

FROM POTENTIAL TO PROSPERITY

The urgent case for greater investment in Canada's SMEs



Report of the Standing Senate Committee
on Banking, Commerce and the Economy

The Honourable Clément Gignac, Chair
The Honourable Toni Varone, Deputy Chair



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The Committee Membership



The Honourable
Clément Gignac
Chair



The Honourable
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Deputy Chair

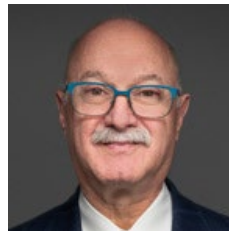
The Honourable Senators



Pierre J.
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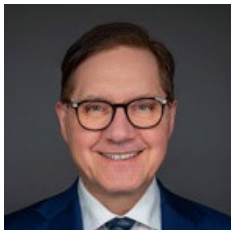
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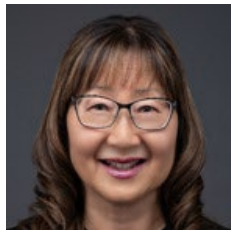
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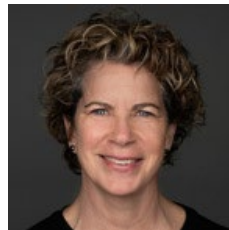
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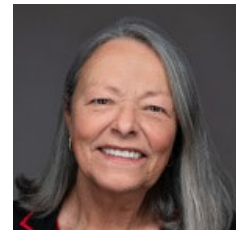
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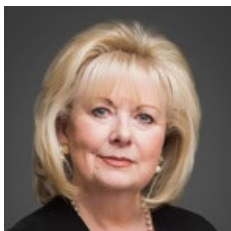
Yonah Martin



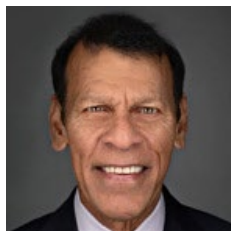
Marnie McBean



Pierrette
Ringuette



Pamela Wallin



Hassan Yussuff

Ex officio members of the committee:

The Honourable Pierre Moreau, P.C., or the Honourable Patti LaBoucane-Benson
The Honourable Leo Housakos or the Honourable Yonah Martin
The Honourable Raymonde Saint-Germain or the Honourable Bernadette Clement
(until January 4, 2026)
The Honourable Lucie Moncion or the Honourable Joan Kingston
(since January 5, 2026)
The Honourable Scott Tannas or the Honourable Rebecca Patterson
(until January 4, 2026)
The Honourable Flordeliz (Gigi) Osler or the Honourable Robert Black
(since January 5, 2026)
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Other senators who have participated in the study:

The Honourable Rosa Galvez
The Honourable Nancy Karetak-Lindell
The Honourable Jane MacAdam
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Matthieu Boulianne, Committee Clerk
Elda Menegaldo, Administrative Assistant

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Chelsea DeFazio, Communications Officer

Order of Reference – November 20, 2025

Extract from the *Journals of the Senate* of Thursday, November 20, 2025:

The Honourable Senator Fridhandler moved, for the Honourable Senator Gignac, seconded by the Honourable Senator Cardozo:

That the Standing Senate Committee on Banking, Commerce and the Economy be authorized to examine and report on access to credit and capital markets for small- and medium-sized enterprises as the basis for growth and improved productivity in the Canadian economy;

That the committee be permitted, notwithstanding usual practices, to deposit reports on this study with the Clerk of the Senate, if the Senate is not then sitting, and that the reports be deemed to have been tabled in the Senate; and

That the committee submit its final report to the Senate no later than June 30, 2026, and that the committee retain all powers necessary to publicize its findings until 180 days after the tabling of the final report.

The question being put on the motion, it was adopted.

