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Delivered By Email

Phil Khoury re: OBSI Review
Principal, CRKhoury
review@crkhoury.com

Dear Mr. Khoury:

RE: OBSI 2026 Independent External Review Consultation

The Securities and Investment Management Association (**SIMA**) appreciates the opportunity to comment on the [request for comments on the Ombudsman for Banking Services and Investments \(OBSI\) 2026 independent external review consultation \(Consultation\)](#).

SIMA empowers Canada's investment industry and is now the leading voice for the securities and investment management industry. The industry oversees approximately \$4 trillion in assets for over 20 million investors and participates in the Canadian capital markets. Our members – including investment fund managers, investment and mutual fund dealers, capital markets participants, and professional service providers – are committed to creating a resilient, innovative investment sector that fuels long-term economic growth and creates opportunities for all Canadians.

We operate within a governance framework in which we gather input from our member working groups. The analyses and recommendations of these working groups are submitted to the SIMA board or board-level committees for direction and approval. This process ensures submissions that reflect the input and direction of a broad range of SIMA members.

Background

This letter solely reflects SIMA staff's feedback from our association's perspective as a leading industry association for the securities and investment management industry. Accordingly, our comments in this letter are limited to the stakeholder engagement theme of the Consultation questions.

We believe that responses to the other specific questions in the Consultation will vary amongst our members, as they reflect each firm's direct experiences with OBSI's dispute resolution process and are likely unique for each firm (e.g., operational service delivery, fairness, independence and impartiality, and cost efficiency and value for money). SIMA staff have therefore encouraged our member firms to provide their own input directly to OBSI by providing independent submissions to those questions, ensuring their responses reflect their firm-specific experiences with OBSI.

Summary

Given that OBSI has been designated as the investment sector's sole dispute resolution service provider for investor complaints that are outside of Quebec and within OBSI's monetary threshold, SIMA strongly endorses the key principle that OBSI ensures its processes are fair, independent and impartial. We therefore strongly support the regulator's expectations that OBSI undergo an independent, external review

at regular intervals to assess whether OBSI's practices uphold that principle and meet the expected standards for a financial services ombudsman. SIMA has a vested interest in ensuring Canada's investment industry is effective, competitive, and fair, and strongly believe that investor's confidence in the industry is critical for its success. We recognize the importance of OBSI's role in strengthening investor confidence in the investment industry and the external evaluator's role in ensuring OBSI's processes are fair, independent, and impartial.

SIMA commends OBSI for the efforts it has made in respect of ongoing stakeholder engagement with SIMA. We urge OBSI to continue to maintain the level of engagement with us that we have experienced over the past several years. Going forward, we are open to collaborating with OSBI to discuss opportunities to improve or explore other means of facilitating OBSI's engagement with industry and/or SIMA's staff and member firms.

Engaging with Stakeholders

SIMA agrees that ombudsman schemes such as OBSI should maintain effective relationships with their key stakeholders on an ongoing basis, by exchanging appropriate information, inviting feedback, and clearly communicating its policies and operational approaches. Therefore, SIMA recommends that OBSI to continue to prioritize regular stakeholder engagement. We believe that maintaining ongoing engagement with the investment industry, while also encouraging and supporting two-way open and transparent dialogue, helps to build and maintain trust. It can also effectively bridge gaps in understanding and potentially help to resolve perceived or actual concerns the industry may have with OSBI's practices, from time to time. We therefore encourage OBSI to continue to focus on ensuring its governance and operational structures include regular engagement across all stakeholders.

The following are examples of engagement that we support and strongly encourage OBSI to continue to maintain with SIMA and its member firms, given our positive experiences with OBSI's efforts over the past several years:

- i) **Bi-annual meetings with industry associations:** OSBI schedules bi-annual virtual meetings with industry associations from both the banking and investment sectors, led by OBSI's CEO and senior management, with its board members in attendance as well. Representatives from our member firms have, on occasion, have also been invited to attend. In SIMA's view, these meetings provide a good foundation for OBSI's ongoing stakeholder engagement with industry by ensuring that there are at least two scheduled touchpoints per year between OBSI and the industry. In our view, the format has been effective in providing current updates from OBSI and the opportunity for engagement from representatives of the industry associations and their member firms who participate. We support continuing the format of these meetings (e.g., virtual only, OBSI's CEO general update followed by recent case statistics presented by OBSI senior management, and an open Q&A encouraged throughout).

