

2008 FINANCIAL MARKET INTEGRITY INDEX

CANADA

CFA Charterholders and Professional Integrity

With offices in Charlottesville, VA, New York, Hong Kong, and London, CFA Institute is the not-for-profit, professional association of 98,000 financial analysts, portfolio managers, and other investment professionals in 128 countries, of whom 84,000 hold the Chartered Financial Analyst® (CFA®) designation. The CFA Institute Centre for Financial Market Integrity is the research, policy, and advocacy arm of CFA Institute.

The CFA designation is widely recognized as the designation of professional excellence within the global investment community. CFA charterholders must pass three rigorous examinations that test their understanding of a number of financial disciplines, including ethics and professional standards, and must complete several years of qualifying financial work experience to earn the charter. To retain the designation, CFA charterholders also must annually renew their pledge to adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct.

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Contents

4	Introduction
4	Value of the FMI Index
6	About the FMI Index Methodology
8	Executive Summary
10	Key Findings
10	Ethical Behavior of Individuals
14	Effectiveness of Regulatory and Investor Protections
18	Willingness to Invest in Canada
20	Other Key Survey Considerations
20	In-Market vs. Out-of-Market Perceptions
24	Comments of Survey Respondents
28	Demographics

Introduction

Value of the FMI Index

The Financial Market Integrity Index (the FMI Index) was developed by the CFA Institute Centre for Financial Market Integrity (the CFA Institute Centre) to gauge the perceptions investment professionals have about the state of ethics and integrity in six major financial services markets. Specifically, the index measures the level of integrity that investment practitioners experience in their respective markets—Canada, Hong

Kong, Japan, Switzerland, the United Kingdom, or the United States—and the practitioners' beliefs in the effectiveness of regulation and investor protections to promote such integrity. This pragmatic input from working investment professionals will help raise awareness of leading issues in the capital markets and will inform the work of the Centre in conducting regulatory outreach and developing enhanced professional standards.

The FMI Index is distinguished from other market surveys and is proprietary in that it capitalizes on our exclusive access to seek the opinion and perspective of the CFA Institute membership (see inside cover for details). CFA charterholders are investment professionals who have earned the CFA designation and are required to adhere to a stringent code of ethics. The informed opinion of this particular respondent group offers valuable

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insight into the current state of ethical practices and standards in select global markets and will help to inform regulators and other financial industry thought leaders concerning potential areas for improving the investment profession.

The CFA Institute Centre provides this report on the findings of the survey (the Report) to advance the cause of ethics and integrity in financial markets

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in financial markets.*

through the views and opinions of trained investment professionals so as to:

- Inform investors and regulators of the perceived ethics and integrity of practitioners and the effectiveness of regulatory systems in the market;
- Encourage investors to consider whether they are likely to be treated fairly and ethically if they invest in the market;
- Help assess whether a particular country or market has specific integrity issues that need to be addressed by regulators; and
- Inform practitioners in the market about how others perceive their actions and honesty, in general, and to stimulate remedial actions on their part where appropriate.

Each FMI Index Report measures the sentiments expressed by a cross section of survey respondents concerning ethical standards and investor protections of a particular market. The ratings discussed in this Report represent the opinions of a distinct group of professionals, CFA charterholders, responding to a series of questions about their experiences with practitioners, regulations, and investor protections in Canada. This survey was specifically designed to gather the perceptions of only the Canadian market. Because respondent populations differ significantly between markets, we believe it will be more valid and informative to assess each country's report independently of the others, rather than trying to make cross-country comparisons.

About the FMI Index Methodology

The FMI Index is constructed to give equal weight to two dimensions of evaluation: (1) the ethics of market participants and (2) the effectiveness of market systems in ensuring market integrity.

The CFA Institute Centre, in consultation with Harris Interactive, developed the FMI Index to specifically reflect the perspectives and opinions of investment professionals identified as being committed to the highest level of professional ethics. Holders of the CFA, ASIP, and FSIP designations were asked to evaluate and rate a number of financial “market participants,” including sell-side analysts, hedge fund managers, board members, and

others, and “market systems” such as market regulation and investor protections, including corporate governance, shareowner rights, and transparency. The questions relate to how market participants and market systems contribute to financial market integrity. Respondents were asked to answer a number of questions that rate on a five-point scale the ethical behavior of these market participants and systems.¹

FMI Index Questions and Rating Scales

Please rate the overall ethical behavior exhibited by the following groups in Canada.



For each of the following, please rate the overall effectiveness of market systems for ensuring market integrity in Canada.



Figure 1

The ethical behavior of market participants and the effectiveness of market systems were the two dimensions of evaluation that produced the final FMI rating.

More than 2,000 professionals in six countries who hold the CFA, FSIP, or ASIP designations participated in the research by taking the survey either online or by scripted telephone interview between 2 April and 8 May 2008.

To provide the most statistically reliable opinions, this Report will use in-market ratings when referring to an index rating or score, unless otherwise noted.² Out-of-market ratings will be used for discussion and comparisons only where noted because these results are statistically less significant as a result of smaller sample sizes.

The FMI Index is constructed to give equal weight to the two dimensions of evaluation: (1) the ethics of market

participants and (2) the effectiveness of market systems in ensuring market integrity. Data gathered during phone interviews were transformed to adjust for potential modal bias so that they could be integrated with online responses. This is an opinion-based survey, and CFA Institute makes no representations concerning accuracy or otherwise warrants use of the FMI Index for any purpose by readers.

