2026 (IOSCOPD823) (May 2026), <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD823.pdf>; Financial Stability Board, *The Financial Stability Implications of Artificial Intelligence* (14 November 2024), <https://www.fsb.org/uploads/R14112024.pdf>.

<sup>6</sup> Fintech Open Source Foundation, *AI Governance Framework v2* (2025), <https://air-governance-framework.finos.org/>.



another. We note that several of the relationships in the proposed schema reproduce, under different labels, relationships that the European standard already defines.

One element of the proposed framework invites a specific observation. The Commission proposes to derive each document's identifier from a hash of its content, such that any change to the content produces a new identifier. Because the relationships between documents are expressed as links to those identifiers, the re-processing of a document would sever the links that point to it. We would encourage the Commission to rest identity on a persistent identifier that survives re-processing, and to use the content hash only as a check on integrity. More generally, and consistent with the scholarship on interoperability of legislative data,<sup>7</sup> we would encourage the Commission to adopt a conformant application profile of an established standard, as the European Union and Germany have each done, and to publish a statement of that conformance.

### **Access, licensing, and a mechanism for correction**

We begin by acknowledging the genuine benefit the initiative offers in the near term. A reliable, machine-readable indication of whether an instrument is in force, and as of what date, is something the present formats cannot provide, and it is the element of the proposal we would most encourage the Commission to prioritise. We would encourage the Commission to strengthen it with temporal modelling at the level of individual events, so that a user may reconstruct the state of an instrument as at a given date, and we support the Commission's proposed approach of a narrow initial release, a published roadmap, and advance notice of changes. We would add a point of sequencing: the Commission can publish the lower-risk layer of text, structure, and currency information now, while holding back the interpretive layer until its derivative status is settled. That sequence allows the work to proceed quickly, without the difficulty described in our first set of comments.

We have concerns, on the question of licensing and distribution, that the tiered model the Commission has raised may entrench established participants. The Commission has referred to the possibility of tiered licensing, a framework for costing content, and a permissioned interface developed with the assistance of a commercial data provider. Larger firms would be better placed to acquire premium access under a model of that kind, and such an outcome would work against the Commission's stated aim of lowering barriers to entry. As CFA Institute observed in its comment to the International Organization of Securities Commissions, the uneven distribution of artificial-intelligence capability risks concentrating its benefits within a small proportion of institutions.<sup>8</sup> We would encourage the Commission to license the core dataset, comprising the text, its structure, and the currency information, on open and non-discriminatory terms, and to confine any charge to genuinely value-added services. We would also encourage

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<sup>7</sup> Michalis Avgerinos Loutsaris et al., *Semantic Interoperability for Legal Information: Mapping the European Legislation Identifier (ELI) and Akoma Ntoso (AKN) Ontologies*, in Proc. 16th Int'l Conf. on Theory & Practice of Electronic Governance (ICEGOV 2023) 41, <https://doi.org/10.1145/3614321.3614327>.

<sup>8</sup> CFA Institute, *Public Comment re: IOSCO – Artificial Intelligence in Capital Markets: Use Cases, Risks, and Challenges (CR/01/2025)* (11 April 2025) (Olivier Fines & Rhodri Preece), <https://rpc.cfainstitute.org/policy/comment-letters/2025-2029/response-iosco-ai-in-capital-markets>.



the Commission to disclose the ongoing role of its commercial partner and to confirm that the Commission itself owns the resulting annotations and taxonomy.

We would encourage the Commission, finally, to address two matters that publication makes unavoidable. The first is the allocation of responsibility for error, on which the Commission should state, in advance, where the loss falls when a firm reasonably relies on an encoded relationship that proves to diverge from the enacted text. The second is a mechanism for correction. We would encourage the Commission to establish a published means by which commonly encountered issues are reported, assessed, corrected, versioned, and re-issued, so that the dataset improves over time. A regulator that publishes data of this kind, and invites the market to rely upon it, owes its users a means of continuing correction rather than a disclaimer alone.

### **Concluding Remarks**

We support this initiative and would encourage the Commission to proceed with it promptly. The guardrails we have described are intended to enable that pace rather than to impede it. A dataset published as a derivative and non-authoritative map of Ontario securities law can be advanced now, while its interpretive layer matures, without the legal and practical difficulties that would attend presenting it as the law itself. We would be pleased to assist the Commission as the work develops.

We thank you for the opportunity to provide these comments and would be happy to address any questions you may have. Please feel free to contact us at [cac@cfacanada.org](mailto:cac@cfacanada.org) on this or any other issue in the future.

*(Signed) The Canadian Advocacy Council of  
CFA Societies Canada*

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