

For Immediate Release

August 3, 2021

Canadian securities regulators to establish new single enhanced self-regulatory organization

Vancouver and Toronto – The Canadian Securities Administrators (CSA) today announced its plan to create a new, single self-regulatory organization (SRO) that will provide enhanced regulation of the investment industry.

The new SRO, as described in today’s publication of [CSA Position Paper 25-404 New Self-Regulatory Organization Framework](#), will consolidate the functions of the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA). The CSA will also combine two existing investor protection funds – the Canadian Investor Protection Fund and the MFDA Investor Protection Corporation – into an integrated fund independent of the new SRO.

“The new self-regulatory framework is the result of extensive research, consultation and analysis that informed the creation of a framework designed to protect Canadian investors and enhance public confidence, accommodate innovation, ensure fair and efficient market operations and navigate continually evolving industry conditions,” said Louis Morisset, CSA Chair and President and CEO of the Autorité des marchés financiers.

To reinforce the new SRO’s commitment to the public interest, the CSA will, among other things, direct the implementation of governance enhancements. This will include ensuring that the majority of the new SRO’s board members and its chair are independent, as well as overseeing approval of all board members. The new SRO will also be required to solicit CSA comment and input on its annual priorities, business plan and budget, and to seek approval for significant publications. In addition, the new SRO will create an investor advisory panel.

The new SRO will facilitate easier and more cost-effective access to a broader range of investment products and services for the public, and is generally expected to result in cost savings for dealers. The new SRO will also harmonize, where appropriate, IIROC and MFDA rules, and will streamline their complaint processes.

To begin implementation, the CSA is creating an Integrated Working Committee. This CSA-led committee will determine the appropriate corporate structure of the new SRO. It will also oversee incorporating a new governance structure and integrating the current functions of the existing SROs and separately, the two existing investor protection funds.

“The CSA recognizes the high level of skill, dedication and experience that staff from IIROC, MFDA and the existing investor protection funds have consistently brought to their work,” Morisset said. “The combined forces of these teams will be critical during the creation of the

new self-regulatory organization and investor protection fund, and will be crucial to their future success.”

The CSA also anticipates that, following additional consultations, it will consider the possibility of incorporating additional registration categories – presently directly regulated by the CSA – into the new SRO.

In December 2019, the CSA announced a comprehensive review of the existing SRO framework and struck a dedicated working group. By early 2020, the working group completed informal consultations on the existing framework with a wide array of stakeholders. After requesting feedback on a consultation paper in June 2020, the working group received [67 comment letters](#) in response. The CSA considered the information and views provided by commenters and met with specific stakeholders to clarify issues raised and information provided. It also requested and received additional data from key stakeholders and took into account other data and analysis, including but not limited to, dozens of academic publications.

More details about the CSA’s plans for a new SRO and the analysis underlying those plans can be found in CSA Position Paper 25-404 *New Self-Regulatory Organization Framework*, available on CSA members’ websites.

The CSA, the council of the securities regulators of Canada’s provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

- 30 -

For media inquiries, please contact:

Pascale Bijoux
Canadian Securities Administrators
media@acvm-csa.ca

Brian Kladko
British Columbia Securities Commission
bkladko@bcsc.bc.ca

Crystal Jongeward
Ontario Securities Commission
media_inquiries@osc.gov.on.ca

For Investor inquiries, please refer to your respective securities regulator. You can contact them [here](#).