For more comprehensive information regarding the overall FMI Index methodology, please refer to the separate appendix available on the Centre's website at www.cfainstitute.org/centre.

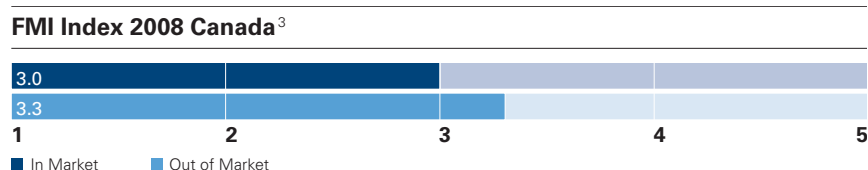
¹ One question dealing with severity of unethical behavior or ethical lapses was an exception and listed a score of 1 as not severe at all and 5 as extremely severe. This question did not figure in the final calculations of the FMI rating.

² In this Report, in-market ratings are those from respondents inside Canada and out-of-market ratings are those given by respondents outside Canada.

Executive Summary

Figure 2

Respondents inside Canada gave the Canadian market a lower overall FMI rating (3.0) than did those outside Canada (3.3).



Given that the Canadian market is considered to have some of the highest regulatory and investor protection standards in the world, it is surprising to see the final overall FMI Index rating for Canada come in at exactly the mid-range score of 3.0 on a five-point scale.⁴ This less-than-optimal rating reflects lower ratings (ratings below 3.0) from nearly all ratings pertaining to market systems. All market participants in Canada earned ratings of 3.0 or above, except for hedge fund managers. Based on respondent comments collected in the survey, conflicts of interest appears to be an area of primary concern with respect to financial professionals, especially pertaining to innate conflicts in the relationship between investors and their advisers.

The current Canadian regulatory system was the market system addressed most by respondents, with more than 50 respondents commenting on the state of Canadian regulation. Many who did so specifically addressed the issue of having regulatory authority spread across Canada's 13 provinces and territories. Several respondents also cited the

need for a more streamlined regulatory process, in many cases calling for one centralized regulator. The current Canadian regulatory system earned one of the lowest ratings from Canadians among the six market systems discussed in the survey, with a rating of 2.6. Those outside Canada rated the Canadian regulatory system much higher, with a rating of 3.2.

Meanwhile, respondents outside Canada held the integrity of the Canadian market and its participants and systems in higher regard than did respondents inside Canada, rating overall ethical behavior of market participants and effectiveness of capital market systems a significant 10 percent higher than did in-market respondents, at 3.3. In fact, those outside Canada rated each of the six topics dealing with capital market systems materially higher (at least 0.4 points in each case) than did those inside Canada. It may be that high returns in recent years from a commodities- and currency-fueled Canadian boom have blinded outside investors to the regulatory and investor protection issues that Canadians must contend with daily. Or, it may be

that those outside Canada do, in fact, understand the regulatory and investor protections they enjoy in Canada but simply have a higher opinion of these market systems than do their Canadian peers. Future iterations of this survey will help reveal if such a discrepancy persists and if there are other issues at work behind such a difference in perceptions.

Conclusions

- The overall mid-range ranking of 3.0 assigned to market integrity signals a perceived need for improvement primarily in the effectiveness of market systems. In a similar member survey conducted by the Centre in 2007, the overall trend was reversed: Respondents in 2007 were slightly more positive about market systems than respondents in 2008.⁵

- Respondents generally rated the components of ethical behavior of financial professionals higher than they rated the components of the effectiveness of regulatory and investor protections. This result may reflect a perceived weakness in regulations or regulatory systems exposed by the asset-backed commercial paper crisis in Canada in 2007–2008 as well as a general dissatisfaction with the current regulatory structure in Canada.

- Those inside Canada have much less confidence in the effectiveness of Canadian regulatory and investor protections than do those outside the country.

- Based on ethics and integrity alone, about 79 percent of in-market respondents were either likely or very likely to recommend investing in Canadian markets, whereas those outside Canada were less favorable, at 63 percent.

- Respondents provided open-ended comments in addition to their survey rankings that indicate conflicts of interest and questions about the adequacy of the country's current regulatory model are top areas of concern.

Conflicts of interest and the adequacy of the country's regulatory model are top areas of concern.

³ A market's overall rating is composed of the 10 factors that make up the financial professionals rating and the 7 factors that make up the market systems rating. The final, overall rating for this market was created by taking the average rating or score from two sets of questions. The first question set contained 10 equally weighted components from a set of questions pertaining to investment professionals (i.e., market participants). The second question set contained 7 equally weighted components of questions pertaining to the effectiveness of capital market systems in ensuring market integrity. These two sets of questions were averaged as a set, and then each set carried equal weighting in the final determination of the FMI Index rating for this market.

⁴ Final rating is based on in-market ratings.

⁵ The CFA Institute Centre conducted a similar survey of the CFA Institute membership in 2007, but because the methodology and population sampling techniques were different, we will not make direct comparisons between the two years concerning specific questions; it is clear, however, that the overall sentiment of the survey participants in 2007 was markedly more upbeat than in 2008.

Key Findings

Ethical Behavior of Individuals

The first group of FMI Index questions asked respondents their opinions concerning the ethical behavior exhibited by various market participants over the past year. The “all financial professionals” category received an above-average rating of 3.4. This rating is not simply an average of the nine ratings linked to the ethical behavior of specific professions but was asked

separately as a control question. (The *average* of the ratings of the nine professions is 3.2.)

