Canadian Forum for Financial Markets
CFFiM
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FCMFi

RE: PROPOSED CONSUMER-DRIVEN BANKING REGULATIONS

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Submitted via E-Mail: obbo@fin.gc.ca

Kïrsten Fraser
Director, Financial Services Innovation
Financial Services Division
Financial Sector Policy Branch
Department of Finance Canada
90 Elgin Street
Ottawa, Ontario K1A 0G5

RE: PROPOSED CONSUMER-DRIVEN BANKING REGULATIONS

The Canadian Forum for Financial Markets (CFFiM) appreciates the opportunity to comment on the proposed *Consumer-Driven Banking Regulations* (the "**Regulations**") published in the *Canada Gazette, Part I* on June 27, 2026.

CFFiM is dedicated to advancing proposals that foster healthy, competitive financial markets and a resilient Canadian economy.

CFFiM supports the federal government's objective of establishing a secure, consumer-permissioned framework that gives Canadians and Canadian businesses greater control over their financial data, promotes competition and innovation, and reduces dependence on credential sharing and screen scraping. A well-designed consumer-driven banking framework can improve consumer outcomes, enhance security and support more dynamic financial markets.

The Regulatory Impact Analysis Statement ("**RIAS**") accompanying the Regulations underscores the importance of this objective, noting that approximately nine million Canadians currently access financial data-sharing services by providing confidential banking credentials through screen scraping, a practice that can create security, liability and privacy risks. This scale of existing usage demonstrates both the market demand for consumer-authorized financial data sharing and the importance of ensuring that the regulated framework is practical, trusted and capable of supporting a broad range of use cases.

At the same time, the framework will only achieve these objectives if it is practical to implement, competitively neutral, interoperable across financial market participants and coordinated with existing regulatory regimes. CFFiM therefore recommends targeted refinements, as a solutions partner, to ensure that the Regulations support consumer choice and innovation without layering duplicative obligations on highly regulated market participants.

This is particularly important because the proposed framework applies to a broader range of financial relationships than traditional chequing and savings accounts. The proposed Regulations contemplate consumer-authorized sharing of data relating to deposit accounts, payment products, lending products and investment accounts. In practice, Canadian consumers and businesses increasingly use integrated financial tools that combine banking, cash management, credit, investment and wealth-management information. A framework that is designed too narrowly around traditional banking use cases may therefore limit the potential value of consumer-permissioned data sharing and make future expansion more costly.

EXECUTIVE SUMMARY

CFFiM recommends that the Regulations be revised and implemented in a manner that:

1. Extends streamlined accreditation to securities market registrants, including investment dealers and other highly regulated financial market participants that are already subject to robust securities regulation (for example oversight by a member of the Canadian Securities Administrators (CSA) and/or Canadian Investment Regulatory Organization ("CIRO"), privacy, and anti-money laundering and anti-terrorist financing ("AML/ATF") requirements;
2. Supports fair and effective participation across accreditation, onboarding, access, service-level expectations and framework administration;
3. Reduces regulatory duplication and fragmentation through coordination among regulators, harmonized guidance and deemed or substituted compliance where equivalent obligations already apply;
4. Sequences operational compliance obligations to the publication of technical standards and provides a clear implementation runway; and
5. Requires outcome-based reporting and a post-implementation review to assess whether the framework is delivering meaningful consumer, security, innovation and market- growth benefits.

The table at Schedule A summarizes practical implementation measures that would help give effect to these recommendations.

1. STREAMLINED ACCREDITATION SHOULD EXTEND TO SECURITIES MARKET REGISTRANTS

The Regulations appropriately recognize that certain entities already operate within comprehensive regulatory frameworks and therefore provide streamlined accreditation pathways for federal financial institutions, provincial financial institutions and payment service providers registered under the *Retail Payment Activities Act*. CFFiM supports this proportionate approach.

However, the same principle should apply to securities market registrants, including investment dealers and other highly regulated financial market participants. These entities are already subject to extensive oversight by provincial and territorial securities regulators and, where applicable, Canadian Investment Regulatory Organization (CIRO), as well as privacy and AML/ATF requirements. These obligations include cybersecurity, operational resilience, proficiency, conduct, client protection, and complaint-handling requirements.