In SIMA staff's view, to ensure these meetings remain informative and useful to industry attendees, OBSI should *continue* to:

- be open and transparent about its challenges/areas for improvement and in providing its responses to questions raised by industry participants (i.e., as exemplified by the existing CEO),
- share developments relating to the CSA/CIRO's (i.e., the JRC) regulatory oversight of OBSI and investor concerns and trends that may affect OBSI's processes/practices,
- allow industry associations to invite representatives from their respective member firms,
- maintain the somewhat informal and flexible format/tone which promotes open sharing of information, and
- encourage two-way open and transparent dialogue.

In our view, this formula will help ensure that OBSI and its board members receive perspectives and opinions on key issues of importance to industry and remain attuned to current developments and concerns.

- ii) **OBSI participation in SIMA webinars:** Within the past two years SIMA hosted two webinars focusing on OBSI's services, which OBSI representatives attended as guest speakers. Our webinars are free and open to both SIMA members and non-members. We appreciated OBSI's willingness to participate and contribute as guest speakers for the following SIMA webinar events:
- For a SIMA webinar in 2024, we requested OBSI make a presentation narrowly focused on its loss calculation methodology for losses claimed under mutual fund suitability cases. There were 212 participants from industry in attendance. They benefitted from OBSI staff's good high-level overview, but most importantly, from their presentation materials and detailed explanations providing breakdowns of OBSI's step-by-step process for valuing investor holdings at the time of loss and determining the final compensation recommendation. OBSI's careful preparation and delivery of substantive content by presenting example case scenarios showing detailed and clear breakdowns of their valuation assessments and calculation processes helped to improve the industry's confidence in the loss calculation methodology in mutual fund suitability cases. It was also helpful to learn that OBSI takes into consideration an applicable firm's input during a live case investigation scenario, which we believe further builds trust in the process.
 - For a SIMA webinar in 2025, we invited OBSI to make a presentation on its 2024 annual report and respond to an open Q & A. There were 139 participants from industry in attendance. They benefitted from OBSI CEO, Sarah Bradley, solely presenting as the guest speaker and transparently responding to challenging questions during the Q&A session, demonstrating her professional and personal commitment to industry engagement, as well.
- iii) **Attentive responses to questions from SIMA staff:** From time to time, SIMA members have raised questions or concerns concerning certain OBSI practices, which SIMA staff pass on to OBSI on their behalf. We appreciate that OBSI staff have been attentive and willing to work with SIMA staff to either resolve the questions raised or provide clarification to improve understanding.
- iv) **Ad-hoc one-on-one meetings between OBSI and SIMA leadership:** Ad hoc touchpoints between the CEOs of OBSI and our association are another important, though informal, form of stakeholder engagement. These meetings provide opportunities to share relevant, unfiltered information, improve understanding, and identify potential areas of alignment and/or disagreement or misalignment. Overall, it helps with facilitating collaboration and enhances relationships.

Going forward, we are open to continuing to collaborate with OBSI senior executives and its board members regarding ways for OBSI to improve its existing stakeholder engagement with SIMA staff and our member firms, and/or explore other means of furthering OBSI's engagement within the industry.

Conclusion

SIMA is pleased to have had this opportunity to provide our comments. Please feel free to contact me by email at amitchell@simamvi.ca or by phone at 416-309-2300. I would be pleased to provide further information or answer any questions you may have.

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Yours sincerely,

THE SECURITIES AND INVESTMENT MANAGEMENT ASSOCIATION



By: Andy Mitchell
President and CEO