



Thursday, September 11, 2025

**Letter to the Canadian Securities Administrators (CSA)**

Alberta Securities Commission  
British Columbia Securities Commission  
Financial and Consumer Services Commission (New Brunswick)  
Financial and Consumer Affairs Authority (Saskatchewan)  
L'Autorité des marchés financiers (Québec)  
Manitoba Securities Commission  
Northwest Territories Superintendent of Securities  
Nova Scotia Securities Commission  
Office of the Superintendent of Securities (Nunavut)  
Ontario Securities Commission  
Prince Edward Island Office of the Superintendent of Securities Service NL (Newfoundland and Labrador Securities Regulation)  
Yukon Superintendent of Securities

c/o Meg Tassie, Senior Advisor, Legal Services  
Capital Markets Regulation, British Columbia Securities Commission  
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c/o The Secretary, Ontario Securities Commission  
20 Queen Street West 22nd Floor, Box 55  
Toronto, Ontario M5H 3S8  
[comments@osc.gov.on.ca](mailto:comments@osc.gov.on.ca)

c/o Philippe Lebel, Corporate Secretary and Executive Director, Legal Affairs  
Autorité des marchés financiers  
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Québec (Québec) G1V 5C1  
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Dear Sirs/Mesdames:

**Re: CSA Notice and Request for Comment 25-314 - Proposed approach to oversight and refinements to the proposed binding authority framework for an identified ombudservice issued July 15, 2025**

The **Canadian Independent Finance and Innovation Counsel (CIFIC)**, on behalf of the Investment Dealers it represents, would like to provide additional comments in order to help the CSA finalize its framework for a binding authority regime for the Ombudsman for Banking Services and Investments (OBSI).

The Canadian Independent Finance and Innovation Counsel represents more than 40 national Investment Dealers and their industry's position on securities regulation, public policy, and industry issues. We represent notable CRO-regulated Investment Dealers in the Canadian securities industry.

**The Importance of Having a National and Efficient System**

Accessible, fair, and efficient ombudservices for Canadian retail investors is an important public interest objective. We support the intended outcome of the proposal by Canada's securities regulators to confer binding authority on a national independent dispute resolution service ("IDRS").

**Proposal for Public Comment**

We thank the CSA for issuing this proposal for public comment, and for doing so in direct response to our earlier request.

As the valuable feedback to the CSA's 2023 Notice and Request for Comment raised several important issues, the Investment Dealers we represent thought a new, more focused round of consultation should be undertaken in order to ensure that the final framework for a binding authority regime strengthens and enhances the current process for all stakeholders.

**Addressing the Limitation Period**

The Investment Dealers we represent do not support retaining a six-year limitation period for OBSI complaints. We strongly believe the limitation period should align with the statutory civil limitation periods in most Canadian provinces, which are generally two years.

We remain concerned by the proposal to maintain a six-year limitation period. Where most provinces apply a two-year standard for civil matters, and Québec applies a three-year period, the proposal for OBSI to operate under a six-year period represents a significant deviation, particularly when OBSI would be acting with binding authority in a quasi-judicial capacity.

The rationale behind shorter statutory limitation periods is well established: as time passes, it becomes increasingly difficult for defendants to mount a fair and complete defense due to fading memories and the unavailability of key witnesses. While dealers are obligated to document client interactions and preserve records, the practical reality is that advisors often retire, move to other firms, or otherwise become unavailable. Without the benefit of their direct input, dealers are left attempting to defend themselves with documents alone, which rarely provide the full context needed for a fair resolution.

Although some may argue that recordkeeping obligations are sufficient, in practice, written documentation cannot replace the nuance of first-hand recollection. For this reason, we strongly urge the CSA to harmonize OBSI's limitation period with the civil statutes across Canada. Doing so would better align with established principles of fairness, consistency, and finality, while still preserving robust investor protections.

Furthermore, limitation periods serve a crucial role in providing finality to both investors and firms. A two-year window encourages clients to raise concerns promptly, when evidence is available and recollections are fresh. A six-year period undermines the principle of certainty, exposing firms to stale claims that would otherwise be barred under law.

