

CSA ACVM

Canadian Securities
Administrators

Autorités canadiennes
en valeurs mobilières



CSA BUSINESS PLAN | 2019-2022

ACHIEVEMENT HIGHLIGHTS

INTRODUCTION

The CSA is the umbrella organization of Canada's provincial and territorial securities regulators. Its objective is to improve, coordinate and harmonize regulation of the Canadian capital markets, to ensure the smooth operation of Canada's securities industry and to secure close collaboration in the delivery of regulatory programs and securities law enforcement.

On June 13, 2019, the CSA published its Business Plan for 2019-2022, which outlined the CSA priorities over the next three-year period, reflecting CSA members' commitment toward the continued protection of investors from unfair, improper and fraudulent practices, the ongoing efficient functioning of capital markets, and the reduction of risks to market integrity and maintaining investor confidence in the markets.

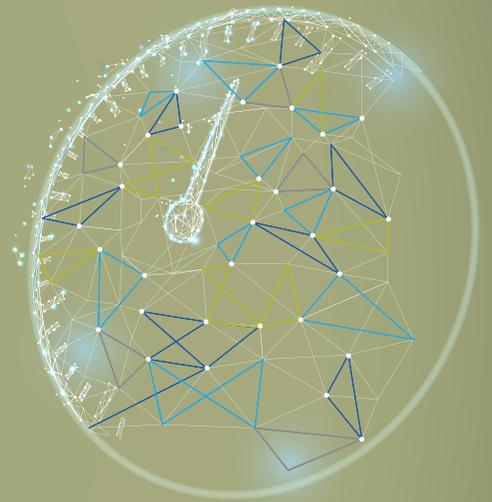
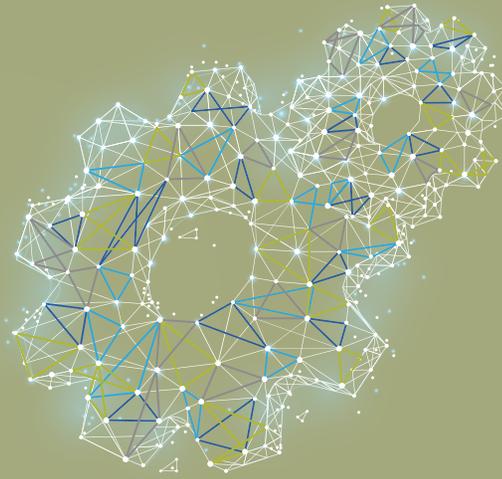
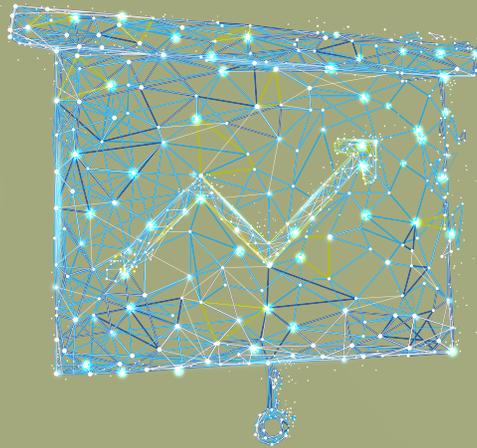
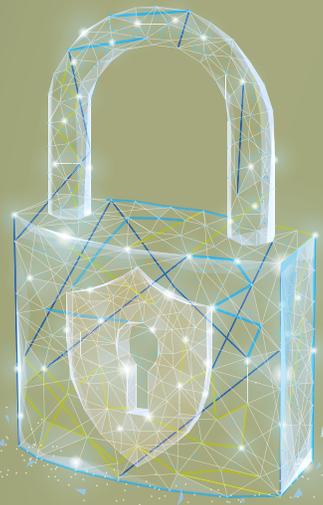
The CSA published two interim progress reports on its Business Plan in June 2020 and July 2021. Now, the CSA is publishing the final report to provide a comprehensive picture on all achievements for the past three years, during which the CSA continued to pursue its goals while also focusing on unique challenges and uncertainties brought by the COVID-19 pandemic, geopolitical events and other important market and regulatory developments.

This report consists of two parts:

Part 1 provides the final report on the strategic goals and initiatives under the CSA 2019-2022 Business Plan;

Part 2 includes CSA accomplishments outside of the Business Plan.

While the CSA has completed most of the deliverables enumerated in the 2019-2022 Business Plan, some of the priorities were long-term and the CSA will continue delivering on them in the coming years.



**PART 1 – FINAL REPORT ON INITIATIVES UNDER THE CSA 2019-2022
BUSINESS PLAN**

Initiatives are identified as complete when the specific deliverables described in the CSA 2019-2022 Business Plan were achieved

