

DELIVERED BY EMAIL

January 31, 2022

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 (New Brunswick)
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island
Nova Scotia Securities Commission
Superintendent of Securities, Newfoundland and Labrador
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon
Superintendent of Securities, Nunavut

c/o The CSA Secretariat
C.P. 400, Place Victoria
800, rue du Square-Victoria, suite 2002
Montreal, QC H4Z 1J2
csa-acvm-secretariat@acvm-csa.ca

Dear Sirs/Mesdames:

Re: CSA Staff Notice and Request for Comment 11-343 - *Proposal to Establish a CSA Investor Advisory Panel*

Wealthsimple is pleased to provide comments to the Canadian Securities Administrators (CSA) on their proposal to establish an Investor Advisory Panel to further enhance retail investor protection. We support the CSA's efforts to establish a panel to represent the interests of retail investors in pan-Canadian policy development activities.

Our mission is to help everyone achieve financial freedom, no matter who they are or how much they have. We started by providing smart, simple investing, without the high fees and account minimums associated with traditional investment management, through our Wealthsimple Invest product. Since the launch of Wealthsimple Invest, we have introduced more ways for our clients to reach their goals and manage their money. We operate an online brokerage platform that provides commission-free trading and high-interest savings through our Wealthsimple Trade product. In 2021, we launched Canada's first regulated crypto trading platform. More than 1.5 million Canadians use Wealthsimple products, and we have more than \$15 billion assets under administration.

We support the CSA's efforts to improve the retail investment experience and expand investor protection through establishing the Investor Advisory Panel. We are committed to making investing more accessible and less intimidating, particularly for first-time and younger investors. We look forward to working with the Investor Advisory Panel in its efforts to improve the investment experience for these investors.

Past research conducted by Canadian securities regulators has shown that the traditional investing environment can put up barriers to investing for certain demographics. For example, the OSC's research on millennials, published in OSC Staff Notice 11-782 (July 12, 2018), outlined three barriers to engaging Ontario's millennials:

- low motivation to taking action when potential benefits are uncertain and distant in time,
- complex and unfamiliar environments like investing, are overwhelming and discouraging, and
- triggers for building confidence with investing are difficult to design due to the other barriers and because approaches to investing are very dependent on an individual's circumstances.

Our own experience, as the operators of a digital advice platform and a self-directed trading platform popular with millennial and Generation Z investors, has shown that the lowest point in the customer journey for first-time investors is the "discovery phase", when prospective investors are just starting to learn about investing and deciding on a course of action. Therefore, we encourage the CSA to appoint members to the Investor Advisory Panel who represent younger investors, to ensure that their perspectives are included in regulatory initiatives aimed at improving the investing experience.

We believe it is essential that all Canadians can access and use simple and affordable investment tools that position them for long-term financial success. We therefore believe that the Investor Advisory Panel's terms of reference should include an explicit reference to promoting regulatory initiatives that remove barriers to responsible investing. The Investor Advisory Panel should work together with regulators and industry to address gaps for under-served investors, including:

- rethinking engagement strategies,
- reassessing the meaning of investor protection, and
- approaching new ideas with an open mind.

The Investor Advisory Panel's work should also include ongoing measurement of, and reporting on, investor diversity. An important objective for both regulators and industry should be an increase in the overall diversity of the investor population.

Finally, we encourage the CSA to appoint representatives to the Investor Advisory Panel who are knowledgeable in crypto asset trading. We support the CSA's efforts to strengthen oversight of crypto asset trading platforms. However, we believe that there is a need for broad and transparent consultation among policymakers and regulators to achieve the appropriate balance to regulating crypto asset platforms that protects investors and promotes responsible innovation. Therefore, we

believe that the Investor Advisory Panel requires members with expertise in the crypto asset sector.

We would be pleased to meet with the Investor Advisory Panel once it is established to provide qualitative and quantitative input on the challenges we believe our clients face from the current investing environment. We hope that our comments will be considered positively by the CSA and helpful in establishing the Investor Advisory Panel. We welcome the opportunity to discuss our comments with you.

Yours very truly,

“Blair Wiley”

Blair Wiley
Chief Legal Officer
Wealthsimple