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Regulatory Reset: A Policy Roadmap for Expanding Financial Advice to Middle- and Lower-Income Canadians

Canada faces a persistent productivity challenge that demands bold and urgent regulatory reform to reduce counterproductive rules. In the financial services sector, overregulation has inadvertently restricted access to financial advisors, products, and services, disproportionately affecting the mass market of Canadians in need of advice or investment options. Cumulative, fragmented regulation has lifted per-client compliance costs by 15–25 percent, pushing many advisory firms to impose minimum-asset thresholds of \$100,000 or more.

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REGULATORY RESET: A POLICY ROADMAP FOR EXPANDING FINANCIAL ADVICE TO MIDDLE- AND LOWER-INCOME CANADIANS

by Gary Edwards

- Reduced access to financial advice is closely linked to lower participation in tax-advantaged savings and investment programs. This is largely due to limited financial literacy and behavioural inertia – barriers that financial advisors are uniquely positioned to help Canadians overcome.
- Limited financial participation at the individual household level has broader economic consequences: lower household financial resilience, reduced national savings, and diminished capital formation constrain economic growth and productivity in Canada.
- This paper analyzes the link between cumulative and uncoordinated regulation and a widened “advice gap” in Canada. It highlights the macroeconomic risks of reduced access to financial guidance across income groups.
- The paper recommends a framework that maintains strong consumer protections but also fosters accessibility, scalability, and innovation. Such reforms are essential to expanding participation, enhancing competition, and driving national prosperity.

INTRODUCTION: A PRODUCTIVITY IMPERATIVE FOR REGULATORY REFORM

Canada’s persistent productivity crisis¹ demands urgent and bold regulatory reform in many sectors, including financial services. Recent and ongoing US tariffs serve to further highlight the need to get our regulatory house in order. Across numerous overlapping legal jurisdictions, regulations, particularly in the

1 See, among others, a 2024 speech by Bank of Canada Senior Deputy Governor Carolyn Rogers “Time to Break the Glass: Fixing Canada’s Productivity Problem.” Remarks to the Halifax Partnership, Halifax, Nova Scotia. March 26. Ottawa: Bank of Canada. <https://www.bankofcanada.ca/2024/03/time-to-break-the-glass-fixing-canadas-productivity-problem/>.

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financial services sector, continue to grow at a rate where the costs are disproportionate to the gains, and are having a deleterious impact on economic growth and productivity (Gu 2025). “Regulations” broadly encompass legislative measures and regulations under various provincial and federal acts, as well as rules, guidelines, and guidance developed and imposed by regulatory bodies, self-regulatory organizations, and agencies.² Excessive regulation beyond what is needed to ensure stability and consumer protection stifles industry from innovating and growing.

Narrowing in on the financial sector, and in particular the investment industry, there is evidence that the sector is growing and contributing at a pace that far exceeds growth in the overall economy (Chaffe et al. 2024). However, there are two worrisome trends; namely, (i) the significant number of Canadians with lower investable assets participating in do-it-yourself (DIY) channels despite low financial literacy, and (ii) an escalation in regulatory burdens that make serving mass market clients uneconomical, thereby diminishing financial inclusion.

Canadians, particularly younger individuals and those with fewer investable assets, are increasingly turning to financial influencers (“finfluencers”) and social media for financial advice. Recent research by the Ontario Securities Commission³ revealed that approximately 35 percent of Canadian retail investors have made investment decisions based

on content from online influencers, highlighting the influence of these informal and potentially unreliable advice sources.

Retail banks and other deposit-taking institutions like credit unions play an essential role in supporting day-to-day banking and financial transactions for most Canadians, along with general financial guidance. However, research from J.D. Power (2024)⁴ reveals that while just over half (52 percent) of bank customers recall receiving financial advice, significant gaps remain between the advice currently provided and the types of advice customers seek. The largest of these gaps, at 16 percentage points, appears in the financial planning category, underscoring unmet demand for more personalized and comprehensive support.

UNDERSTANDING THE ADVICE GAP: ACCESS VS. DEPTH

Research commissioned by the Investor Advisory Panel (IAP) of the Ontario Securities Commission finds that the majority of advised investors in Canada (53 percent) have less than \$100,000 in investible assets.⁵ For mutual fund investors, the proportion of advised investors with smaller accounts is even higher, at 79 percent. The majority (74 percent) of these investors report receiving planning advice,⁶ similar to those with over \$250,000 in investible assets. However, for those with \$50,000 or less in investible assets,

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- 2 In this paper, we focus on the consumer risk aspects of financial services regulations rather than the prudential regulation side, which primarily addresses the stability and soundness of financial institutions. We also acknowledge that blanket orders exist as well, which are deregulatory in nature. However, it is unclear to us that those put in place have materially lowered the cost of providing personalized advice to modest-income households, the focus of our study.
 - 3 Ontario Securities Commission. 2025. “OSC Research Uncovers Concerns about Finfluencers’ Power of Persuasion.” April 22. <https://www.osc.ca/en/news-events/news/osc-research-uncovers-concerns-about-finfluencers-power-persuasion>.
 - 4 J.D. Power. 2024. “Bank Customers in Canada Still Feel Economic Pinch, Look to Banks for Financial Advice, J.D. Power Finds.” June 27. <https://canada.jdpower.com/press-releases/2024-canada-retail-banking-advice-satisfaction-study>.
 - 5 Investment Funds Institute of Canada (IFIC). 2022. *Financial Advice in Canada: Whitepaper*. https://www.sima-amvi.ca/wp-content/themes/ific-new/util/downloads_new.php?id=27821&lang=en_CA.
 - 6 Mutual Fund Dealers Association of Canada (MFDA). 2022. *MFDA Client Research Report 2022: Clients, Members, and Advisors*. Toronto: MFDA. <https://coilink.org/20.500.12592/d6pcr6>.

the research found it drops to 60 percent. Further, according to the original study findings: “Nearly half (49 percent) of investors with portfolios under \$50k reported no education from their advisor on financial concepts, and 40 percent reported no advice on planning for financial goals.”⁷

These findings are corroborated by data from studies I led at Golfdale Consulting in collaboration with the Brondesbury Group, commissioned by Primerica Canada. Over the past five years, in a series of large-scale studies focused on the experiences of modest- and middle-income Canadians in the financial services market, I have found a pattern of fragmented delivery of financial advice, particularly among lower-asset households.

On the more positive front, one of these studies was a 2023 survey of over 3,000 Canadians with mutual funds or segregated funds. It found that 24 percent held investment funds (including mutual funds, segregated funds, and exchange-traded funds) worth under \$10,000. Additionally, these funds are used broadly across income levels, with investment size roughly correlating to household income. These findings are directionally consistent with the regulator-commissioned research in terms of asset ownership and are encouraging: there is widespread adoption of these financial assets across income categories in Canada. Overall, we found that two-thirds of mutual fund owners receive advice from an advisor, ranging from a full assessment to an explicit product choice. (All segregated fund purchases must go through an advisor of some kind.)

However, the remaining third of mutual fund purchasers in our study either did not receive assistance from an advisor or interact with purchase “order takers.” Our concern centres here: only about half (54 percent) of those surveyed with less than \$10,000 in assets received advice.