CSA PRIORITIES	STATUS	ACHIEVEMENTS
Enhanced Investor Protection		
Strategic goal 1 – Enhance the adviser-client relationship and the registrant conduct rules to improve investor protection		
<p>1.1 <i>Enhance adviser-client relationship</i></p>	<p>Completed</p> 	<p>Client Focused Reforms</p> <p>The CSA implemented the Client Focused Reforms, which have introduced new obligations on registrants to address material conflicts of interest in the best interest of the client, put clients’ interests first when determining the suitability of investments, codify their best practices, particularly with respect to registrants’ obligations to “Know your Product” and “Know Your Client”, consider specific suitability factors and disclose important information (such as registrant’s relationships) to clients. In addition, Investment Industry Regulatory Organisation of Canada (IIROC) and Mutual Funds Dealers Association (MFDA), two self-regulatory organizations overseeing investment and mutual fund dealers, amended their respective member rules, policies and guidance to conform to the Client Focused Reforms. The CSA also provided guidance to industry stakeholders relating to the implementation of the Client Focused Reforms, through an interactive web page on the CSA website, where we provided the list of pertinent publications, guidance and answers to frequently asked questions. We also continued to work to better align the interests of registrants with the interests of their clients, such as our ongoing research and consultation regarding the client-facing titles used by registered individuals in order to understand the current state of titles usage in Canada and to formulate recommendations on next steps.</p>
<p>1.2 <i>Promote investment fund fee transparency and reduce fund embedded commissions and related conflicts</i></p>	<p>Completed</p> 	<p>Ban on Deferred Sales Charges and Associated Redemption Fees and Trailing Commissions for Order-Execution-Only Dealers</p> <p>CSA jurisdictions implemented a rule that prohibits mutual and other investment funds from paying upfront sales commissions to dealers, which would lead to the end of deferred sales charges (DSCs). Those commissions give dealers an incentive to sell mutual funds that impose redemption fees on investors if they sell their holdings before a certain period of time and that might not be in the best interest of the client. The new ban came into effect on June 1, 2022.</p> <p>CSA jurisdiction also published in final form a rule that prohibits the payment of trailing commissions by fund organizations to dealers who only execute orders and do not provide advice or make a suitability determination, such as order-execution-only dealers. The rule came into effect on June 1, 2022, concurrently with the ban on deferred sales charges on mutual funds. In addition, the CSA jurisdictions introduced an exemption for OEO dealers and fund organizations to ensure the implementation of the OEO trailer ban and facilitate dealer rebates of trailing commissions to clients holding mutual funds in OEO dealer accounts and process client transfers.</p> <p>Collaboration with self-regulatory organizations</p> <p>We consider that the collaboration goals under the 2019-2022 Business Plan have been achieved. These efforts resulted in a project that it is still ongoing. Working together with the MFDA and Canadian Council of Insurance Regulators (CCIR), the CSA published for comment proposed amendments introducing total cost reporting for investment funds. These amendments aim at ensuring a consistent approach to disclosure to investors of all relevant information related to costs and performance by investment funds and segregated funds.</p>

CSA PRIORITIES	STATUS	ACHIEVEMENTS
<p>1.3 Develop regulatory framework to address financial exploitation and cognitive impairment</p>	<p>Completed</p> 	<p>Financial Exploitation and Cognitive Impairment</p> <p>The CSA implemented amendments improving protection of older and vulnerable clients across Canada, by providing registrants with tools and guidance to address situations involving diminished mental capacity or financial exploitation of their clients. Two main components of this protection include the use of a Trusted Contact Person in specific situations, as well as a regulatory framework allowing registrants to place a temporary hold on transactions, withdrawals or transfers in suspicious circumstances.</p>
<p>1.4 Strengthen Ombudsman for Banking Services and Investment powers</p>	<p>In Progress</p> 	<p>Strengthening OBSI Powers</p> <p>National Instrument 31-103 <i>Registration Requirements, Exemptions and Ongoing Registrant Obligations</i> makes the Ombudsman for Banking Services and Investments (OBSI) available to clients as an independent dispute resolution service in all provinces and territories other than Québec. However, registered firms are not bound by an OBSI recommendation that the firm compensate the client. There have been a number of instances where firms have refused to compensate complainants when OBSI has recommended compensation or have paid less than the full amount recommended by OBSI. Further, the lack of binding authority may act as a deterrent for clients to escalate their complaints to OBSI. The CSA has renewed its focus on strengthening the OBSI as an independent dispute resolution service provider and developing and recommending a binding authority framework that is fair, efficient and accessible. The CSA is reviewing the current OBSI decision processes, legal issues related to binding decision authority framework, and international best practices, which will be taken into account in its recommendations for next steps.</p>
<p>Strategic goal 2 – Deliver programs and expand outreach to increase awareness of CSA investor education initiatives and messaging</p>		
<p>2.1 Enhance relevance and resonance of CSA investor education messaging</p>	<p>Completed</p> 	<p>Relevance and Resonance</p> <p>The CSA provided relevant investor education, adjusted for evolving market conditions and specific investor needs. We built awareness of the new challenges and threats related to the COVID-19 crisis and the steps the CSA took to address these challenges. The CSA launched a COVID-19 Information Hub on the main CSA website, which included information on regulatory relief and guidance, information for investors, news releases specific to the pandemic and other COVID-19 resources. The CSA continued developing innovative investor education initiatives designed to make Canadians aware of fraudulent or abusive schemes and emphasize the importance of caution, diligent research and checking registration when making investment decisions. The CSA introduced a new recurring campaign, <i>Investor School</i>, which educates investing audiences on basic investing concepts such as fees and key characteristics of various savings vehicles including RRSPs, TFSA and RESP. It also published several investor alerts, such as an alert on a scam using fake regulatory accreditation and a fraudulent scheme purporting to be an investment opportunity offered by a reputable investment fund.</p>
<p>2.2 Expand visibility of CSA investor education protection messages</p>	<p>Completed</p> 	<p>Expanded Visibility</p> <p>The CSA expanded its outreach of the investing public in Canada through the use of various channels including traditional media, the CSA website and the websites of its members, as well as social media such as Facebook, Twitter, LinkedIn and TikTok. The Investor Education Month Investor School campaign used a stylized chalkboard to promote a new fees page on the CSA website while the Financial Literacy Month campaign featured an investing focused financial literacy quiz. These campaigns reached over ten million Canadians.</p>