Shaila Anwar

Clerk of the Senate

Order of Reference – June 9, 2026

Extract from the *Journals of the Senate* of Tuesday, June 9, 2026:

The Honourable Senator Gignac moved, seconded by the Honourable Senator Aucoin:

That, notwithstanding the order of the Senate adopted on Thursday, November 20, 2025, the date for the final report of the Standing Senate Committee on Banking, Commerce and the Economy in relation to its study on access to credit and capital markets for small- and medium-sized enterprises as the basis for growth and improved productivity in the Canadian economy be extended from June 30, 2026, to October 31, 2026.

The question being put on the motion, it was adopted.

Shaila Anwar

Clerk of the Senate

This lack of financial access has made Canada a country of stranded assets.

Zita Cobb, Shorefast

Canada's productivity and competitiveness challenges reflect a structural misalignment between policy architecture designed for the tangible economy and the realities of today's intangible economy. Today, approximately 92 percent of the market value of the S&P 500 is derived from intangible assets, including intellectual property, software, data, standards, algorithms, brands, and other non-physical assets

Jim Balsillie, Council of Canadian Innovators

Canada's economy is experiencing significant challenges, including a well-documented decline in productivity. Ensuring that small- and medium-sized enterprises have access to the capital and financial supports they need to grow, innovate and scale is central to addressing these broader economic challenges. This is a shared responsibility that all participants in the financial ecosystem must contribute to.

Stan Magidson, Canadian Securities Administrators

If Canada wants the most innovative companies to scale domestically, we must provide a compelling reason for them to stay. Rebuilding resilient capital markets in the ecosystem is not only a financial priority, but it's also a national economic imperative.

Dan Daviau, Canaccord Genuity Group Inc.

Executive Summary

On 20 November 2025, the Standing Senate Committee on Banking, Commerce and the Economy (the Committee) was authorized to examine and report on access to credit and capital markets for small- and medium-sized enterprises (SMEs)¹ as the basis for growth and improved productivity in the Canadian economy. The Committee held 15 meetings on this topic, featuring approximately 24 hours of testimony from over 35 witnesses that included SMEs and representatives from various facets of the Canadian credit and capital markets.

The Committee is calling for numerous fundamental changes to the Canadian financial system that would address the structural issues currently leading to persistent financing gaps for SMEs, the underinvestment of domestic capital in productive Canadian businesses and the loss of Canadian talent, business and intellectual property ownership. Recent events have dramatically accelerated the need to address this structural choke point in our economy where massive pools of assets remain inaccessible to our most promising growth companies and industries.

SMEs are the backbone of the Canadian economy. As of December 2024, SMEs accounted for 99.7% of employer businesses in Canada, and in 2022, SMEs accounted for nearly half of the gross domestic product (GDP) generated by the private sector. They are the primary source of private-sector employment, the foundation of local economies and a key driver of innovation and growth. Their success is critical to Canada's long-term prosperity, productivity and competitiveness. ***When Canadian SMEs succeed, Canada succeeds.***

Throughout this study, the Committee repeatedly heard that structural issues in Canada's economy are preventing SMEs from achieving their full potential. This is because Canadian financial markets do not offer competitive, affordable and timely access to capital and credit. Canada is home to a vast number of SMEs, yet its financial sector is dominated by a handful of large financial conglomerates², creating a persistent and increasing disconnect between those seeking credit and capital, and those controlling its allocation.

Designed primarily to promote stability and efficiency at scale, the financial system tends to favour larger, lower-risk, asset-backed transactions. As a result, many

¹ Innovation, Science and Economic Development Canada's [*Key Small Business Statistics 2025*](#) defines small businesses as having 1 to 99 paid employees and medium-sized businesses as having 100 to 499 paid employees. It also defines businesses with 1 to 4 employees as micro-enterprises.

² Financial conglomerates are in reference to Canada's six largest retail banks and their affiliated businesses, including insurance, wealth management and investment banking.

promising economic opportunities for SME expansion, innovation and succession are rendered inaccessible due to structural barriers within Canada's financial sector.

Increasing globalization and the growing role of foreign investment have provided Canadian firms with access to capital from foreign jurisdictions. However, this has also contributed to the premature sale of promising companies and the transfer of ownership, investments in research and development, intellectual property and future economic value outside of Canada.