For these reasons, we respectfully recommend that the CSA direct OBSI to adopt a limitation period that is harmonized with provincial civil limitation statutes. Complaints should be made subject to the limitation period of the province or territory where the complainant lives. This would give complainants at least two years to make a complaint to OBSI after becoming aware of relevant circumstances. We believe that a two-year period, commencing from the point at which the investor could reasonably be expected to have knowledge of a potential claim, represents a fair and balanced standard. This alignment would provide consistency, fairness, and efficiency across all forums, while ensuring that investor complaints are addressed in a timely and evidence-based manner.

#### New Refinement – When Stage 1 Recommendation is \$75,000 or More

As per the proposal, if the Stage 1 recommendation is \$75,000 or more, Stage 2 must be handled by external decision-maker(s) from a CSA-approved roster, each of whom should be trained on OBSI's fairness standards.

We welcome the proposed new process and would defer to OBSI in determining the appropriate monetary threshold for Stage 2 escalation. While we believe \$75,000 should serve as an upper limit, the Investment Dealers we represent would be more comfortable with a

\$50,000 threshold. That said, they could support the \$75,000 limit provided that their other concerns (namely, the limitation period and the independence of appeal adjudicators, as outlined in your letter) are adequately addressed.

The objective of ensuring that every matter, whether legal, tax, or accounting in nature, is assessed with the proper expertise and knowledge is entirely sensible. To achieve this, the roster must be comprised of qualified experts who are both independent from OBSI and readily available, thereby preserving OBSI's independence and avoiding institutional bias or conflicts of interest.

Lastly, and importantly, a binding authority regime requires accountability if it is to meet the fairness objective underlying the proposed reform. Credibility requires accountability, and accountability requires an independent appeal process that employs an experienced and respected roster of individuals who are not employed by OBSI, and who are empowered to exercise a reasonable scope of review.

#### Binding Authority - Reciprocity

With respect to binding authority, we strongly believe that decisions must apply equally to both Investment Dealers and investors. As we have noted previously, it would be fundamentally unfair for a retail investor to retain the right to disregard an OBSI decision while the dealer remains bound by it. True fairness requires a balanced process that applies equally to both parties.

Regardless of the amount at stake, a binding authority regime needs to be reciprocal if it is to be fair and efficient to all. A complainant has the right to choose the forum in which to pursue their unresolved complaints. If they do not wish to avail themselves of a binding OBSI process, they can pursue their claims via arbitration or in court. It would be inefficient and unfair for Investment Dealers to be forced into a process that is only binding on them in the first instance, but not on their clients who chose the process. Under OBSI's current mandate, a client who has commenced a court action is not permitted to pursue an OBSI complaint, but efficiency and fairness dictate that the converse should also be true in a binding authority regime.

#### Consultation and Engagement

We believe this further consultation and engagement by the CSA will ultimately lead to an outcome that can be supported by Canada's regulatory authorities, its provincial and territorial legislatures, the Investment Dealers we represent, and the broader investment community. A national challenge requires a national solution for all stakeholders.

To ensure the final framework for a binding authority regime strengthens and enhances the current process for all stakeholders, we believe this second, more focused round of consultation was necessary, and we thank the CSA for issuing this proposal for public comment

in direct response to our earlier request. The responses to the CSA's initial Notice and Request for Comment raised several important issues and provided valuable, constructive feedback. We welcome this further opportunity for public comment to ensure the best national solution is found.

#### Post Implementation

The Investment Dealers we represent believe that key elements of the framework should be carefully monitored following implementation, with adjustments made as necessary to ensure the process remains fair and equitable for all parties involved.

We are available to discuss the content of this submission further, address any concerns you may have, or provide additional information as needed. Your feedback is invaluable to us, and we are committed to ensuring that we all achieve our objectives effectively and efficiently.

Please feel free to contact me at [annie@cific.co](mailto:annie@cific.co) with any questions, comments, or to schedule a call to discuss any aspects of the letter or explore potential next steps. We look forward to our continued collaboration on this matter.

Sincerely,

*A. Sinigagliese*

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