CSA PRIORITIES	STATUS	ACHIEVEMENTS
<p>2.3 Increase Canadians' awareness of investor education and emerging matters</p>	<p>Completed</p> 	<p>Increased Awareness</p> <p>The CSA continued to provide relevant investor education and conduct research on investor knowledge, preferences and behavior with the view of strengthening investor protection and enhancing relevance and resonance of its education messaging. The CSA published findings from a four-year research study that assessed investors' awareness of fees and the performance of their investments, and their interaction with advisers. The CSA also published the Investor Index survey, which evaluated investment knowledge and behaviour and incidences of investment fraud among Canadians.</p>
<p>2.4 Strengthen relationships with other government agencies and organizations</p>	<p>Completed</p> 	<p>Relationships with Other Agencies and Organizations</p> <p>CSA members actively participate in regional, national and international committees, initiatives, and organizations to raise awareness and expand the reach of CSA investor education programs and tools. International organizations include the North American Securities Administrators Association (NASAA) and the International Organization of Securities Commissions (IOSCO). Both NASAA and IOSCO facilitate committees and project groups' work on timely investor education-related topics, including IOSCO's Committee on Retail Investors. Within this international cooperation framework, the CSA, among other things, actively supports the World Investor Week, which is organized by the IOSCO in October. CSA members are also involved with national and regional organizations, including the Canadian Centre for Elder Law (CCEL), Fraud Prevention Forum, Peel Elder Abuse Prevention Network, Canadian Network of Financial Literacy, Financial Consumer Agency of Canada and Réseau québécois des spécialistes en éducation financière.</p>
<p>Strategic goal 3 – Enhance enforcement and deterrence effectiveness</p>		
<p>3.1 Improve market analytics capacity</p>	<p>Completed</p> 	<p>Market Analysis Platform (MAP)</p> <p>In October 2020, the CSA successfully implemented the financial market analysis platform (MAP). MAP collects market and regulatory data, including data on equity securities and derivatives traded on Canadian marketplaces, into a repository with advanced tools for analysis and visualization for the purpose of enforcement investigation of insider trading and market abuse cases as well as research and policy development.</p>
<p>3.2 Strengthen enforcement technology capabilities and strategies</p>	<p>Completed</p> 	<p>Enforcement Technology capabilities</p> <p>The CSA facilitated regular, cooperative information sharing on the use of technology by enforcement staff, for such purposes as electronic evidence management, eDiscovery, advanced analytics, surveillance, and work product management issues. CSA enforcement staff identified technology trends and monitored developments in the field of computer science (i.e., artificial intelligence and machine learning) with a focus on the development and implementation of detection tools. The CSA enhanced enforcement staff's knowledge on Amazon Web Services digital forensics, web scraping and data mining and navigating the decentralized finance (DeFi) ecosystem. While the deliverables set for the past three years have been accomplished, the CSA will continue strengthening its enforcement technology capabilities and expertise in the future.</p>

CSA PRIORITIES	STATUS	ACHIEVEMENTS
<p>3.3 Identify and respond to emerging issues and threats</p>	<p>Completed</p> 	<p>Investment Fraud Task Force</p> <p>The CSA identified and addressed a wide range of emerging threats, including frauds and scams related to COVID-19, cryptocurrency, Initial Coin Offerings, binary options and Forex fraud. The CSA has developed a number of strategies for disrupting, deterring and preventing investment fraud and addressing other emerging threats, such as tools and best practices to investigate the ecosystem; educating advertisers; engaging financial facilitators; engaging with law enforcement and other agencies; and public outreach initiatives to inform investors about risks through a number of investor alerts and education initiatives. The CSA published a number of alerts warning investors about scams relating to crypto assets, trading scams using fake accreditations and scams imitating well-known financial brands. While the deliverables set for the past three years have been accomplished, the CSA will continue identifying emerging issues and threats and finding the best solutions to address them.</p>
<p>3.4 Explore new opportunities with federal agencies</p>	<p>In Progress</p> 	<p>Cooperation with Federal Agencies</p> <p>The CSA regularly engaged with representatives of the RCMP Integrated Market Enforcement Team (IMET) and sought to improve coordination with the RCMP on securities-related white-collar matters through joint investigation training. The CSA has also pursued enhanced cooperation with financial institutions to help ensure that the work we undertake will best protect Canadians from investment fraud related victimization. The CSA will continue advancing its cooperation with relevant federal agencies and institutions.</p>
<p>Fair and Efficient Markets</p>		
<p>Strategic goal 4 – Promote financial stability and reduce systemic risk through effective market oversight</p>		
<p>4.1 Finalize and implement over-the-counter (OTC) derivatives framework</p>	<p>Completed</p>  <p>In Progress</p> 	<p>Over-the-Counter (OTC) Derivatives</p> <p>The CSA has completed several regulatory initiatives as part of a comprehensive multi-year project aimed at enhancing the supervision of the OTC derivatives markets to mitigate and reduce systemic risk in Canada and ensure that Canada complies with its international commitments. The CSA adopted amendments to National Instrument 94-101 <i>Mandatory Central Counterparty Clearing of Derivatives</i> and changes to the accompanying Companion Policy to refine the scope of market participants that are subject to the clearing requirement and reduce regulatory burden. In addition, it published final amendments to National Instrument 94-102 <i>Derivatives: Customer Clearing and Protection of Customer Collateral and Positions</i>. These amendments are explained in CSA Staff Notice 94-304 <i>Frequency of the filing of Form 94-102F3 Customer Collateral Report: Regulated Clearing Agency</i>. It also published CSA Staff Notice 95-302 <i>Margin and Collateral Requirements for Non-Centrally Cleared Derivatives</i> and established a continuous quarterly monitoring process to review the data from derivatives trade repositories to inform CSA's future plans relating to the implementation of margin and collateral requirements for over-the-counter derivatives that are not centrally cleared.</p> <p>The CSA also continues to work on a number of other regulatory initiatives. It published for a third comment period proposed National Instrument 93-101 <i>Derivatives: Business Conduct</i>, which sets out a revised proposed business conduct regime for regulating dealers and advisers in over-the-counter (OTC) derivatives in Canada. Finally, the CSA published for comment proposed amendments to Multilateral Instrument 96-101/91-507 <i>Trade Repositories and Derivatives Data Reporting</i> to reflect international changes in the data fields and responsibilities of trade repositories. CSA members also continue working on the registration framework for derivatives.</p>

