

**For Immediate Release  
April 28, 2022**

**Canadian securities regulators publish annual activities report on oversight of the SRO and investor protection funds**

**Toronto** – The Canadian Securities Administrators (CSA) today published [CSA Staff Notice 25-303 2021 CSA Annual Activities Report on the Oversight of the Self-Regulatory Organizations \(SROs\) and Investor Protection Funds \(IPFs\)](#).

The report summarizes CSA oversight of the SROs and IPFs during the 2021 calendar year. The SROs are the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA), and the IPFs are the Canadian Investor Protection Fund and the MFDA Investor Protection Corporation.

Key highlights in the report include information on:

**The creation of a new SRO framework.** The CSA continues to make progress towards the creation of a new, single enhanced SRO that will consolidate the functions of the existing SROs. This also includes the creation of a new IPF, which will combine the existing IPFs into an integrated fund independent of the new SRO. Work is on track towards the closing date of December 31, 2022.

**The modernization and streamlining of orders and Memorandums of Understanding (MOUs).** The CSA completed the final phase of a three-phase, multi-year project that is intended to improve harmonization and CSA oversight of the SROs and IPFs, and enhance investor protection. The first phase focused on modernizing reporting requirements for the SROs, the second sought to eliminate regulatory gaps related to IPF approvals and oversight, and the final phase concentrated on streamlining and modernizing orders and MOUs. Notably, harmonization of the orders and MOUs will also ease work related to the creation of the new SRO framework.

**The enhanced methodology project.** The CSA completed work to identify and implement improvements to its methodology for coordinated oversight of the SROs and IPFs and formalize a number of practices and processes already followed by SRO staff. Key changes include: (1) incorporating best practices into the CSA's risk assessment framework for the SROs and IPFs; (2) introducing definitions for different levels of participation that define a jurisdiction's involvement in an oversight activity; (3) establishing the concept of "regulatory activities" which are core to SRO or IPF mandates and recommending those activities be examined at least once every five years; (4) outlining the process which recognizing regulators will follow to handle complaints made

against an SRO or IPF; (5) and defining an enforcement referrals process for the SROs. The methodology was implemented on April 1, 2021.

**Oversight reviews.** Details of oversight reviews conducted by the CSA during the reporting period include information on the outcomes of a risk-based desk review of IIROC's Equity Market Surveillance and Debt Market Surveillance functions and annual risk assessments of IIROC, the MFDA, the Canadian Investor Protection Fund and the MFDA Investor Protection Corporation.

The report also highlights CSA plans to publish an annual activities report on its oversight of the new SRO and IPF. This reflects the CSA's ongoing commitment to transparency and fostering public confidence in the regulatory framework.

More information about [CSA Staff Notice 25-303 2021 CSA Annual Activities Report on the Oversight of Self-Regulatory Organizations and Investor Protection Funds](#) can be found on CSA member [websites](#).

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

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