Given gaps in access, we ask whether there is more to do to support those who are missing out. Are there ways of supporting business models with fee structures that align with both consumer sentiments and financial needs? Overall, these findings demonstrate that while Canadians enjoy widespread access to financial product ownership, it is not sufficient to conclude that advisory needs are being met for those with more modest incomes. There is strong evidence of a mismatch between preferences and the affordability of advice among mass-market households, resulting in financial inclusion barriers that contribute to Canada’s uneven participation in long-term wealth-building products and financial planning.

In our 2025 Golfdale/Brondesbury survey, we created a behavioural definition of “unadvised” Canadians as those who had purchased mutual funds, segregated funds, or life insurance in the past two years through self-directed purchases and could not recall receiving any prior professional advice related to these products. Using this measure, 51 percent of households were classified as unadvised. The proportion was even more stark among lower-income households, where only 38 percent were advised, compared to 60 percent of high-income households.

These findings suggest that while advice may be available, it is not reaching Canadians in an equitable or consistent way. The decline in advised engagement may not be due to a lack of interest in financial guidance, but rather the absence of affordable, accessible models that align with their financial realities. In this context, the concern is not merely the presence of DIY alternatives, but whether Canadians with the greatest need for advice are being served by business models capable of delivering it.

7 Investor Advisory Panel. 2019. “OSC’s Investor Advisory Panel Releases Survey Findings on How Much Advice Investors Receive.” July 29. <https://www.osc.ca/en/news-events/news/oscs-investor-advisory-panel-releases-survey-findings-how-much-advice-investors-receive>.

This gap weakens economic productivity in Canada by limiting the effective allocation of capital, meaning savings are less efficiently channelled into productive investments, thus reducing overall economic growth.

This paper asks whether improvements can be made on the regulatory front to help fill the gap. With regulatory burden and compliance costs increasing, there is value in looking to streamline and modernize the regulatory framework. This paper makes two proposals in this regard:

- Take a similar approach to arm's-length agencies and Self-Regulatory Organizations (SROs) as that of Canada's Treasury Board's Cabinet Directive on Regulation (federal) and parallel provincial burden-reduction directives and their provincial equivalents, to ensure the cumulative regulatory burden is assessed and managed.
- Employ mandatory structured oversight and evidence-based regulation-making for any significant new financial regulations to ensure they are aligned with both public protection and economic prosperity.

FINANCIAL INCLUSION, THE PRODUCTIVITY CHALLENGE, AND THE ROLE OF ADVICE

The broader economic consequences of limited financial participation and regulatory friction are real, measurable, and increasingly urgent for Canada's economy. At the individual level, a simplified understanding of productivity includes the ability to generate income, accumulate savings, and access investment opportunities. Yet across income groups, and particularly among modest

earners, engagement with long-term savings vehicles remains uneven and often insufficient.

Among Canadians earning under \$100,000, participation in tax-advantaged retirement vehicles such as RRSPs is significantly lower, with contribution rates as low as 1.7 percent at the lowest income levels, compared to 66.2 percent among those earning \$200,000 to \$499,999.⁸ In 2022, only 22.4 percent of eligible Canadians contributed to an RRSP, down 0.7 percentage points from the previous year, resuming a 12-year downward trend from 2008 to 2019.⁹ While RRSPs may not always be optimal for modest-income households due to limited tax advantages and potential impacts on future Old Age Security (OAS)/Guaranteed Income Supplement (GIS) eligibility, this low uptake reflects broader affordability challenges and missed opportunities for long-term wealth accumulation.

Tax-Free Savings Accounts (TFSA), a more flexible and often more appropriate tool for low- and middle-income Canadians, show similarly limited utilization. The average Canadian had used only 41.7 percent of their available TFSA contribution room. Despite the availability of this tax-advantaged investment vehicle, participation remains uneven across income groups (CRA 2024).¹⁰ Other public savings vehicles also show significant gaps. Registered Education Savings Plans (RESPs) reached approximately 53.7 percent of eligible children (ESDC 2022a). Participation in the Canada Education Savings Grant (CESG), which supplements RESP contributions, varied widely by income decile, ranging from just 34 percent in lower-income households to 71 percent

8 Statistics Canada. 2024. "Registered Retirement Savings Plan Contributions, 2022." The Daily. April 2. <https://www150.statcan.gc.ca/n1/daily-quotidien/240402/dq240402b-eng.htm>.

9 Statistics Canada. 2024. "Registered Retirement Savings Plan Contributions, 2022." The Daily. April 2. <https://www150.statcan.gc.ca/n1/daily-quotidien/240402/dq240402b-eng.htm>.

10 Mezzetta, Rudy. 2023. "Canadians Underuse TFSA's Growth Potential." *Investment Executive*. July 20. <https://www.investmentexecutive.com/news/industry-news/canadians-underuse-tfsas-growth-potential/>.

in the highest.¹¹ The Canada Learning Bond (CLB), targeting families earning under \$50,000, had a participation rate of just 42 percent as of 2022 (ESDC 2023). The Registered Disability Savings Plan (RDSP), a vital tool for Canadians living with disabilities, reached only 31 percent of eligible individuals in 2021 (ESDC 2022b).

While financial constraints are a core factor in this underutilization, recent surveys also show that many Canadians lack confidence in their money-management skills.¹² Among lower-income households, particularly those earning under \$30,000 annually, underutilization of programs such as RRSPs and TFSAs reflects a combination of limited disposable income and, in some cases, lack of awareness or guidance. While public programs such as the Canada Pension Plan (CPP), OAS, and GIS provide a basic retirement income floor for low-income Canadians, they remain inadequate for most middle-income households, especially those without access to employer-sponsored retirement plans. Even when individuals are debt- and mortgage-free, private savings are essential to long-term retirement security.

While employer-sponsored retirement savings vehicles can provide valuable foundational benefits, they are not universally available. In 2019, 48 percent of employees participated in a registered pension plan (RPP), an employer-sponsored group RRSP and/or a Deferred Profit Sharing Plan (DPSP) (OFSI 2022). By 2022, only about 40 percent of Canadian workers were covered by a

registered workplace pension plan, with significantly lower participation among those in part-time, gig, or self-employed roles.¹³ These plans rarely include personalized guidance for broader financial goals. Fewer than one in three plan members receive personalized retirement planning support, with most engagement limited to fund selection or contribution defaults.¹⁴ In a national survey, only 23 percent of Canadian employees reported feeling confident that they had sufficient information from their group retirement plan provider to make sound retirement decisions.¹⁵

Employees enrolled in defined-benefit (DB) pension plans typically have sufficiently generous and predictable retirement benefits, substantially reducing or even eliminating their need for supplementary financial advice specifically related to retirement planning. However, for individuals with multiple income sources, debt obligations, public savings programs, and group retirement savings plans, navigating retirement savings decisions without professional guidance is inadequate. The data point to a persistent and widespread mismatch between available savings tools and the real-world needs of Canadians, especially those with modest incomes. Addressing this gap requires not only improving financial literacy and access to tax-advantaged products but also expanding access to trusted, affordable financial advice aligned with Canadians' financial realities.