CSA PRIORITIES	STATUS	ACHIEVEMENTS
<p>4.2 <i>Implement benchmarks regulatory regime</i></p>	<p>Completed</p> 	<p>Financial Benchmarks</p> <p>The securities regulatory authorities of British Columbia, Alberta, Saskatchewan, Ontario, Québec, New Brunswick, Nova Scotia, Yukon and Northwest Territories adopted final rules establishing a comprehensive regime for the designation and regulation of benchmarks and their administrators and providing a framework for the regulation of persons or companies that contribute data used to determine a designated benchmark. The participating CSA jurisdictions further announced their intent to designate the Canadian Dollar Offered Rate (CDOR) as the sole designated benchmark and Refinitiv Benchmarks Services Limited (RBSL) as its administrator upon the implementation of the new rules. The CSA also published a staff notice informing market participants of recent developments regarding interest rate benchmarks. In addition to the objective set out in the Business Plan, the securities regulatory authorities of British Columbia, Alberta, Saskatchewan, Ontario, Quebec, New Brunswick and Nova Scotia published for comment a proposed framework for the designation and regulation of commodity benchmarks and their administrators.</p>
<p>4.3 <i>Develop a plan for testing the CSA Market Disruption Coordination Plan</i></p>	<p>Completed</p> 	<p>Testing of the Market Disruption Coordination Plan</p> <p>Cybersecurity and stability of the markets remain key priorities for the CSA. The CSA developed the CSA Market Disruption Coordination Plan, which includes steps for information sharing and coordination among CSA jurisdictions in the event of a large-scale market disruption, and subsequently tested the Plan. The CSA will continue to periodically update and test the Plan. The CSA also participates in Canada-wide and international business continuity planning tests and cybersecurity exercises.</p>
<p>Strategic goal 5 – Enhance fairness and ensure equal access to capital markets for all participants</p>		
<p>5.1 <i>Internalization review</i></p>	<p>Completed</p> 	<p>Internalization Review</p> <p>Following the publication of a joint consultation paper on internalization in the Canadian equity markets, the CSA and IIROC reviewed stakeholders' comments and published a joint staff notice outlining issues and concerns and providing conclusions and recommendations for next steps. Internalization generally refers to trades that are executed with the same dealer as both the buyer and the seller, with the dealer either acting as an agent for its clients on both sides of the trade, or trading as principal and taking the other side of a client order. The CSA and IIROC announced that they will continue to monitor the data on an ongoing basis and will consider appropriate responses if there are any indications that changes to internalization practices, including internalization that is enabled through the use of dealer systems, may be impacting Canadian market quality in a negative way.</p>
<p>5.2 <i>Collective investment vehicle regime consistency</i></p>	<p>In Progress</p> 	<p>Collective Investment Vehicle Regime Consistency</p> <p>The CSA completed comparative international research on regulatory regimes for selected collective investment vehicles, which will be used to inform future work in this area.</p>
<p>5.3 <i>Monitoring global approach to market data</i></p>	<p>Completed</p> 	<p>Monitoring Global Approach to Market Data</p> <p>The CSA continued to monitor international developments and consider the Canadian approach to market data, including the application of fair access, the regulatory review process and the use of the Data Fees Methodology.</p>

