



VIA E-MAIL

October 31, 2025

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission of New Brunswick
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Service NL
Northwest Territories Office of the Superintendent of Securities
Office of the Yukon Superintendent of Securities
Nunavut Securities Office

Attention:

The Secretary
Ontario Securities Commission

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Corporate Secretary and
Executive Director, Legal Affairs
Autorité des marchés financiers

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Re: Canadian Securities Administrators Consultation Paper 81-409 – *Enhancing Exchange-Traded Fund Regulation: Proposed Approaches and Discussion*

OVERVIEW

The Portfolio Management Association of Canada (**PMAC**) is pleased to have the opportunity to submit the following comments on the Canadian Securities Administrators (**CSA**) Consultation Paper 81-409 – *Enhancing Exchange-Traded Fund Regulation: Proposed Approaches and Discussion* (the **Consultation**).

PMAC represents over 330 investment management firms registered to do business in Canada as portfolio managers with the members of the CSA. Approximately 60% of PMAC's

members are also registered as investment fund managers (**IFMs**). PMAC's members encompass both large and small firms managing total assets in excess of \$4 trillion as fiduciaries for institutional and private client portfolios. PMAC's mission statement is "advancing standards". We are consistently supportive of measures that elevate standards in the industry, enhance transparency, improve investor protection, and benefit the capital markets as a whole.

GENERAL COMMENTS

We acknowledge the significant growth in popularity and innovation of exchange-traded funds (**ETFs**) since their introduction in the early 1990s and applaud the CSA's decision to begin this project by gathering evidence, culminating in the Ontario Securities Commission's ETF Study (the **OSC Study**). Any changes to the ETF regulatory regime should be evidence-based and subject to testing, including behavioural testing with investors. An analysis of the regulatory and cost burden should be conducted, including consultation with registrants.

While we agree with some of the concepts proposed in the Consultation, we caution against the wholesale changes to the ETF regulatory regime that the Consultation contemplates. In our view, elements of the proposals are overly prescriptive and will increase the regulatory burden and costs for IFMs, without a corresponding improvement in investor outcomes; we are also concerned that some of the proposals could contribute to information overload, particularly for retail investors.

For example, the Consultation proposes a prescriptive new regime of policies and procedures, including the content of those policies and procedures. It also proposes daily disclosure of prescribed metrics, and disclosures related to the primary market. These elements will add to the compliance burden of IFMs, which is at odds with the CSA's stated aims of ensuring regulation is right-sized and to reduce regulatory complexity.¹ We do not believe the daily disclosure would be useful to investors, and the primary market disclosure may cause confusion, since investors do not invest in the primary market. Additionally, the proposals described in the Consultation would carry a significant cost for IFMs to comply with, and demonstrate their compliance. These increased costs would arrive at a time when the costs to offer ETF products to Canadians is already rising. In 2024, the British Columbia Securities Commission significantly increased the participation fees it charges to ETFs available in British Columbia's capital markets.² In 2025, the Autorité des marchés financiers proposed to increase the filing fees for prospectuses and ETF facts documents, and to continue increasing fees annually in accordance with the rate of increase of the consumer price index.³ Further disharmony between CSA members regarding participation fees will make it more expensive for firms to offer ETFs to Canadian investors.

¹ CSA Business Plan, 2025-2028, [page 6](#).

² [BC Notice 2024/01 Fee Changes](#).

³ *Regulation to amend the Securities Regulation*, ss. [2\(b\)](#) and [14](#).

It is unclear to us why this increased burden might be necessary; we note that two of the key findings of the OSC Study were that “overall, most Canadian ETFs were liquid and well-functioning as measured by tight quoted spreads and narrow price deviation from [net asset value]”, and that the only period where these measures “widened substantially” was during the period of extreme market stress at the onset of the COVID-19 pandemic.⁴ Even in the latter case, these issues resolved within months.

We are concerned that the CSA is considering an overly prescriptive regulatory regime to address a problem that may not exist. We encourage the CSA to ensure that any additional burden placed on firms is justified by evidence and subject to a rigorous cost/benefit analysis.

We provide additional details in our response to the consultation questions below.

KEY RECOMMENDATIONS

1. Avoid prescriptive requirements for policies and procedures.

We are not in favour of the prescriptive proposals in the Consultation, including the proposed content of specific policies and procedures. If a final rule includes any requirement to maintain policies and procedures, we urge the CSA to follow a principles-based approach. We believe that principles-based regulation is preferable, as it is adaptable to various business models and sizes, and can evolve over time as the industry and product and service offerings change.