Behavioural economics has consistently shown that inertia, the tendency to delay or avoid financial

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- 11 Statistics Canada. 2020. *Survey of Financial Security, 2019 – RESP Participation by Income Decile*. Catalogue no. 13-206-X.
- 12 Got, Jonathan. 2024. "Canadians Lack Financial Literacy, Confidence in Managing Money: Survey." *Investment Executive*. October 21. <https://www.investmentexecutive.com/news/research-and-markets/canadians-lack-financial-literacy-confidence-in-managing-money-survey/>.
- 13 Statistics Canada. 2022. *Pension Plans in Canada, January 1, 2022*. Catalogue no. 74-401-X. December 10. <https://www150.statcan.gc.ca/n1/en/catalogue/74-401-X>.
- 14 Employee Benefit Research Institute. 2022. "Retirement Confidence Survey: Full Findings." <https://www.ebri.org/docs/default-source/rcs/2022-rcs/2022-rcs-summary-report.pdf>.
- 15 Benefits Canada. 2024. "Just 69% of Canadians Confident in Their Retirement Prospects: Survey." *Benefits Canada*. January 29. <https://www.benefitscanada.com/pensions/retirement/just-69-of-canadians-confident-in-their-retirement-prospects-survey/>.

decisions, is a significant barrier to long-term financial well-being.¹⁶ While a growing range of channels, including banks, credit unions, robo-advisors, and digital platforms, have expanded access to financial products, many individuals still struggle to initiate and sustain saving and planning behaviours. This challenge is particularly pronounced among modest-income Canadians, who, alongside their lower incomes, often report lower financial literacy and confidence. According to Statistics Canada, nearly half of Canadians struggle with day-to-day financial decisions, and only 35 percent feel confident selecting financial products independently.¹⁷ While bank-affiliated advisors do offer savings guidance, especially through branch-based and full-service channels, a large proportion of Canadians continue to rely on less personalized, product-focused services or self-directed tools that may not provide the reinforcement needed to overcome financial inertia.

While each channel plays a role in Canada's financial services ecosystem, advisors remain an essential bridge between financial complexity and real-life inclusion, especially for modest-income families who are most at risk of being underserved and underutilizing financial tools. They typically do not have much financial room to save after housing is paid. However, even small, consistent investment amounts over an extended period of time can make a substantial difference in retirement years, particularly when discretionary savings are limited. Since Canada has a large advisory workforce of over 108,000 retail advisors nationwide, which compares favourably to jurisdictions such as the UK (approximately 37,000)

and the US (around 300,000), the conditions are there to make this happen.

The behavioural and planning benefits of expanded access to financial advice extend beyond individual households. They carry broader economic implications. When more Canadians save, invest, and navigate tax-advantaged programs, the result is greater financial resilience, increased national savings, and stronger long-term capital formation. These outcomes contribute directly to economic growth and reduce pressure on public support systems.

At the same time, a thriving financial services sector is a vital contributor to Canada's economy. It generates over \$170 billion in GDP¹⁸ and last year employed approximately 850,000 Canadians.¹⁹ By enabling scalable and diverse advice models, policymakers can strengthen household financial outcomes while advancing the competitiveness and long-term productivity of Canada's financial services industry.

BROADER REGULATORY CONTEXT

The growing burden of Canada's financial regulatory landscape is illustrated in a February 2025 Statistics Canada study, "Regulatory Accumulation, Business Dynamism and Economic Growth in Canada," which quantifies the impact of industrial regulatory requirements on business performance (Gu 2025). While the overall regulatory burden across all sectors grew by 2.1 percent annually from 2006 to 2021, resulting in a 37 percent cumulative increase, the financial services sector experienced a much steeper rise. This sharper increase likely reflects, in part, regulatory

16 Lee, Sarah. 2025. "Inertia in Behavioral Economics: A Full Guide." Number Analytics. April 17. <https://www.numberanalytics.com/blog/inertia-in-behavioral-economics-full-guide>.

17 Statistics Canada. 2020. *Canadians' Financial Well-Being and Literacy: Financial Capability Survey Results*. Catalogue no. 89-653-X.

18 Statistics Canada. 2025. "Gross Domestic Product (GDP) at Basic Prices, by Industry, Monthly (x 1,000,000). Finance and Insurance Sector." Table 36-10-0434-01. September 26. <https://doi.org/10.25318/3610043401-eng>.

19 Statistics Canada. 2025. "Employment by Industry, Annual – Finance and Insurance (NAICS 52)." Table 14-10-0202-01. March 27. <https://doi.org/10.25318/1410020201-eng>.

responses to the 2007–2008 global financial crisis, which led to heightened scrutiny and new oversight measures across many jurisdictions, including Canada. This Canadian sector had the third-highest regulatory burden growth rate across all sectors after e-communications and media. It grew at 2.8 percent annually over the same period, which with compounding results in a 51 percent increase in regulations. While Canada is not alone in tightening financial oversight following the 2008 global financial crisis, its pace and layering of regulation stand out, especially in the absence of coordinated modernization or streamlining.

Unlike the US and UK, which have launched formal deregulatory reviews to balance oversight with innovation and access, Canada has yet to adequately assess the cumulative impact of financial regulation. Crucially, these peer countries have introduced reforms to improve access to financial advice while maintaining consumer protection. The UK's *Financial Services and Markets Act 2023* expanded the Financial Conduct Authority's competitiveness mandate, while its Consumer Duty initiative attempted to encourage scalable advice models for mass-market consumers (UK Parliament 2023). While the UK has struggled with an advice gap in recent years, it is now actively working to reverse these outcomes through simplified advice models. In Australia, the 2022 Quality of Advice Review recommended simplifying advice delivery and loosening compensation restrictions to restore access for modest investors (Treasury of Australia 2022).

Canada has to date refrained from drastic interventions in compensation and business models such as those undertaken by the United Kingdom and Australia, with the exception of a ban on deferred sales charges (DSCs). Australia's *Future of Financial Advice* (FOFA) reforms introduced a statutory best interest duty, banned most commissions, and significantly increased licensing and compliance burdens, resulting in a sharp decline in the number of financial advisors and a mid-market advice gap. In contrast, Canada banned deferred sales charges in most provinces and

introduced Client Focused Reforms (CFRs), which enhance suitability requirements and prioritized client interests in conflict management. However, Canada stopped short of banning embedded commissions altogether or imposing a universal fiduciary standard. Additionally, in Ontario, the OSC's mandate has also been amended to include competitive markets and capital formation, and the *Securities Act* requires a balancing of objectives and proportionate regulation. The OSC's six-year strategic plan emphasizes rightsizing and proportionate regulation.

While this more moderate approach has helped preserve broader access to advice, particularly for modest-income households, as we saw, a growing gap remains. Most large advisory firms in Canada now concentrate their efforts on high-net-worth clients, often setting asset minimums that exclude small investors. As a result, many low- and middle-income Canadians, despite regulatory protections, still struggle to access affordable, personalized advice. Canada's experience illustrates that regulatory restraint alone is not sufficient: This paper asks whether improvements can be made to structural incentives and business model flexibility to ensure that advice remains both accessible and inclusive.