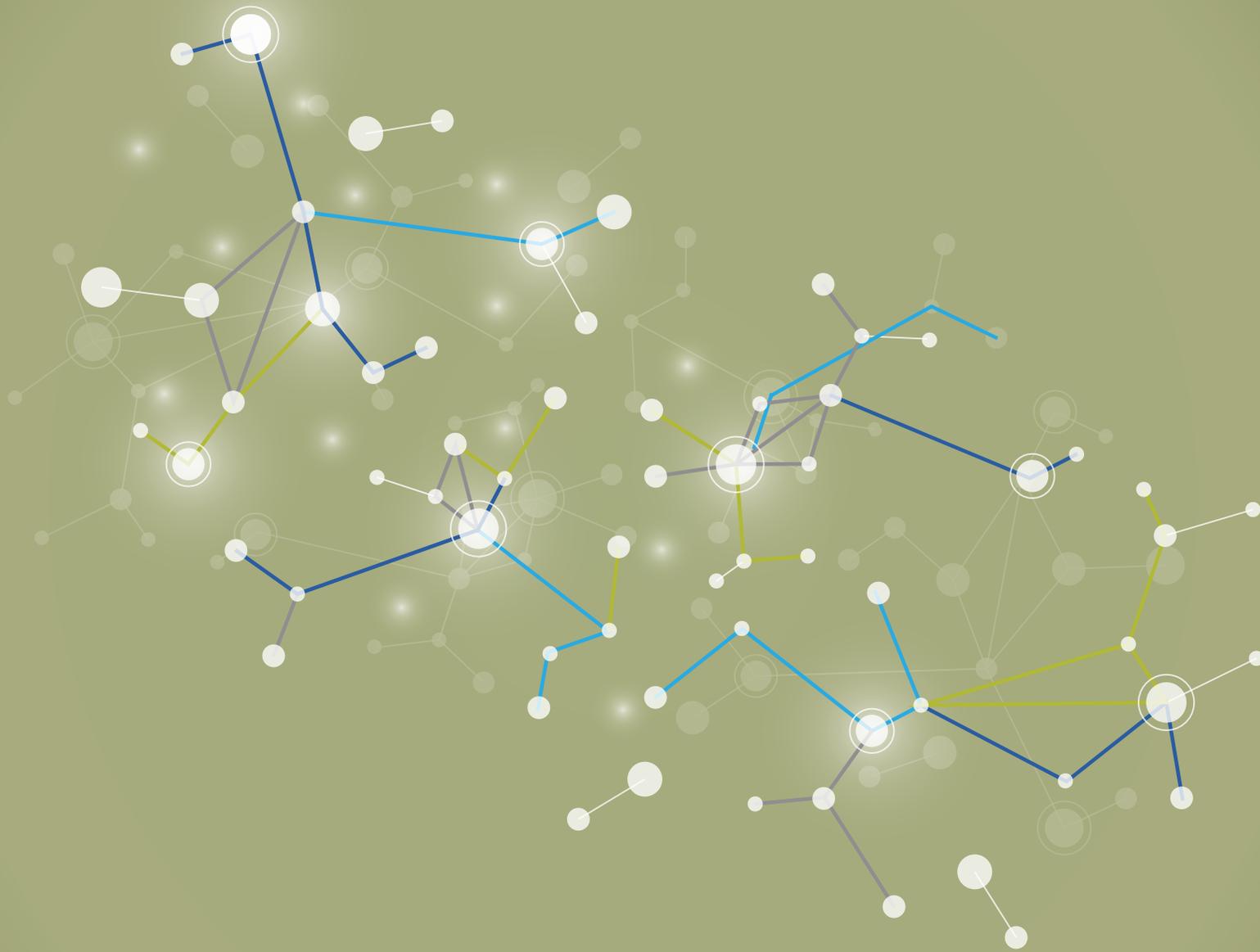
CSA PRIORITIES	STATUS	ACHIEVEMENTS
<p>5.4 <i>Effective issuer regulation with respect to promotional activities in the venture market</i></p>	<p>In Progress</p> 	<p>Issuer Regulation with Respect to Promotional Activities in the Venture Market</p> <p>The CSA is reviewing the effectiveness of CSA, IIROC, and exchange issuer regulation with respect to promotional activities in the venture market. Some CSA jurisdictions are considering new promotional activities disclosure requirements.</p>
<p>5.5 <i>Examining the role of exchanges in issuer regulation</i></p>	<p>Completed</p> 	<p>Examining the Role of Exchanges in Issuer Regulation</p> <p>The CSA conducted a review of exchange practices for issuers that become public companies through a reverse takeover (RTO) transaction or a direct listing on an exchange. In contrast to initial public offerings (IPO), which are reviewed by the issuer's Principal Regulator, RTOs and direct listings are generally reviewed by the listing exchange. The CSA review evaluated Canadian venture exchange (TSX-V and CSE) review practices and the quality of disclosure in the documents (e.g., information circular, listing statement, filing statement) used by an issuer in RTOs and direct listings. A number of deficiencies were identified in the review; however, there was no indication of significant investor protection issues. The CSA used the findings from this review to recommend changes to issuer disclosures in the RTO context that are substantively consistent with securities law requirements, ensuring that the exchange review procedures are sufficiently robust to identify and remedy significant disclosure deficiencies. The CSA communicated the results of the review and addressed identified deficiencies with the TSX-V and CSE both verbally and in writing.</p>
<p>5.6 <i>Trading Fee Rebate Pilot Study</i></p>	<p>Closed</p> 	<p>Trading Fee Rebate Pilot Study</p> <p>The CSA had previously published a staff notice outlining the planned pilot study that would analyze the effects of the prohibition of marketplace trading fee rebate payments on market participants. The CSA indicated that proceeding with the pilot study was conditional on a similar study being implemented by the Securities and Exchange Commission (SEC) in the United States. However, due to a U.S. court decision that vacated the SEC rule related to the pilot study, the SEC halted its study and therefore, the CSA discontinued the pilot study in Canada.</p>
<p>Strategic goal 6 – Respond to technology-related emerging regulatory issue</p>		
<p>6.1 <i>Consider the implications of activist short selling, including the use of social media</i></p>	<p>Completed</p> 	<p>Activist Short Selling</p> <p>The CSA has considered the implications of activist short-selling in Canada. We published a consultation paper seeking comments on potential concerns about activist short sellers targeting Canadian companies and the ability of the existing regulatory framework to address the issue. The consultation paper outlined the Canadian and international regulatory frameworks for activist short selling and described CSA Staff's findings regarding the nature and extent of activist short selling in Canada.</p>