Requiring securities market registrants to complete duplicative accreditation steps risks increasing costs, delaying participation and limiting the range of consumer-facing use cases that the framework is intended to enable. This concern is particularly important because consumer-authorized financial data sharing is not limited to traditional deposit accounts. Investment accounts, wealth management services, lending relationships, cash management services and related client tools are all areas where consumer-driven banking can support better consumer outcomes and more effective competition.

CFFiM recommends that the Regulations provide a streamlined accreditation pathway, deemed compliance mechanism or other equivalent proportionate treatment for securities market registrants that are already subject to comparable regulatory expectations. This would not exempt such entities from

appropriate Bank of Canada oversight under the consumer-driven banking framework. Rather, it would recognize existing supervision and focus incremental requirements on risks that are specific to participation in the framework.

This approach is consistent with the RIAS' treatment of other regulated entities. For example, the RIAS explains that the proposed accreditation criteria for provincially regulated financial institutions seek to rely on existing security protocols applied by provincial regulators and to limit accreditation criteria to areas not already addressed by a provincial regime, thereby minimizing potential overlap or duplication while preserving robust regulatory controls. CFFiM recommends that the same principle be applied to securities market registrants where comparable regulatory oversight already exists.

More specifically, CFFiM recommends that the streamlined pathway for securities market registrants address the following elements: reliance on existing registration, membership and supervisory status where appropriate; targeted supplemental information limited to consumer-driven banking-specific risks; recognition of existing policies and controls relating to cybersecurity, privacy, AML/ATF, complaint handling, outsourcing and operational resilience; and renewal requirements that focus on material changes rather than duplicative annual re-submissions of information already provided to provincial securities regulators or CIRO.

For example, securities market registrants may use consumer-authorized data sharing to support faster account opening, know-your-client and suitability updates, cash transfer workflows between deposit and investment accounts, portfolio aggregation, financial planning tools and more complete client financial profiles.

2. THE FRAMEWORK SHOULD SUPPORT FAIR AND EFFECTIVE PARTICIPATION

CFFiM supports the government's objective of promoting innovation, consumer choice and a more dynamic financial sector. To achieve those objectives, however, the framework must be designed and administered in a manner that enables fair and effective participation in practice. A technically open framework will not necessarily produce meaningful consumer choice if accreditation requirements, onboarding processes, access standards or implementation sequencing have the practical effect of favouring entities with the greatest existing scale, technology resources or bilateral relationships.

CFFiM recommends that the Regulations and related guidance incorporate safeguards that promote fair participation, including proportionate accreditation and renewal requirements, clear and predictable timelines for Bank of Canada review, timely and non-discriminatory access to the framework, transparent onboarding processes, objective and narrowly defined grounds for refusing, delaying or suspending access, and a clear complaints or escalation pathway for issues that may limit consumer choice or fair access.

Execution expectations are also important. If consumers are to benefit from secure, permissioned data sharing, data holders and other participants should be subject to clear, transparent and consistently applied execution expectations. These expectations should be calibrated to support reliability and security while avoiding requirements that are unnecessarily costly or difficult for smaller or newer participants to meet.

CFFiM recommends that these safeguards be made operational through specific implementation expectations. In particular, the framework should include:

- Published onboarding steps and target timelines.
- Transparent criteria for technical readiness assessments.
- Clear expectations for testing environments and sandbox access.
- Written reasons where access is delayed or denied.
- Escalation procedures for unresolved connectivity or execution-level issues; and
- Reporting to the Bank of Canada where a participant's conduct may have the effect of restricting consumer choice or impeding fair access to the framework.

These measures are particularly important for newer entrants, independent dealers and other firms that may not have the same implementation resources or bilateral relationships as large incumbent institutions. Without clear access and service-level expectations, competitive outcomes could be undermined if consumers are able to authorize data sharing in theory but experience delays, inconsistent functionality or limited availability in practice.

3. IMPLEMENTATION SHOULD PROMOTE REGULATORY COHERENCE AND AVOID DUPLICATION

Participants in the consumer-driven banking framework may be subject to oversight by multiple regulators and standard-setters, including the Bank of Canada under the *Consumer-Driven Banking Act* and the *Retail Payment Activities Act* (the Act), the Minister of Finance in relation to national security and designations, the Office of the Superintendent of Financial Institutions, the Financial Consumer Agency of Canada, provincial financial institutions regulators, CSA, , CIRO, privacy regulators, the Financial Transactions and Reports Analysis Centre of Canada ("FINTRAC"), a designated technical standards body and any applicable external complaints body or complaint-handling framework. Provinces may also impose their own requirements, and the Act permits the Minister to designate supervision of certain provisions to a provincial authority.