In the European Union, a regulatory initiative called the Retail Investment Strategy reflects growing recognition that complex disclosures and suitability rules are limiting access for mass-market investors. The EU is now moving toward simplification and more flexible frameworks. These actions reflect a common recognition: without regular adjustment, even well-intentioned regulation can reduce financial inclusion and inhibit competitiveness. The lesson here is not to replicate other frameworks wholesale, but to recognize the importance of formal regulatory recalibration, a process that Canada could undertake more broadly.

Canada's layered reforms, particularly the Client Relationship Model 2 (CRM2) and Client Focused Reforms, have introduced meaningful transparency around fees, performance, and conflicts of interest. Rather than banning commission-based models

outright, this approach aims to empower investors through disclosure and suitability obligations. While not without criticism, particularly regarding incomplete cost visibility and increased compliance complexity, these reforms have generally improved client understanding and preserved access to advice, especially for modest-income Canadians. Enhanced transparency, when properly implemented, can reduce the need for blunt regulatory tools like commission bans and help maintain a more inclusive advisory ecosystem.

We should look for similar opportunities elsewhere. Canada's five-year legislative review clauses, which require various acts and regulations to be reviewed every five years, provide a degree of regulatory oversight and modernization. However, these reviews are often siloed by statute and sector, lacking the system-wide coordination needed to address cumulative burden or duplication across Canada's financial services framework. While there is ongoing work by interprovincial associations of regulators, such as the CSA and the CCIR, to coordinate requirements nationwide, these still require individual provinces to adapt on a piecemeal basis. International data reinforce this concern. For example, the OECD's Product Market Regulation Index ranks Canada above the OECD average in regulatory burden for professional services, including finance, trailing peers such as the US, UK, and Australia (OECD 2021a). The World Economic Forum places Canada 38th on "burden of government regulation," compared to 21st for the US, 23rd for the UK, and 26th for Australia (WEF 2019). The OECD's Financial Market Trends report also flags Canada's fragmented oversight as a constraint on innovation and digital adoption (OECD 2020); a lack of harmonized approaches to financial services is a salient regulatory constraint on Canada's financial services sector.

Against this backdrop, the regulatory landscape in Canada is remarkably complex. The list below in the Appendix, "Financial Regulatory Authorities in Canada," reveals an array of more than 25 financial services regulatory entities overseeing

various aspects of financial services in Canada. The list is by no means exhaustive. These include federal level, provincial/territorial entities, self-regulatory organizations (SROs), and others with general business requirements that significantly impact financial services (e.g., privacy, competition, taxation, communications).

Whether through legislative requirements or guidance from self-regulatory organizations (which are not legally binding in all cases but often function as de facto expectations within supervisory frameworks), these measures collectively contribute to a regulatory burden that drives up the cost of delivering financial services to Canadians. Notably, regulators such as the Financial Services Regulatory Authority (FSRA) have begun shifting toward more principles-based guidance, designed to offer flexibility in application across diverse sectors. However, even flexible approaches can create cumulative compliance obligations, particularly when layered across multiple regimes and frameworks. This regulatory maze challenges those seeking to build or invest in Canada's financial services sector.

As stated before, Canada is not alone in the regulatory complexity of its financial services system. However, other jurisdictions have taken deliberate, system-wide steps to reduce the burden or improve proportionality. In contrast, while we see examples of this burden reduction in Canada, such as the OSC's recent changes noted above, Canada lacks a coordinated approach to regulatory modernization and does not have a clearly articulated competitiveness mandate for all federal financial regulators (again, in the securities world, the OSC stands out as a notable exception). While Ontario's FSRA includes a statutory object "to foster strong, sustainable, competitive and innovative financial services sectors," broader regulatory bodies have yet to align under a national reform strategy.

While Canadians have historically enjoyed broader access to financial advice than their counterparts in the UK and Australia, where

regulatory overreach contributed to a collapse in mid-market advisory services, Canada has not been immune to this trend. A systematic, evidence-based review of existing financial regulations, focused on identifying outdated or duplicative requirements and removing barriers to innovation and access, might help Canada reverse this trend and improve access across the income spectrum.

UNNECESSARY REGULATION

A pattern of regulatory expansion, at both the legislative and supervisory levels, has emerged in several recent proposals across Canada's financial services sector. While regulation must be forward-looking to address emerging risks, it must also meet fundamental thresholds of necessity, proportionality, and evidence-based justification. Whether through legislation, national policy, or oversight by regulators, the goal must be to strike a careful balance: proactive, but not excessive; protective, but not exclusionary.

As noted by international policy experts, proactive regulation must still be “disciplined by evidence.” To quote the OECD: “Effective regulatory policy requires the systematic use of ex ante impact assessments, including cost-benefit analysis, to ensure that regulations generate net benefits to society and do not impose unnecessary burdens” (OECD 2021b). Crucial questions as regulators think through existing or potential regulations in the area of access to financial advice include:

- What consumer harms, if any, have been demonstrated under the current framework?
- What are the estimated impacts on advisor supply, particularly in rural or low-income communities?
- Has a cost-benefit or distributional impact analysis been conducted to evaluate trade-offs between current standards and the impact of changes on financial inclusion?

Additionally, anticipatory regulation has a role in emerging technologies or novel products, but applying the same standard to longstanding

advisory practices absent evidence of harm risks undermining both credibility and fairness. Long-standing practices should only be reconsidered where there is clear evidence of actual harm.

We need this kind of analytical foundation to go beyond just a precautionary principle approach. We see this issue more broadly in the financial services sector. As Bourque and Caracciolo (2024) demonstrate, across more than 25 core regulatory texts (covering banking, insurance, payments, funds, etc.), document length has increased in nearly 90 percent of cases over the past two decades, an indicator of continual layering of obligations and rising compliance costs that particularly burden smaller firms and divert resources from innovation and client service.

Despite these mounting costs, as Bourque and Caracciolo show, regulators have not consistently conducted or published rigorous cost-benefit analyses, raising valid concerns that new regulations are being introduced without clear evidence of net benefit to consumers or the broader financial system. In the securities realm specifically, regulators such as the Ontario Securities Commission have taken steps toward more disciplined rulemaking. Mandatory cost-benefit analyses are conducted for new OSC policy proposals as part of its Business Plan framework (OSC 2023), but even here, there is room to deepen and publish those assessments with greater transparency and rigour.

At the same time, it's essential to acknowledge that regulation plays a critical consumer-protection role, safeguarding Canadians against mis-selling, conflicts of interest, and unfair practices. The challenge is to strike the right balance: preserving rigorous standards that underpin trust and transparency, while recalibrating rules that unintentionally raise costs or limit flexible payment models, thereby constraining advice availability for those who need it most.

The “reasonableness” of every new regulatory requirement should be validated through a transparent, quantitative impact assessment. If no clear quantification of the problem is presented

demonstrating the harm being addressed, nor is there a rigorous evaluation of the new rule's costs to the industry versus benefits to consumers, then this falls short of providing evidence-based governance.

In 2019, the Ontario government issued its Burden Reduction Directive,²⁰ which requires every ministry to measure administrative burdens, set annual reduction targets, and publish progress on a central dashboard. More public evidence could be provided showing that financial regulators, whether FSRA, OSC or others, have systematically applied those burden-reduction targets to existing rules or conducted regular sunseting reviews of outdated requirements.