CSA PRIORITIES	STATUS	ACHIEVEMENTS
<p>6.2 Propose a regulatory regime for crypto-asset trading platforms</p>	<p>Completed</p> 	<p>Regulatory Regime for Crypto-Asset Trading Platforms</p> <p>The CSA published guidance to improve the quality of disclosures provided by issuers that engage materially with crypto assets. It outlined the disclosure expectations of CSA staff in key areas such as safeguarding crypto assets, the use of crypto asset trading platforms, risk factors, material changes and promotional activities. The notice also provided guidance to crypto asset reporting issuers on navigating certain complex accounting and disclosure issues.</p> <p>The CSA and IIROC jointly published guidance outlining securities law requirements that apply to crypto asset trading platforms in Staff Notice 21-329 <i>Guidance for Crypto-Asset Trading Platforms: Compliance with Regulatory Requirements</i>. It provided guidance on securities law requirements applicable to platforms trading crypto assets that are securities, derivatives, contractual rights or claims to underlying crypto assets and outlined the process for submitting an application to the relevant CSA jurisdictions and IIROC. It also described interim approaches that may be available to crypto asset trading platforms, which are intended to foster innovation and provide flexibility, while ensuring that the platforms are subject to appropriate regulatory oversight.</p> <p>The CSA and IIROC also published guidance to help crypto-asset trading platforms understand and comply with requirements under securities law and IIROC rules for advertising, marketing and social media use.</p>
<p>6.3 Consider custodial requirements in relation to crypto-assets</p>	<p>Completed</p> 	<p>Custodial Requirements in Relation to Crypto-assets</p> <p>The CSA and IIROC jointly published Staff Notice 21-329 <i>Guidance for Crypto-Asset Trading Platforms: Compliance with Regulatory Requirements</i>. The notice provided guidance on how securities legislation applies to crypto asset trading platforms and custodial requirements in relation to crypto-assets.</p>
<p>6.4 Consider the capital raising issues that may be unique to aspects of blockchain-based securities</p>	<p>In Progress</p> 	<p>Blockchain-Based Securities</p> <p>The CSA will continue to monitor for capital-raising issues related to block-chain based securities.</p>
<p>Streamline Regulation</p>		
<p>Strategic goal 7 – Reduce regulatory burden while maintaining necessary investor protections</p>		
<p>7.1 Streamlining continuous disclosure requirements</p>	<p>In Progress</p> 	<p>Continuous Disclosure</p> <p>The CSA published for comment proposed amendments to National Instrument 51-102 <i>Continuous Disclosure Obligations</i>, Companion Policy, and consulted on a framework for semi-annual reporting for venture issuers under certain conditions. The proposed amendments would streamline and clarify certain disclosure requirements in the management’s discussion and analysis (MD&A) and the annual information form (AIF) for non-investment fund reporting issuers, eliminate certain requirements that are redundant or no longer applicable and combine the financial statements, MD&A and, where applicable, AIF into one reporting document called the annual disclosure statement for annual reporting purposes, and the interim disclosure statement for interim reporting purposes. The CSA has considered the comments received and is working towards finalizing the proposed amendments.</p>

CSA PRIORITIES	STATUS	ACHIEVEMENTS
7.2 <i>Business Acquisition Report (BAR) requirements</i>	Completed 	Business Acquisition Report The CSA adopted amendments related to the Business Acquisition Report requirements that reduced regulatory burden for non-venture reporting issuers by narrowing the circumstances in which a Business Acquisition Report must be filed to transactions that are the most relevant to investors' decision-making.
7.3 <i>Primary business</i>	Completed 	Primary Business The CSA implemented changes to Companion Policy 41-101CP <i>General Prospectus Requirements</i> to harmonize the interpretation of the financial statement requirements for a long form prospectus, such as in an issuer's Initial Public Offering (IPO). Specifically, the changes apply in situations where an issuer has acquired a business, or proposes to acquire a business, that a reasonable investor would regard as being the primary business of the issuer.
7.4 <i>At-the-market (ATM) offerings</i>	Completed 	ATM Offerings The CSA adopted amendments removing regulatory impediments to at-the-market offerings, making them available to issuers without having to incur the time and cost of applying for exemptive relief to conduct such distributions.
7.5 <i>Alternative offering system</i>	Completed 	Alternative offering system The CSA researched, identified and consulted on an alternative and streamlined offering system for public companies, with a view to facilitating greater access to capital. As part of initiatives to introduce alternative offering systems, the CSA implemented temporary exemptions from certain base shelf prospectus requirements for qualifying well-known seasoned issuers (WKSIs). The exemptions allow an issuer that meets WKSI qualifications and certain conditions to file a final base shelf prospectus with its principal regulator and obtain a receipt for that prospectus on an accelerated basis without first filing a preliminary base shelf prospectus. While the goals described in the 2019-2022 CSA Business Plan were met, these led to new phases in the project currently underway. As such, the CSA also proposed to introduce a new Listed Issuer Financing Exemption for issuers listed on a Canadian stock exchange, which will provide a more efficient way to raise capital. Eligible issuers would file a short offering document and the securities they issue would be freely tradeable. Under the proposed exemption, issuers could raise up to the greater of \$5 million or 10 per cent of the issuer's market capitalization, to a maximum of \$10 million, annually.
7.6 <i>Enhancing electronic delivery of documents</i>	Completed 	Electronic Access to Documents Given the widespread use of technology in communications, the CSA has identified options for enhancing electronic delivery of documents. While the goals described in the 2019-2022 CSA Business Plan were met, the CSA began working on new phases of the project currently underway. As such, the CSA published for comment proposed rule amendments to implement an access equals delivery model for non-investment fund reporting issuers, which would enhance electronic access to documents and provide a more cost-efficient, timely and environmentally friendly manner of communicating information to investors.