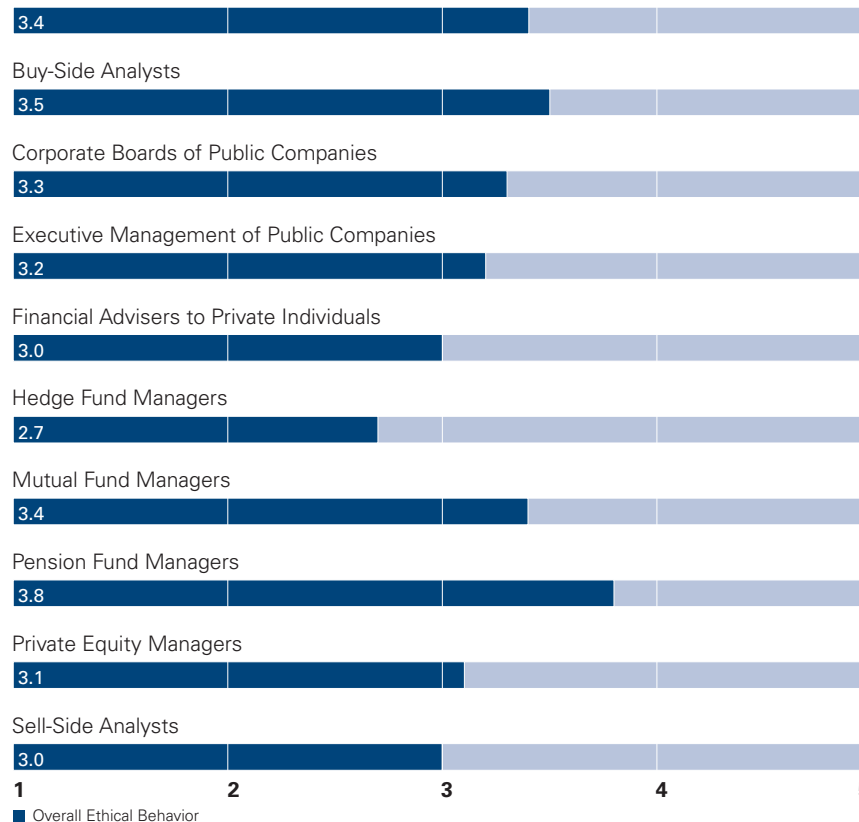
Of the nine professions listed in **Figure 3**, the ethical behavior of hedge fund managers rated lowest at 2.7 and pension fund managers received the highest marks at 3.8.

Figure 3

Respondents were asked to rate the ethical behavior of financial professionals as a whole, as well as the ethical behavior of specific financial professionals.

Ethical Behavior of Individual Market Participants

All Financial Professionals



Respondents rated the integrity of only pension fund managers and buy-side analysts more highly than the control question “all financial professionals.” Mutual fund managers, corporate board members, executive management, and private equity managers all rated above the mid-point rating of 3.0, or somewhat ethical. In particular, hedge fund managers continue to garner the lowest ranking among the

professions in question, as was the case in the similar 2007 survey. Hedge fund managers hold the dubious distinction of being seen as least ethical in nearly all jurisdictions surveyed.

In Canada, a high proportion of CFA charterholders are buy-side professionals; 35 percent of survey respondents in Canada consider themselves buy-side professionals.⁶ It is, there-

“
We need FULL disclosure of financial adviser compensation, which will help individual investors recognize behavior meant only to benefit [the] adviser.

— Survey Respondent

”

⁶Please see demographic data at the end of this Report for more details about this survey.

Ethical Behavior of Individuals

(continued)

fore, important to note that buy-side respondents rated the professional integrity of buy-side analysts highly, at 3.6. However, sell-side analysts also tended to concur with this relatively high rating; they rated the buy side at 3.6 as well.

This minor difference is interesting to note when compared with the distinct difference in how each group rates sell-side analysts. Sell-side professionals gave their sell-side cohorts a rating of 3.3, yet their buy-side counterparts rated sell-side analysts at just 2.9. About 20 percent of Canadian respondents identified themselves as sell-side professionals.

When given the opportunity to provide any additional comments on issues or behaviors that they thought need to be addressed, respondents most often noted challenges related to conflicts of interest; of more than 350 comments concerning the Canadian markets, over 15 percent addressed related issues. Because conflicts of interest was not specifically addressed in the survey, it is particularly interesting that respondents cited this issue more than any other without being prompted by the survey. Financial advisers are the professionals cited most by respondents when writing about such conflicts, indicating a significant level of concern.

“
Unfortunately, professionals targeting the retail market have a tendency to do what is best for them, not best for the client. All too often advisers push clients into inappropriate investments or do not take the time to truly know their clients.