This is also the case for the kind of formal impact analysis Ontario ministries must conduct under the Burden Reduction Directive. While FSRA consistently lays out qualitative benefits and anticipated behaviours, it is critical that it publishes quantified cost-benefit tables, burden estimates, and/or economic trade-offs. We need to ensure that FSRA's governing statute requires more than notice and consultation, specifically standardized economic assessments.

REGULATORY IATROGENESIS: LESSONS FROM OTHER JURISDICTIONS

In medicine, there's a term for when the cure causes more harm than the original illness: "iatrogenesis." Whether through the activity of discovery, intervention, error, or negligence, well-intentioned treatments can sometimes worsen a patient's condition. This concept applies to financial regulation as well: proposals and changes that

seem "reasonable" but lack clear evidence of actual market harm can produce unintended negative consequences for the marketplace. Regulation of this kind might overlook the potential harm to consumers from market exclusion, particularly middle- and modest-income investors.

Australia provides a stark example of regulatory iatrogenesis in action and a cautionary tale for Canada. Prior to its 2022 Quality of Advice Review, successive waves of commission bans and prescriptions around adviser conduct led to the exit of thousands of financial advisers and a sharp rise in fees, making advice unaffordable for many middle- and modest-income Australians.²¹ Those early reforms, narrowly targeting theoretical conflicts, overlooked the real harm of rationing access to advice, especially for smaller accounts. Only in 2022 did Australia formally recognize and begin to unwind those "iatrogenic" effects through its Quality of Advice Review, which recommended loosening compensation restrictions and simplifying delivery models. Canada must learn from this sequence – avoiding overreach first, then dialling back later – and instead pursue evidence-led reforms that strike the right balance from the outset.

The United Kingdom's Retail Distribution Review (RDR), implemented in 2012, similarly began with good intentions. A key element was the prohibition of commission-based remuneration for advisers, aiming to mitigate conflicts of interest and enhance transparency in financial advice. This reform mandated that advisers establish their fee structures, directly agreed upon with clients, thereby eliminating provider-influenced commissions. On the benefit side, the RDR improved the way charges and services were disclosed to consumers. However,

20 Ontario Ministry of Economic Development, Job Creation and Trade. 2022. "Burden Reduction Directive." July 16. <https://www.ontario.ca/page/burden-reduction-directive>.

21 Adviser Ratings. 2024. "Advice Fees Rise: What Australians Are Really Willing to Pay for Financial Advice." July 10. <https://www.adviserratings.com.au/news/advice-fees-rise-what-australians-are-really-willing-to-pay-for-financial-advice/>; Rainmaker Information. 2024. "Australia Faces a Shrinking Pool of Financial Advisers, with No Quick Recovery in Sight." October 16. <https://www.rainmaker.com.au/media-release/australia-faces-shrinking-pool-of-financial-advisers>.

it also produced unintended “advice deserts” among smaller investors. That is, while disclosures did become clearer, compliance costs soared and many advisers, especially those serving smaller accounts, left the market. Consumers with smaller investments were left without access to advisory services, and the range of financial services available to them diminished significantly. In response, the FCA has since introduced follow-on measures²² (such as the 2019 Guidance on the Consumer Duty and subsequent “investing in the banks” reforms) to rebuild scaled advice models and reduce barriers for mid-market clients. Despite these efforts, such as simplified advice models and technological solutions, affordable financial advice remains elusive for many modest investors in the UK.²³ Canada would do well to heed the UK’s sequence: avoid premature bans that restrict access, then step in only if and when evidence of harm is so overwhelmingly obvious that it warrants corrective action.

BRIDGING CANADA’S ADVICE SHORTFALL

As we have discussed, despite a robust adviser network, Canada has witnessed a decline in financial advice engagement among modest- and middle-income households, undermining the goal of true financial inclusiveness. This year’s *Investment Executive’s* 2024 Advisors Report Card found that “Overall, the financial advisory industry enjoyed some growth in average assets under management (AUM). At the same time, the average number of client households was down, indicating continued

reliance on higher-value clients.”²⁴ Drilling further into the Canadian Securities Administrators’²⁵ findings, the drop in investors working with financial advisers is particularly acute among younger investors and those with smaller portfolios. The sharpest declines occurred among investors under 45 and those with portfolios under \$100,000 (this being the asset threshold for access to advisor services at some large financial institutions).

Canada’s own CIRANO research showed that advised investors accumulate roughly 2.3 times more assets than comparable non-advised peers over 15 years, illustrating the clear value of advice in Canada’s markets (Montmarquette and Viennot-Briot 2016). More recent evidence, however, suggests that rising compliance costs and fee sensitivities are narrowing the small-account market: the CSA’s 2024 Investor Index reports that the share of Canadians with under \$100,000 in investible assets who work with an advisor fell from 58 percent in 2019 to 51 percent in 2024. Although Canada maintains broad mutual-fund ownership, the smallest investors are increasingly priced out, or effectively screened out, of professional guidance, emphasizing the urgent need for regulatory and industry reforms to restore truly affordable, mass-market advisory access.

The consequences of this advisory gap extend well beyond investment management. Canadians who have access to professional advisers consistently make better financial decisions, as highlighted by the Financial Consumer Agency of Canada (2021). The connection between financial advice and essential financial products, such as life

22 Ticha, Victoria. 2019. “Has RDR Restricted Access to Financial Advice?” *FT Adviser*. May 15. <https://www.ftadviser.com/fca/2019/05/15/has-rdr-restricted-access-to-financial-advice/>.

23 Financial Conduct Authority. 2020. “FCA Publishes Evaluation of Its Work on the Financial Advice Market.” <https://www.fca.org.uk/news/press-releases/fca-publishes-evaluation-financial-advice-market>.

24 *Investment Executive*. 2024. “Advisors’ Report Card 2024.” November 15. <https://www.investmentexecutive.com/indepth/report-cards/advisors-report-card-2024/>.

25 Canadian Securities Administrators (CSA). 2024. *2024 CSA Investor Index*. <https://www.securities-administrators.ca/wp-content/uploads/2024/06/CSA-2024-Investor-Index-Executive-Summary-ENG.pdf>.

insurance, reinforces the importance of accessibility. Despite increases in ownership, the 2023 Canadian Insurance Barometer Study by LIMRA and Life Happens revealed that nearly a third of Canadians, 31 percent or approximately 8.4 million adults, acknowledge a need for life insurance or additional coverage.²⁶ Alarming, 40 percent of Canadians believe their families would face financial hardship within six months if the primary wage earner died unexpectedly. Without access to advisors, many Canadians may fail to recognize or act accordingly on the need for adequate protection, leaving their families vulnerable to financial instability.²⁷

While regulators have built a comprehensive transparency regime – point-of-sale Fund Facts, Client Relationship Model Phase 1 (CRM1) fee disclosures, CRM2 performance and fee reporting, and the forthcoming Total Cost Reporting – these measures have not prevented the rise in minimum investment thresholds and embedded cost structures that still price many small accounts out of advice. Rather than prescribe specific fee models, Canada has rightly emphasized conflict-of-interest management through mandatory disclosure (as under the Mutual Fund Dealers Association’s best-interest obligations and Ontario’s *Mortgage Brokerages, Lenders, and Administrators Act* conflict-disclosure regime), but the experience to date suggests that transparency alone is insufficient. To ensure true access for mass-market Canadians, we need not only clear disclosures but also proportionate rules that support multiple, affordable remuneration models, coupled with robust client education.