CSA PRIORITIES	STATUS	ACHIEVEMENTS
7.7 Securities-based crowdfunding	Completed 	Securities-based Crowdfunding The CSA adopted National Instrument 45-110 <i>Start-up Crowdfunding Registration and Prospectus Exemptions</i> , which introduced a single, uniform set of rules that replaced and enhanced the requirements that were previously in place in various jurisdictions. The new instrument increased the maximum total amount that an issuer can raise under the crowdfunding prospectus exemption, increased the maximum investment a purchaser can make in an offering where suitability advice has been obtained and introduced a number of other clarifications. The CSA also published Staff Notice 45-329 <i>Guidance for Using the Start-Up Crowdfunding Registration and Prospectus Exemptions</i> .
7.8 Rationalization of investment fund disclosure	Completed 	Rationalization of Investment Fund Disclosure The CSA implemented the final rule amendments aimed at reducing regulatory burden for investment funds introducing eight initiatives eliminating duplicative requirements, streamlining regulatory processes, codifying frequently granted exemptions from certain rules for investment funds, and eliminating the need for certain regulatory approvals.
7.9 Registration information	Completed 	Registration Information The CSA published final amendments to National Instrument 33-109 <i>Registration Information</i> and consequential amendments to National Instrument 31-103 <i>Registration Requirements, Exemptions and Ongoing Registrant Obligations</i> to modernize registration information requirements, clarify outside activity reporting and update filing deadlines.
7.10 Streamlining information reported by marketplaces and information processors and enhance systems-related requirements	Completed 	Streamlining Information Reported by Marketplace The CSA adopted amendments to National Instrument 21-101 <i>Marketplace Operation</i> and related changes to Companion Policy 21-101CP, which introduced a streamlined set of reporting requirements and harmonized set of system requirements for marketplaces carrying on business in Canada.
Enhanced Performance through Information Technology and Data Strategy		
Strategic goal 8 – Enhance information technology capacity and understanding of technological emerging trends		
8.1 Replace CSA National Filing Systems	In Progress 	SEDAR+ The CSA is building SEDAR+, a renewed national system for electronic data analysis and retrieval, which will become an integrated and comprehensive filing system and a simplified point of access for market participants such as issuers, insiders, registrants, and investors. It is being completed in phases: the first phase will replace the National Cease Trade Order Database, the Disciplined List, the current System for Electronic Document Analysis and Retrieval (SEDAR) and certain filings made in paper format or in local electronic filing systems. Subsequent phases will replace the System for Electronic Disclosure by Insiders (SEDI), the National Registration Database (NRD) and the National Registration Search. In addition, the CSA is taking steps to carry out regulatory and policy changes to create the necessary legal foundation for SEDAR+. It is preparing to publish in final form a new rule that would require filers to electronically transmit all documents to securities regulators through the new system, subject to certain exceptions, and amendments to the system fee rule. Furthermore, the CSA has been regularly updating an information hub on its website providing an overview of SEDAR+, its status and project phases to keep industry participants up-to-date.

CSA PRIORITIES	STATUS	ACHIEVEMENTS
8.2 <i>Implement a Market Analytics Platform</i>	Completed 	MAP As described above under Strategic Goal 3, the CSA successfully implemented the financial market analysis platform (MAP) in October 2020.
Strategic goal 9 – Develop a common data strategy to support effective regulation		
9.1 <i>CSA data management foundation</i>	Completed 	CSA Data Management Foundation The CSA has updated a common set of CSA data principles, standards, security, policies and procedures for current and future CSA National Systems.
9.2 <i>Data management in CSA Systems</i>	In Progress 	Data Management in CSA Systems The CSA is putting into practice the Data Management Foundation for the CSA National Systems technology initiatives of SEDAR+ and the Market Analytics Platform, as well as the internal data guidelines for policy development.
9.3 <i>Data strategy</i>	In Progress 	Data Strategy The CSA is documenting a consolidated catalogue of existing CSA data in the CSA National Systems and, where appropriate, jurisdictional systems, identifying additional data not currently held by the CSA to support regulation such as systemic risk and advanced analytics and devising a strategy to access and manage it accordingly, and identifying data no longer required to be collected.



PART 2 – OTHER SIGNIFICANT ACHIEVEMENTS

While the CSA structures its strategic goals by adopting a three-year Business Plan, it maintains an agile approach and remains ready to address new issues and challenges presented by evolving capital market conditions. It monitors emerging trends and international developments in areas falling under its mandate and determines the appropriateness of commencing any additional initiatives. In the past three years, the CSA has completed or has undertaken initiatives in addition to the projects outlined in the 2019-2022 Business Plan. Some of these achievements are highlighted below.

Investor Advocates

Investor Advocates Meeting: The CSA invited several investor advocacy groups to present and discuss their key topics of interest in the current regulatory climate. The goal of the Investor Advocates Meeting was to create a space for a constructive dialogue on matters of importance to investors.

