

ANDY MITCHELL
President and CEO Président et chef de la direction
amitchell@sima-amvi.ca 416 309 2300

MARIE BRAULT
Chair of the Board of Governors
SIMA's Regional Council in Quebec

Email: Jean-Hubert.Smith-Lacroix@finances.gouv.qc.ca

April 24, 2026

Jean-Hubert SmithLacroix
Coordinator, développement législatif et réglementaire
Direction principale du droit corporatif et
des politiques relatives au secteur financier
Ministère des Finances
390, boulevard Charest Est, Québec (Québec) G1K 3H4

Dear Mr. Smith-Lacroix,

RE: Regulation to Amend the Securities Regulation (AMF Fees)

The Securities and Investment Management Association (**SIMA**) appreciates the opportunity to comment on the consultation on the Regulation to amend the Securities Regulation (**Consultation**) which aims to amend the fees charged by the Autorité des marchés financiers (**AMF**).

SIMA empowers Canada's investment industry. The association is the leading voice of the securities and investment management industry, which oversees approximately \$4 trillion in assets for more than 20 million investors and whose members participate in Canada's capital markets.

In Quebec, SIMA has a well-established and active presence, supported by dedicated resources, ongoing engagement with market participants and stakeholders, and a Board of Governors. Our industry serves more than 4.5 million investors across the province. Our members play a critical role in supporting a resilient and innovative investment industry that drives long-term economic growth and expands investment opportunities for Quebecers.

We work within a formal governance framework that allows us to gather input from our members through our proactive working groups. Recommendations from these groups are submitted to the SIMA Board of Directors or Board level committees for guidance and approval. This process results in a submission that reflects the input and guidance of a broad range of SIMA members.

Introduction

We appreciate that the Ministère des Finances du Québec (**Ministry**) had considered our comments¹, dated September 19, 2025, as part of the AMF's separate consultation on regulatory fees in the summer of 2025, before publishing the present Consultation. We also acknowledge the AMF's efforts to refine its fee

¹ https://www.sima-amvi.ca/wp-content/themes/ific-new/util/downloads_new.php?id=38770&lang=en_CA

framework, including adjustments following the delegation of certain regulatory powers to the Canadian Investment Regulatory Organization (**CIRO**).

Quebec has an opportunity to continue demonstrating leadership by anchoring fee-setting in three clear principles: transparency, predictability, and cost discipline. These principles are increasingly important as regulatory costs across the system evolve and as jurisdictions seek to balance effective oversight with competitiveness and investor outcomes.

Given that the amendments proposed in the Consultation are substantively the same as those proposed by the AMF, and have not taken into account our previous recommendations, we believe it is important to situate our comments within a broader economic and regulatory context to assist the Ministry in its review, as well as reiterating our prior comments.

Investment funds are critical tools that provide Quebec investors with access to capital markets and support long-term financial security. As such, any increase in regulatory fees should be grounded in a predictable framework and with transparency, particularly given that these costs may ultimately be borne by investors.

We note that the proposed fee increases raise broader considerations related to transparency, predictability, and the cumulative impact of regulatory fees, including their implications for Quebec's competitiveness. These considerations are relevant not only in the context of this Consultation, but more broadly across all Canadian jurisdictions where there is a growing need for greater clarity and alignment in how regulatory fees evolve over time.

Summary of Our Comments

- Given a lack of substantiation and clarity about the proposed fee increases for investment funds, we do not support them. The AMF already charges the highest regulatory fees on investment funds in Canada. What then justifies additional fees, which will result in burden on investors' savings and the industry's ability to compete and innovate in Quebec? The AMF has also accumulated a significant budget surplus, which should be meaningfully deployed before fee increases are considered.
- We provide recommendations, that align with AMF's own priorities, to support an evolution towards a more transparent and predictable regulatory fee system in Quebec and across Canada in order to have a more efficient industry that better helps investors achieve their financial goals:
 - Regulatory fees should be made predictable and established within a defined multi-year framework (minimum of three years) with clear forward visibility and with an objective to enable the effective planning of investment and innovation by the industry.
 - We expect the Ministry and the AMF to provide more transparency about any future fee-amendment proposals and to fully substantiate them.
 - The Ministry and the AMF should first consider using the AMF's surplus before increasing fees. We recommend using the surplus to invest in technology to make the AMF more efficient and reduce the long-term need for fee increases.

Fees Related to Investment Funds

Lack of Transparency About the Regulatory Fee Increases Proposed

The Consultation proposes significant fee increases for investment funds, among them, filing a fund facts document or an ETF facts document: from \$1,243 to \$1,800, a 45% increase.

