

May 21, 2025

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
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

Submitted via [comment facility](#)

RE: CSA COLLABORATORY AND DATA PORTABILITY DISCUSSION PAPER (THE “DISCUSSION PAPER”)

The Importance of Data Portability

The CSA’s desire to support emerging digital business models with the aim of supporting innovation in the Canadian capital markets is commendable. We also appreciate the CSA’s further desire to better understand incoming technology and its operational impacts and the CSA’s willingness to facilitate reduced friction and burden.

We fully support data portability and consumer driven banking to help investors, reduce the costs, and promote competition.

Additional Considerations

As part of our general support, we provide the following additional considerations to:

1. Avoid Duplication
2. Ensure the Benefits of a Technology Neutral Approach
3. Highlight Examples of Current Uses for Data Portability/e-KYC Portability
4. Outline Matters Outside Scope
5. Focus on a Sandbox Approach

Answers to certain Consultation Questions are provided with reference to the aforementioned.

In answering the Consultation questions, we draw your attention in particular to **Account Transfers** (Consultation Questions 9, 10 and 12). Investors expect and benefit from the timely transfer of their

accounts. Slow account transfers have been the subject of longstanding, public concern. The CSA does not have a specific set of rules, through national instrument, for account transfers between firms. CISO account transfer rules are limited to its members only and should be supported by the CSA more broadly.

In considering amendments to CISO current account transfer rules¹ and proposed account transfer rules as a national instrument, the following should be considered in keeping with investor expectations:

- i) A requirement to use electronic means to transfer accounts, subject only to exceptions at the investor's request.
- ii) Shorter transfer periods that may be accommodated by technology.
- iii) Implementation and execution subject to strict enforcement.

1. Avoiding Duplication

In efforts to maximize the CSA's regulatory resources and efficiency, duplicative efforts can be avoided where obligations are otherwise addressed. For example:

a) Privacy Legislation /Cybersecurity

Investors have certain rights of access to their personal information under the Personal Information Protection and Electronic Documents Act (PIPEDA) and provincial securities statutes like PIPEDA. Technology has further enabled access, which is further supported by consumer driven banking initiatives.

The requirements of the privacy legislation, its accompanying caselaw and related cybersecurity obligations addresses concerns expressed in the Discussion Paper regarding privacy and cybersecurity related to data portability.

b) Anti-Money Laundering Legislation

The Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA) and the efforts of FINTRAC will also address the expanded use of Digital ID and related concerns referred to in the Discussion Paper.

2. A Technology Neutral Approach to Securities Regulation

The Discussion Paper stipulates that it does not change or alter the registrant's obligation to conduct KYC obligations under NI 31-103, Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103) or the CSA's existing expectations in this regard.

This reflects a technology- neutral approach to regulation which should apply to the role of technological innovations such as artificial intelligence and blockchain as referenced in the Discussion Paper. Please see https://iiac-accvm.ca/wp-content/uploads/2025/03/IIAC_The-Approach-to-

¹ E.g. CISO Rules 4429, 4854-4859

[Artificial-Intelligence-for-a-Competitive-Canada_March-31-2025.pdf](#) regarding the values of a technology neutral approach.

Subject to our comments below regarding account transfers, a technology- neutral approach to current regulation does not present barriers to the continued and ongoing adoption of data portability and e-KYC.

3. Current Uses for Data Portability /e-KYC Portability

Industry players have successfully engaged in Data Portability for some years, using technology that accommodates the transfer and storage of large customer information safely and in accordance with legal requirements.

For example:

- i) A suite of third-party solutions is offered for data storage, management, and delivery of information subject to third parties meeting cybersecurity requirements.
- ii) Retail investors who prefer the transfer of their KYC information when transferring to another firm.²
- iii) Regulatory requests, such as CISO's Retail Data Submission Project.

4. Matters Outside Scope

a) Market Concerns

We acknowledge the CSA's concern regarding the availability and affordability of technological solutions and improvements in client satisfaction³, though they are market, rather than regulatory, concerns.

b) KYC Scalability

The Discussion Paper's reference to the time cost to employees as the most common cost-related complaint regarding KYC compliance is appreciated.⁴ Pursuant to NI 31-103(CP) KYC obligations should be scaled to business models. The depth and quality of KYC information, along with CISO's intentions regarding the standardization of KYC information to promote greater consistency in suitability determinations, are important matters that should be prioritized and addressed apart from CSA Collaboratory and data portability.