— Survey Respondent

”

Effectiveness of Regulatory and Investor Protections

The second group of FMI Index questions asked respondents their opinions concerning the effectiveness of regulatory and investor protections in the market (referred to as “market systems”) over the past year. The response to the control question seeking ratings of “all capital market systems” received a less-than-adequate rating of 2.9. This was higher, but differed little from the aggregate *average* rating of 2.7 for the group of questions. In this instance, it would appear that the control question is a fairly suitable proxy for the ratings of all the other market systems. We will

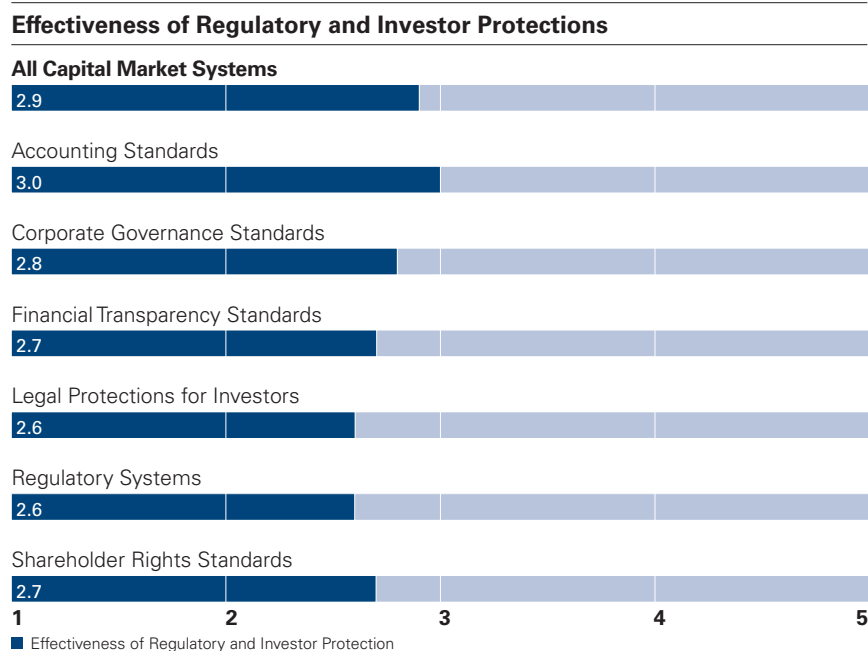
be interested to see if such a relationship holds, or does not hold, in the future.

It is troubling to note that the responses to each of the six individual Canadian market systems were ranked at or below a rating of 3.0, which is considered only an “adequate” rating (see **Figure 4**).

Regulatory systems was, by far, the topic related to investor protection that received the most comments from respondents. More than 50 respondents offered a comment concerning

Figure 4

Respondents were asked to rate the overall effectiveness of capital market systems as a whole, as well as the effectiveness of specific systems and standards.



the state of regulation in Canada; most of these respondents saw the current system as inadequate because of a lack of a central regulatory authority and a need for a more robust regulatory enforcement structure.

A number of CFA charterholders also provided comments expressing concern about the state of transparency in the Canadian financial market. These concerns did not focus on just one type of transparency but addressed a number of different issues, including financial transparency (particularly about asset-backed securities) and a lack of transparency in executive compensation. A desire for improved transparency about fees payable to advisers, funds, or other structured products was the most common theme, possibly reflecting a perception of high asset management fees in the Canadian market.

Additionally, a number of relatively recent high-profile hedge fund collapses highlighted the use of largely undisclosed referral fees being used to foster sales. A widespread lack of direct disclosure to investors concerning fees paid to financial planners, mutual fund salespeople, and conflicts encouraging sales through deferred sales charges, all hinder the ability

of the investor to fully understand the fees attached to some financial products.

Respondents also were asked two subquestions about capital market systems that were distinct from those contributing to the final financial

“
There is no centralized securities commission in Canada, thus a fractured legal framework is in existence to prosecute unethical behaviour. All too often unethical behaviour just receives a slap on the wrist.

— Survey Respondent

market index rating. These questions were designed to further illuminate some of the reasoning behind the individual scores given to the various

Effectiveness of Regulatory and Investor Protections

(continued)

market system components. The first subquestion asked about the effectiveness of capital market regulation policies themselves. Specifically, we sought the respondents' perceptions on whether the regulations and investor protections available in the market represent industry standard or best practice and if implemented correctly, could those market systems offer a solid framework for investor rights. Respondents rated these regulations and policies just below "good" by assigning an average rating of 2.9 out of 5.0.

The second subquestion focused on the effectiveness of implementation or enforcement of such regulations and policies. Respondents showed less confidence in effective enforcement of existing regulations than they did in the adequacy of the policies themselves. It is little wonder that weak performance of regulatory agencies and enforcement of exist-

ing rules continue to be concerns in the Canadian markets; respondents rated the enforcement process in Canada as less than good (2.5 out of 5.0). Enforcement was a concern that many respondents touched on in their comments as a particular regulatory weakness that needs to be addressed by the Canadian authorities.

To many in Canada, enforcement may seem lax compared with other markets. For example, fewer criminal cases for financial wrongdoing are brought forward in Canada than in the United States, and there have been significant delays or failures to prosecute many of those Canadian cases. This is in some ways a reflection of the Canadian enforcement regime—one that prefers administrative regulatory action to remove a person from the market rather than to secure an offender jail time under Canada's difficult reasonable-doubt criminal standard.

“

*There should be a single
regulatory body in Canada,
instead of one in every province.*

— Survey Respondent

”

“
*We need better enforcement.
Provincial securities commissions
have no bite. Rarely do we get
convictions. Generally problems
here get pursued in the U.S.*

— Survey Respondent

”

Willingness to Invest in Canada

With the subprime debacle casting a pall across the global financial markets in 2008 and Canada experiencing its own asset-backed commercial paper crisis, it is understandable that respondents gave the Canadian market a weak overall rating and a below-average rating for its market systems.