CFFiM recommends that the Regulations be implemented in a manner that promotes coordination and avoids duplication among overlapping regulatory regimes. This should include harmonized guidance, aligned definitions and thresholds, single-window reporting where possible, and deemed or substituted compliance where an obligation is already substantively addressed under another regulatory framework.

Areas where coordination or deemed or substituted compliance may be particularly useful include incident reporting, business continuity and operational resilience obligations, cybersecurity control expectations, complaint-handling requirements, privacy and consent management, AML/ATF controls, outsourcing or third-party risk management, and governance attestations. The concern is not that participants should be relieved from reporting obligations that already apply under privacy law, AML/ATF law or securities regulation. Rather, where a participant already reports substantially similar information on the same matter to CSA/CIRO, a privacy regulator or FINTRAC, the Bank of Canada should seek to avoid duplicative reporting by relying on existing filings wherever possible, co-ordinated reporting channels and aligned templates if additional reporting is strictly necessary.

CFFiM also recommends that the Department of Finance and the Bank of Canada coordinate early with securities regulators, privacy regulators, FINTRAC and relevant provincial authorities to identify

overlapping obligations before implementation. This coordination should be reflected in public guidance so that participants can understand how the consumer-driven banking framework will interact with existing requirements and can avoid building duplicative compliance processes.

This approach would preserve effective oversight while reducing unnecessary complexity, cost and fragmentation for participants already subject to comprehensive securities, privacy, AML/ATF or complaints-handling requirements. It would also be consistent with broader efforts to improve regulatory efficiency and competitiveness in Canadian financial markets by ensuring that consumer-driven banking does not create another overlapping compliance layer where the same risks are already managed through existing regulatory frameworks.

4. TECHNICAL AND REGULATORY INTEROPERABILITY SHOULD BE A CORE DESIGN OBJECTIVE

The Regulations contemplate a designated technical standard and require participants to demonstrate and maintain compliance with applicable technical requirements. However, no standards body has yet been designated, and no technical standard has yet been published. Participants will need to design and implement operational, security, authentication, consent, reporting and monitoring controls around that standard.

The RIAS also notes that the Advisory Committee recommended that the system be built to allow the scope to expand over time, including to new types of data and “write access” functions once the system is established. That direction supports designing the technical standard from the outset with sufficient flexibility to accommodate future account-movement, investment-account and other consumer-authorized financial data use cases.

CFFiM recommends that a technical standards body be appointed immediately and that key operational compliance obligations be sequenced to the publication of the designated technical standard, together with a defined implementation runway. Participants should not be expected to build against incomplete or moving requirements. A clear implementation sequence will reduce cost, improve security and support more consistent market-wide adoption.

At a minimum, the implementation runway should include time for participants to assess the final standard, complete solution design, update vendor and outsourcing arrangements, build and test application programming interfaces and related controls, conduct security and privacy testing, train operational and compliance teams, update consumer-facing disclosures and consent flows, and complete any required certification or attestation process. The implementation period should also recognize that smaller participants may rely on third-party technology providers and may require additional time to complete vendor onboarding and testing.

The designated standard should be technology-neutral, publicly available, version-controlled and developed through an inclusive governance process involving banks, credit unions, securities market registrants, payment service providers, and Fintechs. It should support consistent implementation across participants, minimize bespoke bilateral arrangements and allow participants to build once for use across the Canadian framework.

In practical terms, interoperability should support consistent data fields, authentication flows, consent capture and withdrawal processes, error messages, availability and incident notifications, status tracking, and API performance expectations across participants. It should also allow a consumer or business to authorize data sharing in a consistent manner whether the use case involves a deposit account, payment

account, investment account, lending product, cash management service or related financial planning tool.

Interoperability should also be considered in light of related regulatory initiatives affecting investment accounts, including CIRO's modernization of requirements for account transfers and bulk account movements under IDPC Rule 4800, MFD Rule 2.12 and CIRO Rule 4800. Although that initiative is distinct from consumer-driven banking, it raises similar operational issues around secure digital instructions, standardized data exchange, authentication, consent, status tracking and execution expectations. Canada should avoid building separate or inconsistent digital rails for banking data access, investment account transfers, account switching, payment initiation and other future consumer-authorized account-movement use cases. CFFiM therefore recommends that the designated technical standard be developed with sufficient flexibility to support future interoperability across these related processes, while recognizing that they may be governed by different statutes, regulators and liability models.