The Committee is deeply concerned that Canada's largest institutional investors (financial conglomerates, insurers, pension funds) and pools of capital appear disinclined to finance the growth of Canadian SMEs, thus limiting our country's ability to capitalize on Canadian talent, our investments in research and development and, ultimately, our ability to retain and grow our most promising innovative businesses.

To tackle the structural deficiencies that have manifested themselves over time in Canada's financial system and boost access to capital for SMEs, the Committee calls on the federal government, directly or indirectly, to:

- create an SME Office, accountable to a single minister, responsible for accelerating overall business innovation and growth in Canada. Align the policies, services and programs in ways that catalyze investment from the private sector domain and investment experts, and publicly report impact date by program;
- enhance tax competitiveness for both SMEs and investors in SME growth through accelerated changes to tax policy;
- enable and encourage regulatory changes that will expand SME access to capital and credit by creating robustly competitive financial markets and better enabling new entrants in those markets to competitively access the capital they require to increase their investment and/or lending to SMEs;
- encourage the provinces to introduce robust market reforms that will enable Canada's public and exempt investment markets to once again become globally competitive and a viable alternative for growing Canadian SMEs to create liquidity and raise capital;
- take action to support the Canadian acquisition and ownership of intellectual property and its retention in, and commercialization from, Canada as recommended in BANC's June 2023 report entitled *Needed: An Innovation Strategy for the Data-Driven Economy*;

- ensure that Canadian SMEs can reliably compete for timely access to federal procurement opportunities that reward excellence and innovation. The revenue from those projects will increase SME access to both credit and capital; and
- encourage entrepreneurship across our country by recognizing and addressing barriers that demonstrably limit access to credit and capital of entrepreneurs from underrepresented groups and communities.

Time is of the essence. Canada's innovators and entrepreneurs represent the future of our economy. Competitive access to credit and capital is critical to enabling our SMEs to compete globally, both in and from Canada.

The relative undersupply of early and growth stage capital, combined with the unavailability of credit, leads to a type of stagnation, where companies don't outright fail, but they don't prosper either. Rather, they trundle along a path of mediocrity, lacking the financial and human capital to properly reach their full potential in the face of international competition.

If we are going to get serious about catalyzing the potential of the private sector to drive innovation and productivity for the benefit of our country, then we need to be honest about what some of the factors are that are presently running at cross purposes to these goals.

Hans Knapp, Yaletown Partners Inc.

Committee Recommendations

Recommendation 1

The federal government create alignment and accountability across the many business innovation and growth programs and services intended to support small- and medium-sized enterprises (SMEs) by:

- establishing a centralized SME Office under a Minister whose sole responsibility is to improve oversight and accountability across all federal business innovation and growth support programs and institutions, and ensuring program and policy alignment of governments, institutions and the private sector in ways that demonstrably increases SME access to capital and credit.
- launching a comprehensive national strategy to improve the flow of capital to SMEs, integrating policies suggested throughout this report in relation to access to credit and capital, intellectual property, data, and regional development.
- undertaking a comprehensive review of the tax competitive framework through the lens of domestic capital formation, entrepreneurial reinvestment, long-term scale-up, and ownership retention. This should ensure that the tax system more effectively supports long-term capital formation in SMEs, particularly firms with high growth potential and those operating in innovation-driven sectors.
- adopting a strategic procurement framework that leverages federal purchasing power to support the growth and commercialization of Canadian-controlled SMEs.
- streamlining federal SME financing across current and future programs to provide a more market-based, seamless, accessible and timely experience for SMEs seeking federal support throughout their growth lifecycle.
- ensuring that federal business investment programs assess value creation as a core performance indicator, alongside job creation, equipment and technology, workforce skills and training and other measurable productivity outcomes when evaluating program outcomes and effectiveness. Value creation measures could include new equity investment as well as increased sales and exports.