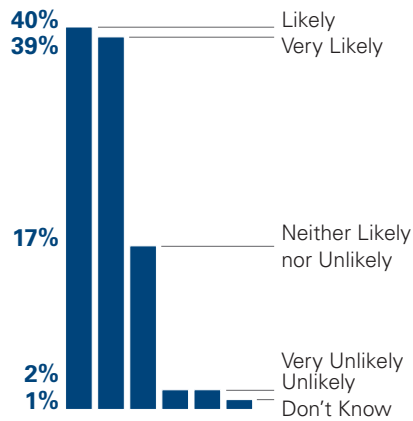
In particular, a number of scores seem lower than expected considering that the Canadian market arguably offers investors some of the world's strongest regulatory, enforcement, governance, and legal protections. Considering past market circumstances, investors may have lost some confidence in the policies and enforce-

ment procedures that are meant to ensure fair dealing in the capital markets. This raises the interesting question of whether bear markets or financial crises call into question the quality of, or expose weaknesses in, existing regulation that might otherwise go unnoticed or be tolerated as just another risk factor in stable or bull markets. Are respondents' concerns about ethical lapses or regulatory weaknesses simply caused by the negative attention on troubled markets, or are those weaknesses real? Our FMI Index data will help assess these questions over time.

It is interesting to note, however, that despite this lower confidence in the effectiveness of market systems, and to a lesser extent the behavior of market participants in Canada (the ratings for market participants were generally higher than those for market systems), the willingness of investment professionals to recommend investing in the Canadian market has not yet significantly declined.

To test the connection between confidence in market participants and systems and the willingness to invest in Canada, we asked respondents about their willingness to recommend investing in the Canadian markets based solely on the ethical behavior of

Figure 5
Likelihood of in-market respondents to recommend investing in Canada based solely on the ethical behavior of market participants and the effectiveness of capital market systems.



Based Solely on Ethical Behavior and Capital Market Systems, Would You Recommend Investing in Canada?

*May not add to 100% because of rounding.

financial professionals and the effectiveness of capital market systems. The results demonstrated in **Figure 5** allow us to compare respondents' willingness to invest against the ratings they assigned to the integrity of the market participants and systems in Canada.

Nearly 80 percent of Canadian respondents said they were likely or very likely to make such a recommendation to invest (63 percent of respondents outside Canada were likely or very likely to make such a recommendation). If we assume those views were based only on the two factors—ethical behavior and the effectiveness of capital market systems—it appears that the willingness to invest in the Canadian market is little impacted by recent troubles in the market. Only about 4 percent of respondents in Canada said they were unlikely or very unlikely to invest based on the same criteria.

Although not unexpected, these responses may be viewed as a slight disconnect. One obvious explanation is that although respondents fear the current turmoil and see a need for improvement in the ethical behavior of individuals and in the effectiveness of certain capital market control systems, these issues are not serious enough by themselves to prevent investment

in what is generally considered to be one of the most liquid, stable, and diverse markets in the world. Put more simply, respondents may think that Canadian regulators and policymakers need to make improvements to capital market systems, but despite that sentiment, exposure to Canadian markets remains an imperative for many domestic and global portfolios. Respondents still appear confident about putting their capital into the Canadian markets.

Respondents outside Canada were slightly less likely to recommend investing in Canada. This difference seems curious because those outside Canada gave the Canadian market a better rating overall and showed more confidence in Canadian market systems.

This response may reflect a diversification concern because the Canadian market is highly concentrated in natural resource and commodity companies. The fact that those outside Canada are slightly less willing to invest may reflect a desire to seek more diversified investment options or to avoid the troubled financial sector. Future surveys will further illuminate the reasons behind this disparity if it persists over time.

Other Key Survey Considerations

In-Market vs. Out-of-Market Perceptions

For purposes of this FMI Index, charter holders from five other markets we surveyed (Hong Kong, Japan, Switzerland, the United Kingdom, and the United States) were given the opportunity to rate and comment on both their own and the Canadian market. (Survey respondents were given the option to skip questions pertaining to any market about which they did not think they were knowledgeable.)