2. Minimize additional disclosure requirements; any new disclosure should be decision-useful, evidence-based and supported by behavioural research.

The Consultation proposes that IFMs would be required to make extensive additional disclosure, but does not include information about why the CSA believes disclosure of these elements would assist investors in their investment decision-making. With respect to disclosure about the arbitrage mechanism and liquidity, our members do not view information about the primary market to be of any relevance to an investor’s investment decisions, because investors in ETFs do not operate in the primary market, but purchase ETFs on the secondary market. We believe this additional information will add confusion and information overload for investors. We also urge the CSA to consider whether the evidence supports the compliance burden imposed on firms to prepare and maintain additional disclosure as set out in the Consultation.

⁴ OSC ETF Study - *An Empirical Analysis of Canadian ETF Liquidity and the Effectiveness of the Arbitrage Mechanism*, June 2025, p. [3](#).

3. Improve the competitiveness of Canadian asset management industry.

Canada is fortunate to have a thriving asset management sector, whose participants were pioneers of the ETF industry and innovators in shaping ETFs as these products have developed. Any changes to the ETF regulatory regime in Canada should be made with a view to improve the competitiveness of Canadian IFMs.

DISCUSSION

Policies and Procedures

- 1. Are any of the proposed elements for the proposed policies and procedures for the creation and redemption of units unnecessary or not useful? Are there additional elements that should be included in these policies and procedures?***

All of the concepts proposed for policies and procedures are already set up by IFMs as a matter of course to transact in the primary market. We therefore question the need to develop and maintain prescribed policies and procedures and to develop a program to demonstrate compliance. Firms should have the ability to design the policies and procedures that work best for their business. These prescriptive rules have the potential to disproportionately impact smaller firms.

- 2. Are there specific elements of the policies and procedures that should be disclosed in the prospectus to provide investors with useful information about the primary market mechanism for the ETF and potential risks?***

We do not believe that any elements proposed to be included in the policies and procedures would be useful information to investors. As investors do not transact in the primary market, information about the primary market mechanism for ETFs might cause confusion. We note that the prospectus requirements already include disclosure about purchases and redemptions.⁵ If additional disclosure is contemplated, it should be subject to behavioural testing among investors to ensure that it is useful and proportional.

Disclosure

- 3. Does the proposed term "closing price" and the proposed definition of this term appropriately represent the secondary market value of an ETF's security?***

It is our understanding that defining "closing price" with reference to the listing exchange may pose practical problems, as most trading does not occur on the listing exchange. Additionally, different exchanges may calculate closing price in a different way.

⁵ Form 41-101F2 *Information Required in an Investment Fund Prospectus*, [Item 14](#) and [Item 15](#).

- 4. For ETFs that do not calculate NAV as of the closing time of the listing exchange, would using the value that is the midpoint between the best bid and best offer on the listing exchange as of the time of NAV calculation appropriately represent the secondary market value of the securities of such ETFs?**

In our understanding, it is industry practice to calculate NAV as of the closing time; it would be very unusual for an ETF to calculate NAV at some other time.

- 5. Is the 2% premium/discount threshold appropriate to help identify ETFs that present significant deviations from NAV over a period of more than seven consecutive business days?**

We do not believe that any premium/discount threshold reporting threshold is necessary. It is our understanding that no ETF in 2025 has deviated over 2% from NAV for more than seven consecutive business days.

- 6. In addition to presenting historical premiums/discounts in a line graph as proposed, would it be beneficial to require ETFs to make their daily NAV per security, closing price, and premium/discount data for the past two calendar years available for download?**

We do not agree with the proposal that ETFs should be required to present historical premiums/discounts in a line graph. While daily NAV might be a useful evaluation metric and many ETFs already display a daily NAV on their websites, we do not consider downloadable, historical daily NAVs, closing price and premium/discount data for two calendar years to be useful disclosure. This would represent a cost to IFMs, who would incur expenses to prepare, host and maintain this information so that it is available for download.

- 7. Are there alternative metrics or data presentations to those proposed that would help investors assess the functioning of the ETF's arbitrage mechanism and the liquidity of the ETF's securities on the secondary market?**

If ETFs are required to present any data, 30-day median bid-ask spreads might be an appropriate metric to assess the functioning of the arbitrage mechanism. We would propose this be included in the ETF Facts as that would be consistent with other similar data disclosed in the ETF Facts.