Recommendation 2

The federal government take action to strengthen the commercialization and retention of intellectual property created by Canada's most innovative SMEs, most of which rely substantially on intangible assets, by:

- enacting measures to ensure sovereign control of intellectual property, particularly when federal grants and programs provide support for their creation.
- implementing measures to incentivize and strengthen the continued domestic ownership, retention, and commercialization of intellectual property and intangible-asset-rich companies generally, but particularly where public funding is involved, with a focus on long-term value creation and reinvestment.
- requiring stronger partnerships between Canadian universities and research institutes and the private sector to increase the intellectual property portfolios of Canadian companies, ultimately increasing their equity value. This could include expanding innovation hubs, accelerators, and commercialization programs that have data demonstrating their effectiveness and impact.
- applying stronger conditions on government grants to encourage companies receiving public funding to stay and grow in Canada, such as a variable rate of claw back or repayment mechanism on funded intellectual property should a company sell or move that intellectual property offshore.
- enacting measures to limit Scientific Research and Experimental Development credits to only Canadian-controlled companies.

Recommendation 3

The federal government enhance Canada's tax competitiveness in ways that demonstrably lead to greater productive investment in SMEs and in SME growth by:

- improving the small business deduction with a view to encouraging entrepreneurship, reinvestment, and domestic business expansion of SMEs.
- reviewing the relevant personal income tax measures with a view to retaining Canadian resident talent.

- generally examining tax asymmetries between Canada and peer jurisdictions, particularly the United States, to ensure Canadian competitiveness or advantage.
- introducing or expanding measures allowing for full and immediate expensing of capital expenditures related to modernization, digital adoption, artificial intelligence, machinery, and innovation processes in order to accelerate productivity growth of SMEs.
- amending the *Income Tax Act* to provide investors in SMEs listed on Canada's junior public markets with tax treatment comparable to Canadian-controlled private corporations, in order to improve access to public growth capital.
- expanding the flow-through share regime beyond the resource sector to other capital-intensive industries where early-stage capital requirements precede profitable revenue generation.
- permitting the deferral of capital gains tax derived from the sale of shares of select Canadian SMEs where proceeds are reinvested within a defined time period into other Canadian SMEs, thereby encouraging the recycling of capital within the domestic economy.
- exploring the creation of targeted investment tax credits or targeted capital gains exemptions aimed at supporting SME investment, attracting new sources of capital, and promoting long-term investment horizons.
- strengthening policies that support Canadian family or employee business succession, including by promoting employee ownership trusts, permitting rollovers, enhancing the lifetime capital gains exemptions in appropriate cases, and exploring support mechanisms to facilitate Canadian acquisition of Canadian firms.

- address limitations on deferred account investments in private companies as regulated by provisions in the *Income Tax Act* and the Canadian Investment Regulatory Organization.

Recommendation 4

The federal government take action to cause financial institutions to increase and encourage lending to SMEs to levels above the G7 average by:

- examining policy and regulatory options to increase lending to SMEs by federally regulated financial institutions (banks, insurers, and credit unions), including a review of “capital intensity” requirements to ensure they appropriately support SME lending, in particular to intangible asset-based SMEs, while maintaining financial stability.
- taking steps to increase financial sector competition and institutional diversity by reducing barriers to entry for smaller institutions and financially supporting the growth of alternative lenders especially SME-focused institutions with risk models, mandates, and financing tools designed specifically to support growth-oriented Canadian SMEs.
- enhancing competition and access to innovative financial services companies in ways that will pressure Canada’s financial conglomerates to improve their services and offerings available to SMEs, while also requiring them to limit the costs for SMEs to switch to another financial institution.
- expanding government-backed risk-sharing and loan guarantee programs, with particular attention to supporting innovative, community-based lenders and underserved market segments through new and existing entities (for example, the Business Development Bank of Canada, Export Development Canada and Farm Credit Canada) or programs (for example, the Canada Small Business Financing Program and the Venture and Growth Capital Catalyst Initiative). Special effort should be made to not compete with, but complement or support, innovative private sector institutions with similar objectives.
- publicly advocating for increased bank lending to Canadian SMEs and requesting the banks publicly disclose SME data on whether they are increasing SME lending, and in what ways lending is helping the Canadian economy grow and adapt to emerging challenges, such as artificial intelligence and cyber-risks.