Although no compensation model is entirely free of potential conflicts – be it commission-based, assets under management (AUM) based, or flat

fee – each reflects different trade-offs rather than inherent flaws. Flexibility and transparency will be key in this regard, and regulators will want to look for ways to increase consumer choice and access (Bourque and Caracciolo 2024).

The path to better consumer outcomes does not lie in prescribing or banning specific business or compensation models but in ensuring truly effective transparency. Disclosures should not only be required but delivered in clear, timely, and user-friendly formats that consumers can readily understand and act upon. Regulatory approaches should be principle-based, prioritizing flexibility and a diversity of business structures tailored to different client needs, while embedding disclosure standards around content, timing, and presentation. By focusing on meaningful, client-centric goals, regulators can foster both innovation and inclusion, ensuring that all Canadians have access to the information and advice they need.

BEYOND THEORY: THE CALL FOR EVIDENCE-BASED REGULATION

Bourque and Caracciolo (2024) stress the need for a consistent and rigorous cost-benefit analysis in Canadian financial regulation. A balanced approach must consider the theoretical benefits of regulation and its tangible effects on accessibility, affordability, and inclusion. Achieving this requires a modernized governance framework grounded in three essential pillars: rigorous ex ante cost-benefit analysis, clear and evidence-based problem identification, and independent oversight. At present, public consultations are often designed, managed, and evaluated by the same regulatory bodies proposing the changes. International best practices point

26 Wood, Stephen, and Maggie Leyes. 2025. *2025 Insurance Barometer Study*. Windsor, CT: LIMRA and Life Happens. June 25. <https://www.limra.com/en/research/research-abstracts-public/2025/2025-insurance-barometer-study/>.

27 Primerica, Inc. 2023. “Special Report: Canada Must Preserve Access to Financial Advice, Avoid Unintended Consequences of Financial Reforms.” *Business Wire*. May 11. <https://www.businesswire.com/news/home/20230510006127/en/Special-Report-Canada-Must-Preserve-Access-to-Financial-Advice-Avoid-Unintended-Consequences-of-Financial-Reforms>.

to the value of outcome-based regulation and transparent rule-making processes that include structured peer review, parliamentary scrutiny, or cross-agency panels.²⁸ This rigorous, evidence-based approach should apply not only to formal statutes and regulations but equally to self-regulatory rules and even non-binding guidance, ensuring that every element of the financial rule-making ecosystem is subject to the same transparent cost-benefit discipline. This is especially important for reforms likely to impact widespread public access to essential services such as financial advice (Chiu 2017; Svetiev 2023). Embedding these safeguards would ensure that regulation is not only protective but also proportionate, inclusive, and economically sound.

We propose a two-pronged strategy to tackle the excess regulatory burden now, but more importantly, to create a modern and sustainable regulatory framework.

1 Meaningful Red Tape Reduction to Foster Economic Productivity

Compliance costs for overseeing large accounts can be similar to those for smaller ones, disproportionately burdening smaller companies and ones that serve middle- and lower-income investors who make smaller investments and require simpler financial products. Regulators should look for opportunities to ensure the rules in place are implemented with a thorough assessment of their impact on accessibility or affordability. Doing so will help make sure the industry's productivity does not suffer through the redirecting of resources away from growth-oriented activities towards responding to and complying with ever-increasing regulatory requirements.

Our proposed solution is for a similar approach on arm's-length agencies and SROs to that of

Canada's Treasury Board's Cabinet Directive on Regulation (federal) and parallel provincial burden-reduction directives and their provincial equivalents,²⁹ designed to control the cumulative regulatory burden on businesses. The Treasury Board's Cabinet Directive on Regulation (federal) states: "If a regulation is made that imposes a new administrative burden on a business, one or more regulations must be amended or repealed to offset the cost of that new burden against the cost of an existing administrative burden on a business." Similar and parallel provincial burden-reduction directives also exist, yet are not applied to entities, such as SROs, that themselves contribute to the increased regulatory burden. While a simple mathematical formula is more a bludgeon than a scalpel, it is a start in a world where there has been a big increase in cumulative regulations. Using a cost-benefit analysis on both new and existing rules can work to reduce this bludgeon effect.

Regulators often (but not always) lack the broader mandates that would stipulate balancing their immediate regulatory tasks, such as investor protection, with broader public policy goals like improving savings rates. Regulators may also lack the types of incentives, monetary and non-monetary, to look at regulations from a different lens. While lacking explicit mandates to balance investor protection with broader public-policy goals, several have nonetheless undertaken targeted burden-reduction exercises. For example, the Ontario Securities Commission's (2020) "Reducing Regulatory Burden" decisions and recommendations and the AMF's 2024–25 priority statement (AMF 2023) emphasize streamlined requirements and proportionality. Yet without a permanent, system-wide mechanism to evaluate and sunset outdated rules, regulations continue to accumulate, compounding Canada's fragmented financial-

28 We note that OSC rules require ministerial approval, subject to government accountability to the legislature. A proposed rule is not published unless pre-cleared by the minister's office. There are similar processes in other provinces.

29 *Red Tape Reduction Act* S.C. 2015, c. 12. <https://laws-lois.justice.gc.ca/eng/acts/R-4.5/>.

services landscape and driving up costs for firms and consumers alike. Regulations accumulate. Without systematic evaluation or resource reprioritization, they lead to inefficiencies and increased burdens on the sectors they oversee (Carrigan and Poole 2015; Berg 2007). Canada's fragmented regulatory landscape compounds this issue.

Reducing the cumulative regulatory burden is not merely a question of preventing new rules from coming on the books. It is about evaluating which rules are outdated, duplicative, or misaligned with today's policy goals. Regulatory regimes should evolve alongside markets, ensuring that well-intentioned rules do not become structural barriers to access, innovation, and productivity. Academic literature emphasizes that effective regulatory reform must be guided by principles of proportionality, risk relevance, and ex ante cost-benefit analysis (Claessens 2006). Streamlining regulations through simplification and coordinated governance enhances financial sector competitiveness while safeguarding consumer outcomes (Iyelolu et al. 2024). International organizations such as the OECD and IMF have also called for periodic reviews of financial regulatory frameworks to eliminate duplication and improve cross-agency coherence. Any simplification must be carefully targeted, since overly broad streamlining can undermine the detailed requirements essential for areas like financial prudential oversight. The IMF has identified Canada's fragmented and multi-layered regulatory system as a structural challenge, highlighting the need for more coordinated supervision and streamlined oversight to avoid inefficiencies and promote market access (Dordevic et al. 2021).

Canada lacks a permanent mechanism for such review. In Ontario, some statutes include individual sunset or review clauses; however, there is no province-wide legal mandate requiring all financial regulations to be revisited on a fixed five-year cycle. A truly systematic, economy-wide review mechanism remains absent. A national initiative to inventory, assess, and, where appropriate, retire

or consolidate regulations, particularly those that impose fixed compliance costs irrespective of business size or consumer impact, would be a crucial step toward a more modern, responsive regulatory system. Provincial governments could empower financial regulators, through multijurisdictional forums such as the Mortgage Broker Regulators' Council of Canada (MBRCC), to "deem" equivalent requirements from other provinces as satisfactory, cutting duplicative burdens for firms operating coast to coast. Any review process, however, must be laser-focused on critical priorities such as capital markets efficiency, fee rationalization, and streamlined investor disclosure.