- 8. To what extent would the proposed website disclosure requirements increase costs for ETFs, taking into consideration the pricing information that is currently required in the ETF facts document?**

Ongoing data costs would increase for IFMs and would vary from firm to firm. It is our understanding that significant customization might be required, as the pricing data typically

originates from listed exchanges rather than the regulated consolidated feed. Additionally, most websites are managed by third-party providers, which would require oversight. The monitoring of the information presented on the website would require additional resources, as would translation of the information to both French and English. These increased costs would be disproportionately higher for smaller IFMs.

9. *Should the ETF facts document include information about premiums/discounts in the "Pricing Information" table, such as including the mean of the daily premiums/discounts over the 12-month period ending within 60 days of the date of the ETF facts document?*

Some members suggested that the ETF Facts could contain the high, low and average of the daily premiums/discounts over the 12-month period ending within 60 days of the date of the ETF Facts document. Others suggested that the ETF Facts document could include the median bid/ask spreads for the preceding 30, 60, 90 days and one year.

Monitoring Arbitrage Mechanism and Liquidity

10. *Does the proposed policies and procedures requirement offer sufficient flexibility for ETF manager monitoring?*

We urge that any final rule should be principles-based and should not prescribe the content of any policies and procedures. The IFM should have the ability to create policies and procedures that work best for its business.

11. *Should the policies and procedures include other specific metrics that should be monitored?*

As described above in the answer to question number 10, we do not agree that any final rule should prescribe any specific metrics to be included in any policies and procedures. The content of any policies and procedures should be determined by the IFMs.

12. *Do ETF managers make arrangements for liquidity provision with dealers that are not APs?*

Our members are not aware of any such arrangements.

13. *Would disclosing the ETF manager's parameters on the ETF's website provide context for investors and help them evaluate the trading information proposed to be disclosed on the ETF's website?*

We do not believe this information would provide useful context for investors. The average investor does not likely consider the metrics or parameters an IFM monitors to assess arbitrage and liquidity when making investment decisions about whether to buy, hold or sell ETFs. Information of this nature could cause investor confusion and is not relevant to investors' investment decisions.

AP Arrangements

14. *Is information regarding an ETF's arrangements with its APs important for an investor's evaluation of an ETF?*

This information is not likely relevant to an investor's evaluation. Investors are likely not familiar with the role of market-makers and this additional information would not likely add value to their investment decision; individual investors cannot transact in the primary market like APs. We believe that investors are more likely to consider other factors such as an ETF's investment objectives and/or strategies and past performance.

An ETF's agreements with its designated brokers and authorized participants (**APs**) would not typically include sufficient detail to be useful to any investor, are operational in nature and generally standard across the industry. An ETF's agreement with its designated broker typically requires the designated broker to provide initial seed capital and gives them the ability to create and redeem units. Agreements also provide that a designated broker must make markets in the ETF in accordance with stock exchange rules, but do not typically specify other parameters. Requiring IFMs to disclose information of this nature could lead to information overload for investors.

15. *Would the proposal to include each agreement to act as an AP for the ETF as a document required to be filed with the prospectus and listed under the "Material Contracts" heading in the prospectus provide investors with useful information about the ETF's arrangements with its APs?*

Filing each AP agreement would not likely provide any useful information to investors and would add complexity during the filing process. Form requirements dictate that a prospectus must include a description of the key terms of each material contract. In practice, these disclosures would need to be vetted by every AP to an ETF.

As stated above in the answer to Question 14, we do not believe that disclosure about the operation of the primary market would add value for investment decision-making and could lead to information overload for investors.

16. *Should an ETF's agreement with its designated broker be required to be filed with the ETF's prospectus as a required document under s.9.1(1)(a)(iv) of NI 41-101 and disclosed under Item 31 (Material Contracts) of Form 41-101F2 Information Required in an Investment Fund Prospectus?*

An ETF's agreement with its designated broker is not likely to be relevant to investors. As stated above in the answer to Question 14, we do not believe that disclosure about the operation of the primary market would add value for investment decision-making and could lead to information overload for investors.

17. Do ETF managers provide information to determine the ETF's underlying value and information for the creation and redemption of units to market participants other than APs in order to foster a more diverse pool of potential arbitrageurs?