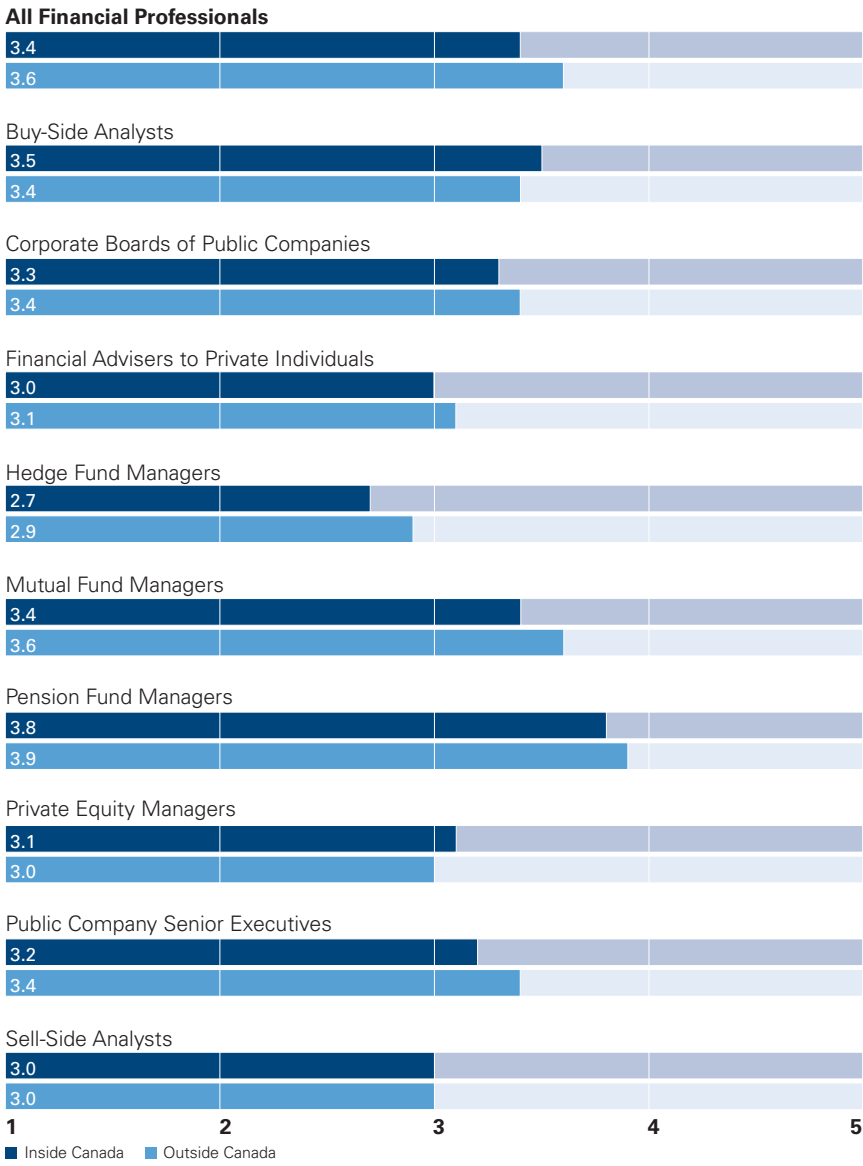
Respondents inside and outside Canada rated the integrity of market participants roughly the same, with those outside Canada giving slightly higher marks overall (see **Figure 6**). The ratings given by those outside the market and inside the market never differed by more than 0.2 points. Yet the difference in opinions concerning the effectiveness of market systems is

pronounced; in every single category, those outside Canada rated the effectiveness of market systems 0.4 points or higher than did Canadians themselves (see **Figure 7**). The grass is definitely greener for those looking at Canada's regulatory and investor protections from the outside.

It is interesting to consider what could be behind this large difference in ratings. It may be the case that investors outside Canada have been able to overlook structural problems in the market if their perception has been influenced by the higher returns the Canadian market has paid in recent years thanks to commodities and a strong currency. It may be that those outside Canada who invest internationally see the Canadian market as a very attractive option among many global investing

Ethical Behavior of Individual Market Participants

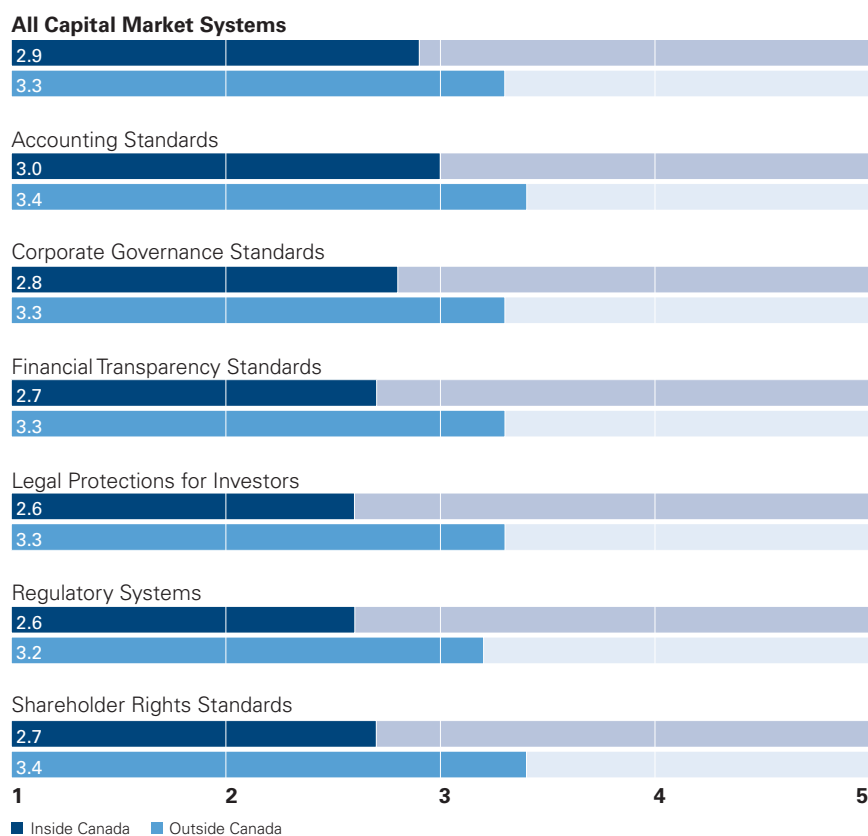
Figure 6



In-Market vs. Out-of-Market Perceptions

(continued)

Figure 7 Effectiveness of Regulatory and Investor Protections



opportunities—a perspective not held by some inside Canada if they are looking at these issues from an investment universe consisting solely of Canadian companies. It will be informative to observe how this relationship between in-market and out-of-market sentiment develops over the years and whether those outside Canada look deeper into the regulatory and investor protections of Canada when a market cycle moves against their Canadian holdings.

As demonstrated in Figure 7, each rating given by those outside the Canadian market is significantly higher (0.4 points or greater) than the corresponding rating given by respondents inside the market. In two instances—legal protections and shareholder rights—the ratings out-of-market respondents assigned are 0.7 points higher than ratings by Canadian respondents.