Future versions of the standard should also be subject to clear notice, consultation and transition periods so that participants can plan implementation and avoid fragmentation caused by inconsistent adoption of new technical requirements.

5. REPORTING SHOULD MEASURE OUTCOMES, NOT ONLY COMPLIANCE INPUTS

The reporting requirements in the Regulations are largely compliance-oriented and focus on inputs, incidents, access requests, service levels and failures. These requirements are important, but they should be supplemented by outcome-based reporting that measures whether consumer-driven banking is delivering against its policy objectives.

The RIAS estimates that the proposed Regulations would generate monetized benefits of approximately $13.2 billion in total present value over a 10-year period, compared with estimated costs of approximately $457.7 million, while also noting that many benefits cannot be quantified at this time and that the identified use cases are illustrative and non-exhaustive. These estimates reinforce the importance of measuring whether the framework is delivering the expected consumer, innovation, security and market-efficiency benefits in practice.

CFFiM recommends that the framework include annual public reporting on a defined set of outcome metrics, with baselines established before launch and a formal review after three years. Relevant metrics would include participant adoption and coverage, consumer and business uptake, substitution away from screen scraping and credential sharing, consent renewal and withdrawal rates, access reliability and performance, security outcomes, time to accreditation and evidence of new or improved products and services, including capital markets and investment-account use cases.

The metric set should be designed to distinguish between formal availability of the framework and effective market adoption. For example, reporting should track the number and type of accredited participants, the proportion of major account types covered, average onboarding and accreditation timelines, API uptime and latency, rates of failed or abandoned consent flows, average time to resolve access issues, the number of consumers and businesses actively using the framework, and whether market participants are launching new or improved products and services that rely on consumer-authorized data sharing.

The three-year review should consider whether changes are needed to accreditation thresholds, access and execution-level requirements, technical standards governance, reporting obligations or regulatory

coordination mechanisms. It should also consider how the scope of the framework should be expanded or adjusted to better support capital markets, investment-account, small-business, lending and other financial data use cases that emerge as the framework matures.

Outcome-based reporting would support transparency, accountability and evidence-based refinement of the framework. It would also help determine whether the framework is increasing consumer choice, improving security, reducing reliance on less secure data-sharing practices, supporting fair and effective participation and enabling new or improved financial products and services in Canadian financial markets.

CONCLUSION

CFFiM supports the continued development of a secure, consumer-permissioned framework for financial data sharing in Canada. The Regulations are an important step toward that objective. With targeted refinements to accreditation, fair participation, regulatory coordination, interoperability and outcome measurement, the framework can better support consumer choice, innovation, market growth and confidence in Canadian financial markets.

CFFiM would be pleased to discuss these recommendations further with the Department of Finance Canada, the Bank of Canada and other relevant policy-makers as the framework is finalized and implemented.

Yours truly,

The Canadian Forum for Financial Markets

SCHEDULE A

Issue	Practical concern	Recommended implementation measure
Accreditation	Duplicative review delays participation by entities already subject to comprehensive securities, privacy, and AML/ATF oversight.	Provide streamlined accreditation and deemed compliance for securities market registrants.
Onboarding and access	Unclear onboarding steps, inconsistent testing access or delayed connectivity could undermine consumer choice.	Publish onboarding steps, target timelines, technical readiness criteria, testing expectations, written reasons for delays or denials and escalation procedures.
Regulatory duplication	Participants may report similar information to multiple regulators and build overlapping controls for the same risks.	Use harmonized guidance, aligned templates, coordinated reporting channels and deemed or substituted compliance where substantively equivalent obligations already apply.
Technical standards	Participants cannot design secure and reliable systems against incomplete or changing technical requirements.	Sequence operational obligations to publication of the designated standard and provide time for vendor work, API build, testing, training and certification.
Outcome measurement	Compliance reporting alone will not show whether the framework is improving consumer outcomes or market access and, if not, how it can be improved to do so.	Publish annual metrics on adoption, coverage, accreditation timelines, API performance, consent-flow completion, and new products and services enabled.