IFMs do not generally provide this information to market participants other than APs. We do not believe that providing portfolio composition to participants other than APs is necessary as those participants would not be authorized to create or redeem units directly. This information is sensitive proprietary information related to the IFM's investment strategy and decision-making. IFMs would not generally share this information with entities other than APs, as those other entities would not have agreements in place with the IFM addressing issues such as confidentiality or including other measures to prevent front-running.

18. Does having only one AP pose undue risk for the primary market? Are there obstacles for ETFs to contract with at least two APs?

Relying on a single AP may pose an operational and business risk. However, having multiple APs does not guarantee that those APs are active in the market. ETFs with agreements with more than one AP can be functionally operating with only one AP if only one of those APs quotes.

While working with a single AP is not ideal, the number of APs may depend on factors such as the size and type of fund (equities vs. bonds). Additionally, ETFs could be based on a strategy that can only be executed by one or a small pool of APs who have specialized knowledge or expertise, or be based on a novel product (such as crypto, for example), that initially attract limited interest from APs. ETFs with smaller AUMs or less liquidity might have difficulty attracting multiple APs. Requiring ETFs to have more than one AP would represent a disproportionate burden on smaller firms and could discourage or prevent small IFMs from launching new ETFs, which could diminish competition in the marketplace.

19. Would the presence of a second AP (and therefore, the potential for competition) help mitigate concerns associated with a single AP potentially not maintaining efficient arbitrage to align the market price of the ETF closely to the underlying value?

As described above in the answer to Question 18, we agree that the presence of more than one AP could help to diminish arbitrage risk; however, we do not agree that this should be a requirement in all circumstances, since there are factors that may influence the number of APs for a particular ETF. We also note that OSC Study did not appear to identify any issues with spreads; presumably the ETFs reviewed for the OSC Study included ETFs with only one AP.

20. *If an ETF has only one AP due to specific obstacles in contracting with more APs, should exclusive arrangements with the AP be prohibited, thereby making it possible for the ETF to contract with additional APs once the obstacles do not exist?*

We would not recommend that any final rule include an outright prohibition of exclusive arrangements. We would support a restriction on the length of time an exclusive arrangement could run. These arrangements might arise as a function of commercial necessity, where an AP expends resources and takes on risk to create a market for a particular ETF in exchange for exclusivity. Additionally, existing securities regulation may sufficiently protect against the risks of such arrangements; for example, an exclusive arrangement might be a conflict of interest that is required to be examined and approved by an investment fund manager's independent review committee (IRC) under NI 81-107.

21. *If an ETF only has one AP, should the name of the AP be prominently disclosed in the prospectus or ETF facts document, for example, under Items 14 (Purchases) and 15 (Redemptions) of Form 41-101F2 and under Item 2, Part I of Form 41-101F4 (Quick Facts table), to inform investors of the ETF's reliance on the sole AP?*

Existing securities regulations require an ETF to make full, true and plain disclosure of all material facts, and ETFs are also required to describe risk factors. While disclosing that an ETF has one AP might be captured by these existing obligations, that disclosure should be left to the discretion of the ETF. We do not agree that ETFs should be required to disclose the name of any sole AP. Investors might not be familiar with APs by name, and the identity of the AP would not likely inform their decision whether to invest in the ETF.

Addressing Information Asymmetry Concerns

22. *Should ETFs continue to be allowed to determine the type of valuation information they provide to facilitate the arbitrage mechanism?*

IFMs should continue to be permitted flexibility in the information they provide, to protect active strategies and their proprietary portfolios. It is usually in the IFM's best interest to provide APs with as much information as possible to reduce the bid-ask spread for an ETF.

23. *Do our proposals, as outlined in subsection III.D.5, sufficiently address the risks of information asymmetry?*

It is not clear to us that there is a risk of information asymmetry that would justify the prescriptive proposals outlined in subsection III.D.5. We note that in 2016, OSC Staff reviewed ETF disclosure practices, specifically with respect to whether disclosing an ETF's daily portfolio holdings to APs without concurrently disclosing the same information to the public creates a material information asymmetry between the APs and other investors. As part of its review, OSC Staff met with ETF managers, the Investment Industry Regulatory

Organization of Canada (**IIROC**) the TSX and other market participants. OSC Staff determined that at the time, only approximately 3% of the ETF market did not disclose portfolio holdings to the public daily. This segment of the market represented actively managed ETFs that considered portfolio holdings to be confidential proprietary information. OSC Staff concluded that “access to actively managed ETFs affords additional choices to investors, and that any risks from asymmetric information can be limited by IIROC’s oversight through its [Trading Conduct Compliance] reviews”. OSC Staff noted that it would recommend appropriate regulatory action “if the product landscape changes and we find any harm to investors or the public interest as a result of the current portfolio practices”.⁶ The Consultation does not identify any material change to the product landscape or any resulting harm to investors or the public interest since the OSC’s review of these disclosure practices that would explain the proposed change.