As we discussed earlier, the need for initiatives that reduce Canada's growing regulatory burden is reflected in the increasing length of compliance documents and the rising costs for financial firms (Bourque and Caracciolo 2024). As other countries, particularly the United States, modernize their regulatory frameworks, Canada must accelerate its red tape reduction efforts (subject to no loss of consumer protection) to maintain a competitive edge. Improved regulatory efficiency would not only reduce compliance costs but also enhance productivity by enabling businesses to allocate more resources toward innovation and growth.

2 Modernized Regulatory Governance Structure

We view oversight and evidence-based regulation-making as mandatory for *significant new financial regulations*. We define "significant" as any regulation that either materially expands the scope of existing regulatory authority, imposes substantial new compliance obligations on firms or advisors, or has the potential to limit consumer access to financial products or services. Specifically, we propose a framework that would include:

- 1) **Problem Assessment and Statement:** Require a clear, data-driven articulation of the issues regulations aim to address, including measurable consumer harm and industry impact. Simply

relying on catch-all concerns, such as conflicts of interest and a perceived potential for harm, is not sufficient in the era of data. New rules, regulations, bans, and compliance obligations should only be introduced through an evidence-driven method and not on a hunch or preference for a type of business model.

2) **Cost-Benefit Analyses:** Mandate transparent evaluation of benefits, costs, and opportunity costs of proposed rules and regulations. This will foster trust, better compliance, and lead to efficient, inclusive financial services. From Bourque and Caracciolo (2024): “among Canadian financial regulators, we struggle to find consistent applications of cost-benefit analysis. OSFI occasionally refers to the practice. Most of the time, however, the actual analysis isn’t published in the form of a thorough stand-alone document. Some good examples of cost-benefit analysis come from the CSA, the OSC (the only securities regulator that must do a cost-benefit analysis any time they amend or implement a new rule), and FSRA. Yet, without detailed guidance systematically applied by all the regulators, these remain rare exceptions rather than the rule.” The uneven use of CBAs means that major regulatory reforms often proceed without a transparent, quantifiable evaluation of costs and benefits, limiting accountability and evidence-based policymaking.³⁰

3) **Transparent Oversight of Regulators:** Modernize governance of regulatory entities by embracing standards that are imposed on private sector companies, including periodic external audits, stakeholder advisory committees with teeth, transparent and publicly available meeting minutes, and key performance indicators. Require all federal and provincial regulators, as well as SROs, to adopt these governance best practices. Some of these are already in place at newer

regulatory bodies with modern principles, such as FSRA. They have publicly posted Stakeholder Advisory Committees and Technical Advisory Committees, along with their meeting minutes. They also regularly publish stakeholder survey feedback and performance metrics on their core functions.

4) **Harmonized Coordination:** Canadian securities regulation is provincially administered but coordinated through the Canadian Securities Administrators’ passport system, which lets firms use their home-jurisdiction registration to operate elsewhere without duplicating approvals. A similar “deeming” or mutual-recognition framework, built into multijurisdictional bodies such as the CCIR, could extend this approach to licensing, privacy, cybersecurity, environmental, social, and governance (ESG), DEI, and other financial-services areas. Regulators would retain their local mandates but gain the flexibility to recognize equivalent standards elsewhere, cutting duplication and compliance costs while preserving provincial authority. Promoting alignment of provincial regulatory actions reduces redundancy, enhances efficiency, and supports cohesive provincial financial regulatory frameworks.³¹

Requiring all significant new financial regulations to undergo a comprehensive cost-benefit analysis and receive due government scrutiny and approval would curb regulatory overreach, ensure that new regulations are necessary and effective, and support a more competitive and dynamic financial market that balances consumer protection with economic growth. Of course, formal government scrutiny should apply equally to proposals that ease or harmonize existing rules, not just to new mandates. By requiring transparent cost-benefit

30 From Bourque and Caracciolo (2024) with respect to the OSC who must do a cost-benefit analysis when they change or implement a new rule: “The published cost-benefit analyses are included in Notices, with no reference to these analyses in the companion policies, which are the key documents where the regulator’s approach and line of reasoning are discussed and explained. Furthermore, there is no interprovincial coordination, making it impossible to produce cost-benefit analyses that are consistent across the entire CSA.”

31 The Heads of Agencies, chaired by the Governor of the Bank of Canada, and which includes federal and provincial regulators, contributes to this objective.

analysis and a structured review process for any material change, whether adding, amending, or repealing regulations, we can guard against both undue overreach and unnecessary inertia, ensuring reforms proceed swiftly when warranted while upholding rigorous accountability. And government scrutiny of proposed new rules and regulations must also occur in a reasonable timeframe so as not to limit their effectiveness – should they meet the aforementioned criteria – by delaying their implementation.

CONCLUSION

Given recent geopolitical developments, Canada must assess all areas of the economy to determine where meaningful reform can advance national competitiveness. Regulation is one of those areas. Effective regulation must be grounded in evidence-based decision-making and focus on clear, data-informed risks. This does not mean that regulatory action must wait until harm occurs. Rather, it means that anticipated risks should be substantiated by research, informed by international experience, and weighed carefully against potential trade-offs. In financial regulation, considerations must include whether regulatory proposals may limit access, reduce inclusion, or impose opportunity costs.

In Canada's financial services, consumer harms often stem not from provider misconduct, but from remaining uninsured, under-saved, and uninvested. As regulations have increased, compliance costs

have climbed. Alongside this increase, we have seen a decline in access to advice for price-sensitive, lower-asset households. Regulatory systems must therefore be nimble enough to guard against real threats yet disciplined enough to avoid pushing up costs, eroding affordability, and shutting out the very Canadians who need guidance most.

By anchoring new regulatory measures in transparent cost-benefit assessments, problem definition, and real-world impact analysis, we can better balance consumer protection with consumer inclusion and economic growth. Streamlining rules and modernizing governance structures would lower compliance burdens, which we believe will help enable broader participation, especially from mass market households. This shift would align regulation with public policy priorities like improving household savings, expanding domestic capital markets, and closing the productivity gap.

Canada's financial services industry holds enormous untapped potential to fuel personal and national economic prosperity. Removing unnecessary regulatory friction is not about weakening oversight but rather about building smarter, more inclusive, and more growth-oriented regulation. Let's unlock that potential.

APPENDIX: A SAMPLE OF FINANCIAL REGULATORY AUTHORITIES IN CANADA

Canada's financial sector is governed by a complex network of federal and provincial regulatory authorities (we summarize a sample in the table below, which still includes 29 different regulators). Federally, institutions such as banks, insurers, and federally chartered trust and loan companies are primarily overseen by the Office of the Superintendent of Financial Institutions (OSFI) for prudential regulation, including federally regulated pension plans, while the Financial Consumer Agency of Canada (FCAC) supervises market conduct in the banking sector. Securities markets fall under the jurisdiction of provincial and territorial authorities, with key bodies such as the Ontario Securities Commission and the *Autorité des marchés financiers* (AMF) playing major roles. These provincial regulators also carry market conduct responsibilities for their local financial services firms. Provincially regulated financial institutions, including credit unions, some insurers, and some pension funds overseen by bodies like FSRA, operate under frameworks established by their respective jurisdictions.