² A registrant must review a client's account and the securities in the client's account to determine suitability and take reasonable steps within a reasonable time after a registered individual is designated as responsible for the client's account S. 13.3(2)(a) of NI 31-103, CISO Rules 3402(2)(ii)

³ Discussion Paper, BCSC and ASC Survey, page 7

⁴ *Ibid.*

5. Focus On a Sandbox Approach

CSA Collaboratory commendably aims to enable companies to voluntarily test ideas – a ‘sandbox.’ In efforts to save resources for both regulators and industry, we recommend the ‘sandbox’ simply be made broadly available to interested volunteers without proceeding further with Phase 2, which appears unnecessary.

Consultation Questions

Current Uses for Data/e-KYC Portability

3. How do you anticipate that Data Portability will impact the investor experience, particularly in terms of reducing friction during transitions between service providers? If clients have already begun exercising their rights by utilizing these services, what has the feedback been so far?

Please see above regarding current Uses for Data Portability /e-KYC Portability.

4. What are the circumstances that you anticipate having to transfer data with external parties? How prevalent are these circumstances? Are there other regulatory obligations in securities legislation that market participants anticipate can be better satisfied through use of Data Portability?

Please see above regarding current Uses for Data Portability /e-KYC Portability.

8. What sorts of information do registrants anticipate transferring? What types of data would it be useful for registrants to obtain upon new client onboarding or at other times? Is there certain data that registrants have concerns with being required to transfer?

Please see above regarding current Uses for Data Portability /e-KYC Portability.

Account Transfers

9. Are there circumstances in which transfer of data enhanced by other market participants to provide additional value, such as risk tolerance assessments, would be appropriate, and if so, what are those?

Investors expect and benefit from the timely transfer of their accounts. Slow account transfers have been the subject of longstanding, public concern. They include concern over a wider spread (as opposed to exception based) use of cheques and faxes in an electronic age resulting in investor loss and frustration. This has most recently prompted a May 15, 2025, CRO alert that a nationwide postal strike or lockout may occur as early as May 22, 2025, further stating in part that “Dealer

Members must take steps to ensure that document delivery requirements prescribed under CRO Rules continue to be met.”⁵

10. In your opinion, are there any provisions or requirements in securities legislation or guidance that may create barriers on how your organization can utilize e-KYC or Data Portability solutions? If so, in your view, what is the most appropriate regulatory action that would enable or assist your organization to utilize an e-KYC or Data Portability solution (e.g., specific rule change, additional guidance)?

The CSA does not have a specific set of rules, through national instrument, for account transfers between firms. CRO account transfer rules are limited to its members only and should be supported by the CSA more broadly.

In considering amendments to CRO current account transfer rules⁶ and proposed account transfer rules as a national instrument, the following should be considered in keeping with investor expectations:

- i) A requirement to use electronic means to transfer accounts, subject only to exceptions at the investor’s request.
- ii) Shorter transfer periods that may be accommodated by technology.
- iii) Implementation and execution subject to strict enforcement.

12. To what extent would industry-wide collaboration on Data Portability standards benefit registrants, and how can regulators such as the CSA support this collaborative effort? What challenges or barriers exist in developing and adopting such standards?

Please see question 10.

Privacy/Cyber Security

14. What risks arise from the use of e-KYC and other Data Portability solutions? What regulatory measures or industry best practices would be most effective in addressing those risks? How can the CSA help ensure that investors are protected while enabling innovation in this space?

Please see above regarding privacy, cyber security, and anti-money laundering legislation.

⁵ <https://www.cro.ca/newsroom/publications/delivery-documents-during-postal-strike-or-lockout-0>

⁶ E.g. CRO Rules 4429, 4854-4859

15. Do you see any security or accuracy issues arising with respect to utilizing an e-KYC or other Data Portability solutions for a large number of clients?

Please see above regarding privacy, cyber security, and anti-money laundering legislation.

16. How do current industry standard KYC processes mitigate risks such as deepfakes, synthetic identities, identity fraud and regulatory non-compliance and what additional measures or technologies could be implemented to enhance protection against these threats?

Please see above regarding privacy, cyber security, and anti-money laundering legislation.