24. Do you agree that permitting ETFs to provide full portfolio holdings (or other valuation information) daily only to APs for market making purposes strikes an appropriate balance between offering investors more product choice and the potential risks of information asymmetry?

We agree that APs should have daily portfolio valuation information for market making purposes, and agree that ETFs should retain the discretion regarding whether and at what frequency they disclose their full portfolio holdings.

We note that ETFs are already required to provide extensive holdings disclosure on a quarterly basis and full holdings disclosure twice annually. Pursuant to National Instrument 81-106 *Investment Fund Continuous Disclosure*, ETFs are required to make annual and quarterly portfolio holdings disclosure that includes: (a) a breakdown of the ETF’s entire portfolio into appropriate subgroups, showing the percentage of the ETF’s NAV constituted by each subgroup; and (b) the ETF’s top 25 positions as a percentage of NAV.⁷ ETFs are also required to file a statement of investment portfolio as part of its annual and interim financial statements.⁸ The statement of investment portfolio must disclose, among other information, the name of the issuer of the asset, the cost of the asset and its current value, for all assets held by the ETF.⁹ We are of the view that this information is sufficient for investors to make an informed decision, while protecting the IFM’s proprietary information.

⁶ [“Portfolio Disclosure Practices of Exchange-Traded Funds”](#), OSC Investment Management Brief, December 1, 2016.

⁷ NI 81-106 *Investment Fund Continuous Disclosure* [**NI 81-106**], s. [6.2](#); Form 81-106F1 *Contents of Annual and Interim Management Report of Fund Performance*, Parts B and C, [Item 5](#).

⁸ NI 81-106, ss. [2.1\(1\)\(e\)](#) and [2.3\(e\)](#).

⁹ NI 81-106 s. [3.5\(1\)](#).

25. Do the proposed policies and procedures regarding an ETF's disclosure of portfolio information for valuation and its disclosure of portfolio information to the public outlined in subsection III.D.3 cover the key elements for portfolio information disclosure?

Similar to our response to Question 1, we do not agree that any new rule should prescribe the policies and procedures an ETF must have in place for valuation and its disclosure of portfolio information to the public. If the CSA proceeds with any new rule-making, we strongly urge that it be principles-based and grant firms flexibility to create any necessary policies or procedures as they deem necessary. Further, we do not believe that ETFs should be required to disclose their processes for how information is shared with the public and APs on their website.

26. Would the proposed disclosure requirements regarding an ETF's Portfolio Holdings Disclosure Policy in the ETF's prospectus and website provide sufficient information about the public availability of information regarding the ETF's portfolio holdings and the portfolio information that it provides to facilitate arbitrage?

We do not agree that the proposed disclosure requirements are necessary. The amount of disclosure required to meet an ETF's existing prospectus disclosure obligations should be left to the professional judgment of the issuer. Prescribing detailed disclosure of specific policies could lead to investor confusion, information overload and distraction from other prospectus disclosure.

Requiring ETFs to disclose their policies on their websites would also be a significant departure from current practice. Generally, ETFs are not currently required to disclose any policies on their websites; any policy disclosure is made in a prospectus.

27. Does the proposed defined term "daily transparent ETF" effectively convey to investors that such an ETF discloses its full portfolio holdings to the public daily?

We do not agree that a defined term is necessary. From our review of the Consultation, the proposed defined term forms part of the prescriptive Portfolio Holdings Disclosure Policy requirements and related prospectus and website disclosure, which we address above in response to Question 26.

Several commentators shared the view that using the term "daily transparent" for ETFs that disclose their full portfolio holdings publicly on a daily basis creates a possibly negative connotation for ETFs that do not. We suggest that if the CSA ultimately decides to create a term to define these products, that the CSA consider phrasing that simply indicates the frequency of portfolio holdings disclosure (e.g. "daily holdings disclosure").