CSA Investor Advisory Panel (IAP): The CSA published CSA Staff Notice and Request for Comment 11-343 *Proposal to Establish a CSA Investor Panel* and, based on comments received, published a revised CSA IAP Terms of Reference. The CSA also invited applications for membership on the CSA IAP, which will be established this year to provide advice to the CSA to ensure that retail investors' interests and concerns are fully considered as we develop policies and make rules to strengthen Canada's capital markets.

Self-Regulatory Organization (SRO)

SRO Regulatory Framework Review: Following substantial preparatory analysis and a public consultation, the CSA announced an initiative to create a new SRO for the investment industry, which will consolidate the functions of the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA), and a new investor protection fund (IPF), which will 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 CSA published a timeframe to implement this project and announced the search for candidates for the Chief Executive Officer and members of the Board of Directors for the new SRO. Finally, the CSA published for comment two notices with proposed governing documents for the new SRO and IPF, including the respective applications, bylaws, Memorandums of Understanding, the SRO recognition order and interim rule book, and the IPF coverage policy and approval order.

Non-Investment Fund Issuers

Consultation on Climate-related Disclosure: the CSA published for comment proposed climate-related disclosure requirements. The proposed requirements contemplate disclosure largely consistent with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and address four core elements of the TCFD recommendations: governance, strategy, risk management and metrics and targets. The CSA is considering the feedback set out in 131 comment letters as well as international developments.

Syndicated Mortgages: The CSA adopted amendments that substantially harmonized the regulatory framework for syndicated mortgages in Canada.

Women on Boards and in Executive Officer Positions: the CSA published the results of its annual reviews of the disclosure regarding the representation of women on boards and in executive officer positions. In addition, the CSA conducted further research and consultations with issuers, investors and other stakeholders on its consideration of broader diversity on boards and in executive officer positions. The CSA is considering the findings from these consultations to consider recommendations for any necessary changes to the current diversity disclosure framework.

Automatic Securities Disposition Plans (ASDPs): The CSA published guidance for issuers and insiders on the establishment, use and disclosure of ASDPs, which enable insiders to make preplanned sales of securities of an issuer through a dealer or an arms-length administrator, according to a predetermined schedule and set of instructions.

Shareholder Meetings

Guidance on Virtual Shareholder Meetings: In light of the evolving practices with respect to virtual and hybrid-format meetings, the CSA issued recommendations to assist reporting issuers in fulfilling their obligations under securities legislation and encourage the adoption of practices that facilitate shareholder participation.

Investment Funds

Prospectus Filing Model for Investment Funds: The CSA published for comment a two-staged proposal to modernize the prospectus filing model for investment funds. Proposed amendments would allow investment funds in continuous distribution to file a new prospectus every two years instead of on an annual basis, and changes proposed for the second phase of this initiative would introduce a new shelf prospectus filing model.

Guidance on ESG Disclosure for Investment Funds: The CSA published guidance for investment funds on their disclosure practices that relate to environmental, social and governance (ESG) considerations, particularly funds whose investment objectives reference ESG factors and other funds that use ESG strategies.

Liquidity Risk Management: the CSA published guidance to help investment fund managers develop and maintain effective liquidity risk management frameworks for investment funds, tailored both for normal and stressed market conditions, such as the global financial crisis in 2008 or the COVID-19 pandemic.

Additional Proficiency Options for Distributing Alternative Mutual Funds: the CSA members issued blanket exemptive orders providing dealing representatives in the MFDA channel and outside the MFDA channel in Québec with additional proficiency options for distributing alternative mutual funds.

Accounting and Auditing Rules

Non-GAAP Financial Measures: The CSA adopted National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure* and the accompanying Companion Policy. This new rule has replaced CSA Staff Notice 52-306 (Revised) *Non-GAAP Financial Measures*, which provided guidance to reporting issuers to ensure that the disclosure of non-GAAP and other financial measures was not misleading.

Changes to Auditor Oversight Rules: The CSA published final amendments intended to assist the Canadian Public Accountability Board (CPAB) with inspecting audit work performed in foreign jurisdictions.

COVID-19 Related Initiatives

COVID-19 Relief and Guidance: During the pandemic, the CSA issued a number of blanket exemptive orders providing extensions for periodic filings, permitting mutual funds to engage in additional short-term borrowing and providing public companies with temporary relief from certain filing and delivery requirements related to annual general meetings. The CSA also provided guidance to reporting issuers on furnishing clear disclosure on how COVID-19 is impacting their business, and published key findings of completed reviews of issuers' COVID-19 disclosure, while providing additional guidance and disclosure examples.

Investor-Focused Efforts: CSA members published regular and timely investor alerts on COVID-19 fraudulent activities and wide-reaching investor-focused social media campaigns and advertisements about current events or trends and how they may affect the investing public. We also provided up-to-date information on the COVID-19 Information Hub on the CSA website to help investors identify investment fraud and remain aware of the latest regulatory developments.

Ontario Capital Markets Modernization Taskforce (Taskforce)

Responses to the Taskforce Recommendations: The securities regulatory authorities of British Columbia, Alberta, Saskatchewan, Manitoba, Québec, Nova Scotia, Prince Edward Island, New Brunswick, Newfoundland and Labrador, Nunavut, Northwest Territories and Yukon provided their comments on the Taskforce consultation report, and later published their comments on the final Taskforce recommendations.