The AMF's consultation provided little explanation on the proposed fee increases, including how they relate to the AMF's costs or investor outcomes. To date, the Ministry has not provided any additional information as to why these fee increases are proposed.

We appreciate the AMF's collaboration to hold multiple informal meetings with us to provide some rationale for the proposed fee increases. This information, however, should have been provided from the outset as part of the formal consultation process to enable meaningful and informed stakeholder engagement.

Despite the informal clarifications provided, there are still fundamental questions about why fee increases are necessary for investment funds in Quebec.

Importantly, the AMF already charges the highest regulatory fees on investment funds among the Canadian Securities Administrators (**CSA**). Based on our analysis of 2023 data:

- The AMF collected close to \$46 million in total regulatory fees for investment funds, 74% more than the \$26 million collected by the Ontario Securities Commission.
- On a per-fund basis, AMF fees exceed \$10,600 on average, compared to approximately \$6,200 for British Columbia, the next highest regulator.

This differential is material and raises a fundamental question: what justifies further increases in an already higher-cost environment?

There are also investment funds based outside Quebec that pay higher fees to the AMF than to their principal regulators. In some cases, AMF fees are three or four times higher than the principal regulator's fees. This dynamic positions Quebec as a comparatively more costly jurisdiction in which to do business.

The AMF has also accumulated a significant budget surplus² over the years. As we understand, any expenditure from the surplus is subject to government approval. In this context, a clear plan for the use of surplus funds should be established before considering additional fee increases.

Negative Impacts of High Regulatory Fees

a) Burden on Quebecers' savings

Investment funds are widely held securities by Quebec investors, providing them with a way to benefit from the gains of capital markets.

Regulatory fees are built into the cost of investment funds and may ultimately be borne by investors. An increase in these fees can raise costs or limit a manager's ability to absorb expenses.

Over the past decade, the investment funds industry has made meaningful progress in reducing fees for investors. According to data from ISS Market Intelligence, asset-weighted management fees for long-term mutual funds decreased by 29.7% between 2014 and 2024³. At the same time, industry profitability per dollar managed has decreased, according to a report from PWC⁴, reflecting sustained pressure to deliver lower-cost products.

This trend underscores a key point: while the industry has worked to reduce costs for investors, regulatory fee increases have moved in the opposite direction, which risks eroding these gains.

² https://lautorite.qc.ca/fileadmin/lautorite/grand_public/publications/organisation/rapports-annuels/autorite/amf-rapport-annuel-2024-2025.pdf

³ ISS Market Intelligence, *Insight Investment Funds Report*, July 2025, at p.3.

⁴ <https://www.pwc.com/gx/en/issues/c-suite-insights/the-leadership-agenda/global-asset-wealth-management-report.html>

Over time, higher and less predictable costs may also affect the industry's ability to invest in new products, innovation, and market entry—ultimately limiting choice and competition for Quebec investors.

b) Barrier to entry

Between 2018 and 2025, the mutual fund segment in Canada attracted 43 new providers, while the ETF market saw 34 new entrants. Firms based in Quebec accounted for only two of the new mutual fund providers and two of the ETF entrants.

This highlights a structural gap in Quebec's participation in a high-value, high-skilled sector.

Industry research shows that the investment funds sector is not only a meaningful contributor to Canada's economy, but a high-performing one, with output growth consistently exceeding the broader economy, underpinned by strong productivity gain⁵. Strengthening and not constraining this ecosystem should be a priority.

Higher regulatory costs may further limit new entry, reduce the ability of emerging firms to establish and scale in Quebec, and stifle the introduction of innovative products.

c) Reduced competitiveness for Quebec asset managers

Over the past five years, mutual fund and ETF assets in Canada have grown by nearly 42% and 178%, respectively. However, Quebec has captured only a small share of this growth. Quebec-based fund managers account for just 6.2% of total mutual fund assets and 3.4% of ETF assets, well below what might be expected given Quebec's share of Canada's economy and population. These numbers demonstrate a concerning lack of competitiveness in Quebec for managing funds. The significant fee increases that are proposed in the Consultation will further hinder Quebec's ability to compete on a national level. In the case of ETFs, the competition is also on an international level since foreign ETFs are open to Quebec investors through various exchanges.

Canadian Regulatory Fee Environment and the Need for Greater Alignment

In our previous letter, we thanked the AMF for reducing fees for mutual fund dealers (**MFDs**), investment dealers (**IDs**) and their representatives following the delegation of powers to CIRO. By adjusting its fees following this delegation, the AMF demonstrated leadership among the CSA. However, since that time, there have been developments that highlight a broader and growing challenge: the cumulative and evolving nature of regulatory fees across the system.