28. *Should ETFs be required to publish an iNAV and why?*

We do not agree that ETFs should be required to publish an iNAV. An iNAV only serves as a proxy and does not provide real-time information for bonds/international securities (where underlying markets are closed) or of the value of ETFs that hold frequently traded component securities. We share the CSA's concern that an iNAV could be confusing for investors, who might interpret the iNAV as representing the current value of an ETF even though underlying markets have moved. An iNAV could be misleading or confusing to less sophisticated investors.

29. *Should ETFs be required to provide public disclosure of full portfolio holdings on a less frequent and/or delayed basis, such as at the end of each month, with a delay of no more than 30 days?*

As stated in response to Question 22, fund holdings disclosure should be at the discretion of the manager depending on the ETF and its strategy and in order to protect any proprietary data for such ETFs. Additionally and as stated above, ETFs are already making extensive portfolio disclosure on an annual, semi-annually and quarterly basis. It is not clear that requiring ETFs to make more frequent delayed disclosure would improve upon the existing requirements.

Offering an Exchange-Traded Series Together with Unlisted Series

30. *Are there differences between investing in an exchange-traded series and a standalone ETF in addition to those discussed above?*

Some differences exist between investing in an exchange-traded ETF series and a standalone ETF. Investors in an exchange-traded series may benefit from leveraging performance history, cost sharing and a larger asset pool of an existing mutual fund. Disadvantages might include losing the externalization of costs that a standalone ETF might have, though that benefit may not apply to standalone ETFs that have a cash basket.

With respect to potential conflicts, we would expect that any conflicts would be addressed under existing securities regulations and by an IFM's IRC.

31. *Are there costs attributable only to unlisted series (such as costs attributable to purchases or redemptions of unlisted series, as discussed above) that are shared with the exchange-traded series?*

Costs would only be attributable to an unlisted series if the ETF series has an “in kind” basket and no cash basket. However, existing securities regulations govern allocation of expenses to investment funds, as clarified by OSC staff in Staff Notice 33-743.¹⁰

32. *Is additional disclosure necessary to inform investors of the differences between investing in an exchange-traded series and a standalone ETF?*

We believe current disclosure requirements are sufficient.

33. *Should there be a restriction on switches to and from exchange-traded series?*

We do not believe that it is a common practice that investors are permitted to switch between mutual fund series and exchange-traded series, but do not agree that a new regulatory restriction is necessary. Functionally, we understand that there are operational impediments that prevent investors from switching between mutual fund series and exchange-traded series.

Competitiveness of the Canadian Asset Management Industry with Foreign Products in Canada

Given that the ETF market is highly competitive, and that Canadian investors are able to access foreign ETFs including ETFs from the United States, the focus of any changes the CSA makes to the existing ETF regulatory regime should be on supporting and improving the competitiveness of the Canadian asset management industry.¹¹ We note that several elements proposed in the consultation could hinder competitiveness by increasing costs and administrative and regulatory burden for Canadian IFMs. At the same time, Canadian IFMs are contending with increasing and unharmonized fees charged by individual CSA jurisdictions to offer ETFs to Canadian purchasers. These costs have a significant impact on Canadian issuers, and a disproportionate impact on smaller independent firms. We urge the CSA to avoid increasing this regulatory burden and the fees required of Canadian IFMs, which make it harder to compete with foreign issuers.

¹⁰ [OSC Staff Notice 33-743](#), *Guidance on sales practices, expense allocation and other relevant areas developed from the results of the targeted review of large investment fund managers*, June 19, 2014.

¹¹ As the CSA notes in the Consultation, as of December 2024, U.S.-listed ETFs represented approximately \$108 billion or 25% of total ETF assets (Canadian and U.S.-listed) held by Canadian retail investors.

CONCLUSION

We appreciate the CSA's work on this important consultation and the research it has already performed to study the ETF industry in Canada. The CSA should continue researching and testing to determine what information is relevant to investors' decision making. We urge that any new regulatory regime for ETFs should be flexible and principles-based. We also encourage the CSA to consider the burden any additional regulations may pose for industry participants, and whether that burden is borne disproportionately by smaller firms.

We would be pleased to discuss our recommendations further with you. If you have any questions please contact Katie Walmsley (kwalmsley@pmac.org) or Victoria Paris (vparis@pmac.org).

Sincerely,

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