

In Brief

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Industry roundup

OSC publishes study on Canadian ETF market

The OSC has published a [study](#) examining the liquidity and arbitrage mechanism of ETFs in Canada focusing on three areas:

- ETF secondary market liquidity
- effectiveness of the arbitrage mechanism in ensuring ETF market prices reflect their net asset value
- potential drivers of ETF liquidity and the arbitrage mechanism

Among its conclusions, the study says: "The Canadian ETF trading ecosystem appears to operate with adequate liquidity to support the market's substantial growth in assets, number of funds and product proliferation during the period analyzed."

The study findings informed the CSA's recent [ETF consultation](#).

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CSA launches consultation on ETF framework

The CSA has published a [consultation paper](#) proposing enhancements to the existing regulatory framework for ETFs, taking into consideration the new OSC [study of the Canadian ETF market](#) and a [good practices report](#) published by the International Organization of Securities Commissions.

The proposed enhancements primarily affect ETFs and their managers, but also investors and their advisors, dealers that provide liquidity for ETFs, and listing exchanges. The proposals aim to ensure that the regulatory framework continues to be appropriate for ETFs in order to support continued growth for the benefit of investors.

The deadline for comments is October 17, 2025.

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CIRO holds crypto-trading roundtable

This month, CIRO convened a [roundtable](#) exercise with a group of crypto-trading platforms (CTPs), including CIRO members engaged in crypto asset trading and several key counterparties, to explore potential risks and challenges specific to the operational resilience of CTPs.

Insights from the roundtable will help participants enhance their current practices and enable CIRO to update requirements to better safeguard assets, protect investors, and ensure stable marketplace operations.

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CSA revises "venture issuer" definition and codifies form of proxy requirement

The CSA has published [amendments](#) to several national instruments and policies to address certain matters, including the creation of a senior tier by the Canadian Securities Exchange (CSE).

This senior tier is intended for non-venture issuers with requirements that align with a non-venture exchange. The changes revise the definition of “venture issuer” to exclude CSE senior-tier issuers and allow them to be treated the same way under securities law as issuers listed on other non-venture exchanges. Under the current definition of “venture issuer,” the CSE is a venture exchange.

The changes are expected to take effect on September 19, 2025.

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SIMA buzz

U.S. Senate makes significant changes to proposed tax bill

The U.S. Senate has released its own version of U.S. tax bill H.R.1 (or “One Big Beautiful Bill”), including section 899, known informally as a “revenge tax.” The Senate version includes significant revisions to the original bill passed by the House of Representatives.

Here’s what we understand so far about the Senate’s draft (subject to change):

- **Refined scope and definitions:** The additional tax in the bill applies only to foreign jurisdictions with an “extraterritorial tax,” such as the undertaxed profits rule (UTPR), and not to the digital services tax (DST).
- **Modifications to BEAT:** So-called “discriminatory taxes,” including DSTs, are still recognized as “unfair foreign taxes” but do not trigger the higher withholding tax rates. However, DSTs do still factor into other provisions, such as modifications to the base erosion and anti-abuse tax (BEAT), which would apply more broadly to countries with any “unfair foreign tax,” including DSTs.
- **Coordination with 891:** Section 899 will not apply when any increase to a specified tax rate is in effect under Section 891. Section 891 is a provision in the U.S. tax code that allows the president to double tax rates on citizens and corporations of foreign countries that impose discriminatory or extraterritorial taxes on U.S. citizens or corporations.
- **Lower cap on increased withholding taxes:** Foreign jurisdictions that have a UTPR will be subject to an extra tax that will increase annually by 5 per cent up to a maximum of 15 per cent, down from the House’s proposed 20 per cent. The effective date has been delayed by one year to January 1, 2027

SIMA’s Section 899 sub-group is meeting again this week, and we will continue to keep you informed about our efforts on this important subject.

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Leading the conversation at SIMA's tax symposium

Last week, PwC hosted the 19th annual SIMA tax symposium. Every session was informative, engaging and thought-provoking! Presentations covered a wide array of topics, including recent case law developments, the growth of retail investment in private funds, updates on EIFEL, challenges related to the loss of mutual fund trust status, H.R.1 Section 899, and CRA FATCA-CRS audits among others.

We would like to extend our thanks to everyone who came out, and special appreciation to our distinguished speakers:

- Grace Pereira (Borden Ladner Gervais LLP),
- Matias Milet (Osler, Hoskin & Harcourt LLP),
- John Tobin (Torys LLP),
- Melody Chiu (PricewaterhouseCoopers LLP),
- Josh Jones (Blake, Cassels & Graydon LLP),
- Nicole Lorenz (PricewaterhouseCoopers LLP), and
- James Carman (BMO Wealth Management).

Thank you for making this year's symposium a success!

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Tee-rific turnout at golf!

Thank you to all our members and colleagues for joining us on June 3 for our annual golf fundraiser, hosted in partnership with Fundserv. We had a blast kicking off the sunny season with a fun day of friendly competition—all for a great cause!

With your support, we are pleased to announce that we raised close to **\$50,000 for JA Canada**, an organization dedicated to helping young Canadians have successful futures, starting with financial literacy.

Special thanks to our sponsors and staff. Check out some photos on our [LinkedIn](#). See you next time!

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SIMA in the news



- June 20, 2025 – [Fund sales, assets rebound in May: SIMA](#) – Investment Executive
- June 20, 2025 – [Canadian mutual fund sales rebound, ETF sales increase](#) – Wealth Professional

- [June 19, 2025 – U.S. Senate’s proposed amendments to Trump’s revenge tax offer little relief to Canadian investors, Chamber of Commerce says – The Globe and Mail](#)
- [June 16, 2025 – IIAC rebrands to reflect its positive impact on financial markets – Investment Executive](#)
- [June 15, 2025 – Hydro-Québec CEO’s new role in Ottawa, Canada braces for U.S. tax bill and Mattamy Homes gets into prefab housing: Business and investing stories for the week of June 13 – The Globe and Mail](#)
- [June 13, 2025 – CVC calls for Digital Services Tax pause to avoid retaliatory US tax changes – Betakit](#)

Job board

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