In October 2025, CIRO introduced amendments⁶ to its fee model to increase the fee for Approved Persons (**APs**) from \$250 per year to \$300 annually. In Quebec alone, this equates to approximately \$1.4 million in additional regulatory costs, based on publicly reported figures (MFD APs of 21,974 and ID APs of 6,162) as per the 2025 annual reports of the Chambre de la sécurité financière⁷ (**CSF**) and CIRO⁸. These additional fees were introduced shortly after CIRO's new fee model⁹ came into effect on April 1, 2025.

While individual changes may be developed within specific mandates, the cumulative effect is a layering, or "stacking," of regulatory fees that is not always visible in a single consultation process.

This evolving and uncoordinated approach to fee-setting—within Quebec and across Canada—reduces transparency and predictability for all market participants. For firms operating in Quebec and across other

⁵ https://www.sima-amvi.ca/wp-content/uploads/2024/09/Funding-the-Future-The-Economic-Impact-of-Canadas-Investment-Funds-Industry.pdf?id=29829&lang=en_CA

⁶ <https://www.ciro.ca/newsroom/publications/proposed-amendment-approved-person-fees-component-within-annual-fee-dealer-member-fee-model>

⁷ <https://www.chambresf.com/files/medias/pdf/ra-2025-csf-vf-20251110.pdf>

⁸ <https://www.ciro.ca/sites/default/files/2025-09/CIRO-Annual-Report-2024-2025-EN.pdf>

⁹ <https://www.ciro.ca/firms/fee-models>

jurisdictions, it constrains long-term planning and limits their ability to allocate resources toward innovation, product development, and improved investor outcomes.

We are actively engaging with regulators across Canada on this issue with the objective of supporting a more coordinated, transparent, and predictable approach to regulatory fees.

In this context, Quebec has an opportunity to continue demonstrating leadership by anchoring fee-setting in three clear principles: transparency, predictability, and cost discipline.

Stacking of Regulatory Fees

It is also important to highlight that recent fee increases are not isolated. In 2025, the CSA introduced a 60% increase for its SEDAR+ platform (plus three percent every year for the following four years)¹⁰.

Taken together with other changes across the system, this reinforces the need for a more coordinated and transparent approach to regulatory fee-setting.

How Our Positions Align with AMF's Own Priorities

We note that the AMF's 2025–2029 Strategic Plan¹¹, in addition to the recently published action plan¹², emphasize market efficiency, innovation, competition, and regulatory predictability. These objectives are well aligned with the considerations outlined in this submission.

Advancing greater transparency, predictability, and coordination in regulatory fees would directly support these priorities and reinforce Quebec's leadership in building a dynamic and competitive financial sector.

Recommendations

We look forward to collaborating with the Ministry, the AMF and the CSA to improve Canada's regulatory fee system. We recommend that:

- regulatory fees are made predictable, establishing a multi-year (minimum three-year) fee framework with clear forward visibility
- fees be fully transparent, with clear linkage between costs, outcomes, and investor impact
- the deployment of the AMF's existing surplus be prioritized before implementing fee increases

Conclusion

We believe it is essential for the Ministry to lead efforts toward greater transparency, predictability, and cost discipline in regulatory fees. Taking steps in this direction will help ensure that Quebec's investment industry remains competitive, innovative, and well-positioned to serve Quebec investors effectively over the long term—and contributes to broader national efforts that need to take place to modernize and align the regulatory fee environment.

* * * * *

¹⁰ <https://www.asc.ca/en/securities-law-and-policy/-/media/48E2915A39F547078DE93942D84BC95C.ashx#:~:text=Summary%20of%20the%20Amendments,tools%20and%20alternative%20operating%20models>

¹¹ https://lautorite.qc.ca/fileadmin/lautorite/grand_public/publications/organisation/codes-politiques-plans-action/plan-strategique-AMF-2025-2029_fr.pdf

¹² <https://lautorite.qc.ca/grand-public/publications/publications-organisationnelles/enonce-annuel-des-priorites>

Mr. Jean-Hubert Smith-Lacroix
Regulation to amend the Securities Regulation (AMF Fees)
April 24, 2026

SIMA is pleased to have had this opportunity to provide feedback as part of this consultation. Please contact Kia Rassekh, Director, Policy, Regional Director, Quebec, by email at krassekh@simamvi.ca. We will be happy to answer your questions.

Sincerely,

THE SECURITIES AND INVESTMENT MANAGEMENT ASSOCIATION

Andy Mitchell

By: Andy Mitchell
President and CEO
SIMA

Marie Brault

Marie Brault
Chair of the Board of Governors
SIMA Regional Council in Quebec