Comments of Survey Respondents

Respondents were given opportunities in connection with several of the survey questions to provide written comments about their thoughts and concerns. In particular, additional comments were solicited in the survey section concerning individual market participants and again after questions concerning market systems. At the completion of the survey, respondents

“no answer” or “nothing to add” types of remarks were excluded.

The various responses were examined and then categorized based on the main thrust or concern of each comment (e.g., corporate governance, transparency, fraud). The key areas of comment and the topics raised most often are highlighted in **Figure 8**. In

Figure 8

Survey respondents commented most about advisers, conflicts of interest, regulations/regulatory systems, ant transparency.

Issues Raised Most Frequently

Advisers	37 comments
Conflicts of Interest	58 comments
Enforcement	26 comments
Regulation/Regulatory Systems	51 comments
Transparency	39 comments

also were asked what additional or specific issues investors should be concerned about and for any other comments.

instances where an individual raised more than one concern, we identified the primary concern for this Report and noted any secondary or tertiary concerns, although these do not appear in Figure 8.

More than 350 substantive comments were received; those responding with

“
The lack of a federal securities oversight body will continue to hinder improvement of market integrity in Canada.
 ”

— Survey Respondent

Conflicts of Interest

The most prominent issue raised among respondents was that of conflicts of interest; we received 58 comments that voiced concern over such conflicts in the Canadian market.

These concerns about conflicts were not concentrated on any one group of market participants or systems. Rather, they reflect a broad concern among respondents that conflicts of interest need to be addressed more thoroughly in the Canadian market. Just over a third of those who raised concerns about conflicts simply wrote “conflicts of interest” or something similar that did not clarify a specific concern. Although respondents did not target any one set of market participants in the majority of their comments concerning conflicts of interest, financial advisers were the subject of the most comments of any profession; just over 20 percent of respondents who focused on conflicts of interest mentioned conflicts between advisers and their clients.

Some respondents focused on conflicts of interest among sell-side professionals.

“
Individual investors should be most concerned about their brokers acting in their own interests rather than in their clients’ best interests.

— Survey Respondent

”

Regulation

We received 51 separate comments having to do with regulation or the current state of regulation in the Canadian market. Over one-third of those who commented on the current regulatory system stated that it is too fragmented and that Canada needs a single-regulator system to drive better enforcement of regulatory standards.

As a number of comments suggest, regulatory enforcement is also a main area of concern for respondents focused on Canada’s regulatory environment.

Comments of Survey Respondents

(continued)

It is important to note that in addition to the many concerns raised, there were some positive comments about the state of regulation as well. Many remarked that for all its problems, the Canadian regulatory system is still one of the most highly regarded around the world for the level and extent of protections it offers investors.

Transparency

We received nearly 40 comments concerning transparency of disclosures and financial information in the Canadian markets. The concerns about transparency were not generally focused on any particular market system or participant; a number of

“

A national securities agency is needed for Canada to ensure the consistent application of existing security rules. Current penalties and, moreover, the effectiveness of the prosecution of perceived crimes are highly inadequate.

— Survey Respondent

”

respondents simply listed “transparency” or “disclosure” as a point of concern. However, those who provided additional comments tended to focus on two main areas: (1) disclosure concerning conflicts of interest and (2) a lack of adequate fee disclosure, with comments on fees most predominant.

Financial Advisers

Financial advisers as a group received a rating of 3.0, or adequate, that reflects some dissatisfaction among respondents about the performance of this group. More than 35 respondents expressed concerns about this important group of financial services providers. Concerns about conflicts of interest and adequate fee disclosure predominated.

“
Fragmentation of the regulatory system is a major issue in Canada. The provincial jurisdiction over security regulation is a major impediment to adequate regulation.

— Survey Respondent

”

“
Investment advisers who churn their clients’ portfolios are acting in their own interests and not necessarily in the best interests of their clients.

— Survey Respondent

”

Demographics

The following figures indicate some of the key demographic information about the respondent base (please see complete methodology report at www.cfainstitute.org/centre for further details). It is interesting to note that

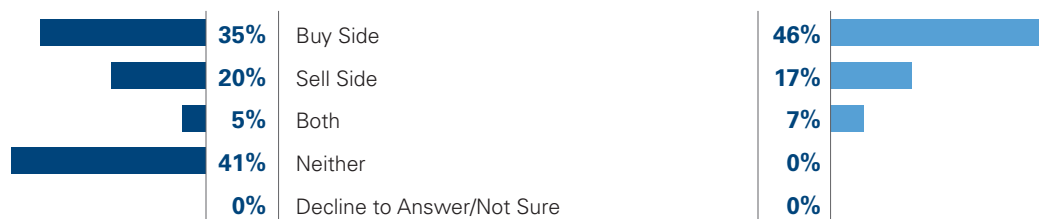
of the overall group of respondents, a large number indicated that they were working or employed in some capacity other than one of the practitioner categories identified in the survey.