In Québec, for instance, the AMF supervises the province's largest cooperative financial group, which is designated as a Domestic Systemically Important Financial Institution (D-SIFI). Similarly, provincial authorities oversee prudential and conduct oversight for credit unions and *caisses populaires*. Additionally, financial market infrastructures (FMIs) deemed systemically important, or prominent payment systems, are jointly overseen by the Bank of Canada, the Department of Finance, and three key provincial securities regulators (AMF, British Columbia Securities Commission [BCSC], and Ontario Securities Commission). Some public pension funds, meanwhile, operate under independent governance structures, further reflecting the decentralized nature of Canada's regulatory framework.

Table 1: Sample of Financial Regulatory Authorities in Canada

	Regulator	Mandate	URL
Federal Financial Services Regulators and National Umbrella Organizations			
1	Office of the Superintendent of Financial Institutions (OSFI)	Regulates and supervises federally regulated financial institutions to ensure their safety and soundness.	https://www.osfi-bsif.gc.ca/en/guidance
2	Financial Consumer Agency of Canada (FCAC)	Supervises financial institutions to ensure consumer protection and compliance with federal regulations.	https://www.canada.ca/en/financial-consumer-agency/services/industry/laws-regulations/regulations.html
3	Canadian Securities Administrators (CSA)	Coordinates securities regulation through the participation of each province's securities regulatory authority, to protect investors and promote fair and efficient markets.	https://www.securities-administrators.ca/resources/
4	Canadian Investment Regulatory Organization (CIRO)	As an SRO, it regulates investment dealers, mutual fund dealers, and trading activities in Canada's securities markets.	https://www.ciro.ca/rules-and-enforcement
5	Canadian Council of Insurance Regulators (CCIR)	Coordinates the regulation of insurance across Canada through the participation of each provincial insurance regulatory authority to enhance consumer protection.	https://www.ccir-ccra.org/
6	Canadian Insurance Services Regulatory Organizations (CISRO)	Oversees the licensing and conduct of insurance intermediaries across provinces, through the participation of all the provincial insurance market conduct regulators.	https://www.cisro-ocra.com/
7	Financial Transactions and Reports Analysis Centre of Canada (FINTRAC)	Monitors financial transactions to detect and prevent money laundering and terrorist financing.	https://fintrac-canafe.canada.ca/guidance-directives/guidance-directives-eng
8	Credit Union Prudential Supervisors Association (CUPSA)	Coordinates prudential regulation and supervision standards among provincial credit union regulators.	https://cupsa-aspca.ca/home.html
9	Canadian Association of Pension Supervisory Authorities (CAPSA)	Promotes harmonization and best practices among provincial pension regulators for private and public sector pension plans.	https://www.capsa-acor.org/
Provincial Financial Services Regulators			
10	British Columbia Securities Commission (BCSC)	Protects investors and ensures the integrity of BC's capital markets.	https://www.bcsc.bc.ca/securities-law/law-and-policy/act-regulations-rules
11	BC Financial Services Authority (BCFSA)	Regulates British Columbia's financial services, including credit unions, insurance, and pensions.	https://www.bcfsa.ca/about-us/legislation
12	Insurance Council of British Columbia (ICBC)	Licenses and regulates insurance professionals in BC to protect the public.	https://www.insurancecouncilofbc.com/
13	Alberta Insurance Council	Governs the licensing and conduct of insurance agents and brokers in Alberta.	https://www.abcouncil.ab.ca/licensee-resources/insurance-act-regulations/
14	Alberta Security Commission (ASC)	Regulates Alberta's capital markets to protect investors, foster fair and competitive markets, support capital formation, and help maintain the stability of Alberta's financial system.	https://www.asc.ca/
15	Alberta Superintendent of Insurance	Supervises the insurance industry in Alberta, including enforcing insurance laws and regulations.	https://www.alberta.ca/insurance-superintendent-bulletins-notice-enforcement

Table 1: Continued			
16	Financial and Consumer Affairs Authority of Saskatchewan (FCAA)	Regulates insurance, pensions, securities, and consumer protection in Saskatchewan.	https://fcaa.gov.sk.ca/regulated-businesses-persons/businesses/insurance-companies-special-brokers-and-unlicensed-insurers
17	Insurance Council of Manitoba	Regulates the insurance sector in Manitoba, including agent licensing and conduct standards.	https://icm.mb.ca/legislation17
18	Ontario Securities Commission (OSC)	Regulates Ontario's capital markets to protect investors, foster fair and competitive capital markets, foster capital formation, and contribute to the stability of Ontario's financial system.	https://www.osc.ca/en
19	Financial Services Regulatory Authority of Ontario (FSRA)	Regulates financial services and pensions in Ontario, promoting fair treatment and protecting consumers and pension plan beneficiaries.	https://www.fsrao.ca/regulation/regulation
20	Autorité des marchés financiers (AMF)	Regulates Quebec's financial sector, including insurance, securities, and deposit institutions.	https://lautorite.qc.ca/en/professionals/regulations-and-obligations
21	Nova Scotia Securities Commission (NSSC)	Regulates the securities industry in Nova Scotia to protect investors and foster fair markets.	https://nssc.novascotia.ca/
22	Prince Edward Island Office of the Superintendent of Securities	Oversees securities regulation in PEI to protect investors and ensure market integrity.	https://www.princeedwardisland.ca/en/information/justice-and-public-safety/securities
23	Financial and Consumer Services Commission of New Brunswick (FCNB)	Regulates securities, insurance, pensions, and consumer affairs in New Brunswick.	https://www.fcnb.ca/en
24	Financial Services Regulation Division, Newfoundland and Labrador	Oversees the regulation of financial services, including insurance and securities, in Newfoundland and Labrador.	https://www.gov.nl.ca/dgsnl/
25	Office of the Superintendent of Securities, Northwest Territories	Regulates securities activities to protect investors in the Northwest Territories.	https://www.justice.gov.nt.ca/en/divisions/legal-registries-division/securities-office/
Other Regulatory Bodies Impacting Financial Services			
26	Office of the Privacy Commissioner of Canada (OPC)	Ensures compliance with privacy laws and protection of personal information in financial institutions.	https://www.priv.gc.ca/en/privacy-topics/privacy-laws-in-canada/the-personal-information-protection-and-electronic-documents-act-pipeda/pipeda-compliance-help/pipeda-compliance-and-training-tools/
27	Competition Bureau	Enforces laws to prevent anti-competitive practices that could harm consumers in financial markets.	https://competition-bureau.canada.ca/
28	Canada Revenue Agency (CRA)	Enforces tax compliance for financial institutions, including FATCA and CRS regulations.	https://www.canada.ca/en/revenue-agency/services/forms-publications.html
29	Canadian Radio-television and Telecommunications Commission (CRTC)	Regulates and supervises broadcasting and telecommunications in Canada, including "Do Not Call" regulations.	https://crtc.gc.ca/eng/dno.htm

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