Respondent Profiles for Canadian Market

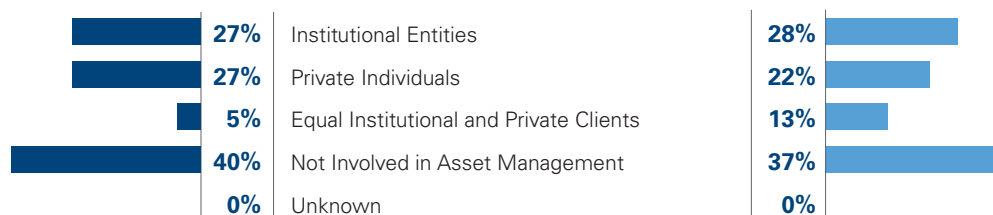
In Market (593 respondents)

Out of Market (57 respondents)

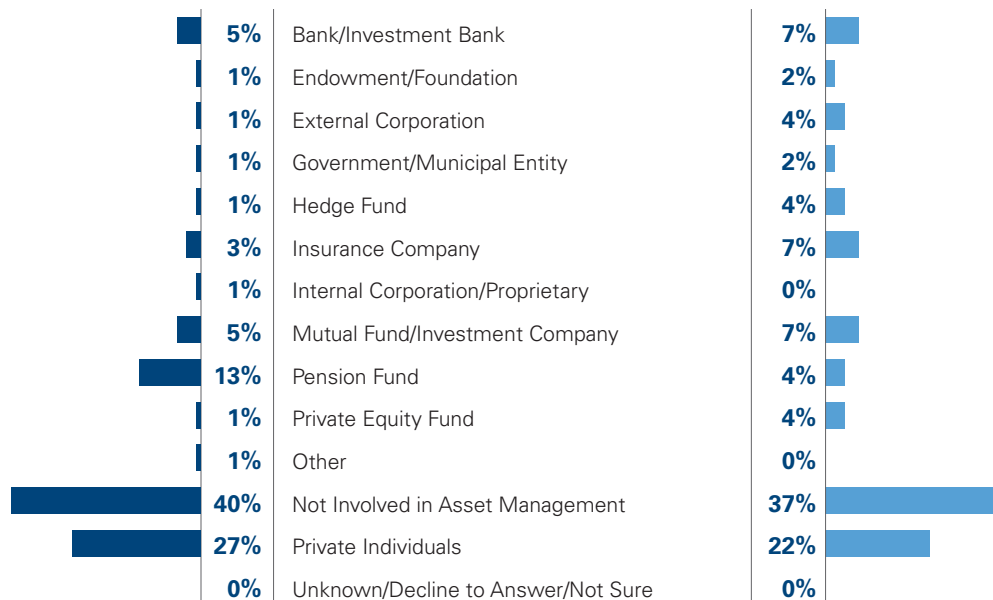
Buy/Sell Side



Client Asset Base



Institutional Asset Client Type

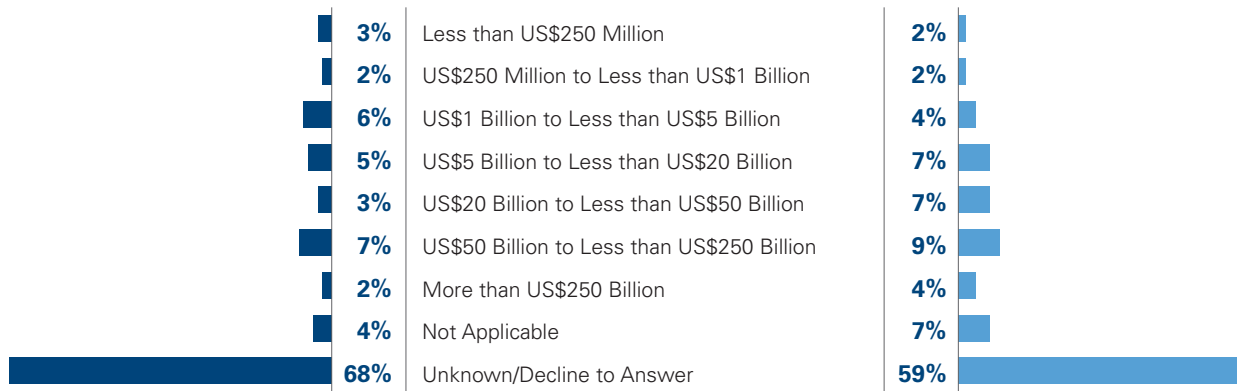


Respondent Profiles for Canadian Market (continued)

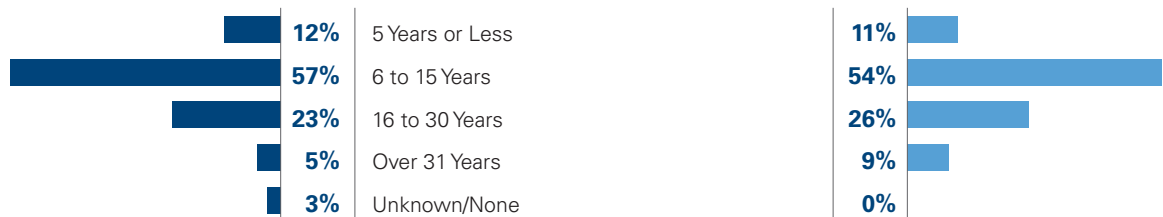
In Market (593 respondents)

Out of Market (57 respondents)

Assets Under Management



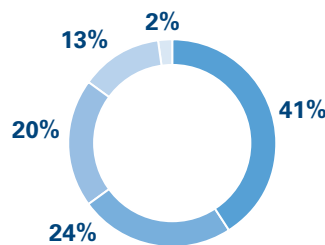
Years in the Investment Industry



Overview of Out-of-Market Respondents

Market

- 41% United States
- 24% United Kingdom
- 20% Switzerland
- 13% Hong Kong
- 2% Japan



*May not add to 100% because of rounding.

CFA Institute Centre for Financial Market Integrity

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