- assessing the extent to which the practice of bundling financial products and services across financial conglomerates may limit competition, impede market entry by smaller and alternative financial service providers, and constrain the availability of investment capital.

Recommendation 5

The federal government create incentives that will more rapidly mobilize capital pools in Canada towards SME scale-up and growth by:

- considering policy, regulatory and legislative initiatives to encourage pension funds and other large pools to deploy more significant amounts of their capital into SMEs – either – directly or through co-investment – with venture capital or private debt institutions.
- supporting the establishment of aggregation investment vehicles designed to facilitate institutional investment in SMEs, including through favourable tax treatments, co-investment structures and the potential use of federal guarantees.
- in collaboration with federal programs and Crown lending agencies, including the Business Development Bank of Canada and Farm Credit Canada, streamlining, targeting gaps, and accelerating the deployment of capital through new and existing programs, including the Venture Capital Catalyst Initiative.
- developing and expanding public-private co-investment and co-lending platforms to more rapidly mobilize capital toward SME scale-up and growth.

Recommendation 6

The federal government work with the provinces to modernize Canada’s public markets so that they become once again a viable alternative for SMEs looking to create liquidity and raise growth capital by:

- establishing a standing round table that meets on the competitiveness of Canada’s public markets, involving federal and provincial governments, securities regulators, stock exchanges, investment dealers, including exempt market dealers, and other industry stakeholders. The standing round table should report annually on its progress and recommend actions to improve liquidity, access, and participation in Canadian public markets for SMEs.

- addressing the concentration in capital intermediation by reducing reliance on a small number of large institutions, by supporting diversified channels for SME financing, including small dealers, smaller-scale private investment firms, and other alternative platforms.
- encouraging the provinces and territories and their respective securities regulators, including the Canadian Securities Administrators, to democratize the investment market, by removing or reducing barriers to the use of prospectus exemptions for investors including reducing financial requirements for investing in treasury shares, relying on personal financial limits, expanded self-accreditation, and broker Know-Your-Client rules.
- encouraging the review of the Know-Your-Product rules that have made it almost impossible for stockbrokers to recommend SME stocks to their clients, and that have removed the economic incentives for investment firms to pursue anything but wealth management.

Recommendation 7

The federal government encourage the provinces and territories, relevant regulatory bodies and stock exchanges to introduce proportionality to SME regulatory requirements by:

- implementing a more calibrated securities regulatory regime so that disclosure, reporting, and compliance obligations are proportionate to enterprise size, risk, and stage of development rather than a one-size-fits-all approach.
- clarifying and narrowing materiality standards so disclosure obligations focus on information reasonably expected to affect share price or valuation, thereby reducing unnecessary costs that discourage SMEs from accessing public markets.
- reducing ‘check the box’ compliance standards by reviewing the audit, reporting, and governance requirements for public companies with a view to lowering fixed costs that undermine the viability of an SME becoming and remaining publicly listed.
- considering additional regulations on short selling of SME shares, including limitations on share price or bans.

Recommendation 8

The federal government act to address disparities between communities and underrepresented entrepreneurs in ways that demonstrably improve access to credit and capital by:

- directly or in conjunction with the provinces and territories, supporting the development of regionally or provincially/territorially focused investment funds with local governance structures, mandates to provide long-term capital and alignment with regional economic priorities, community needs, women-led initiatives and social returns (such as Fonds de solidarité FTQ, The51 and Evol).
- implementing policies and programs to expand SME access to commercial lending in rural, remote, northern and underserved communities by strengthening partnerships with community-based lenders and financial institutions that are focused on serving women, Black people, other racialized groups and Indigenous peoples.
- supporting the development of entrepreneurship ecosystems, including mentorship networks, peer-to-peer platforms, and sector-specific clusters that bring together capital, talent, and customers in SMEs.
- ensuring availability of robust accountability measures that capture the impact of federal SME programs in ways that link to specific program objectives.
- ensuring that federal Crown corporations that provide financing to businesses, including the Business Development Bank of Canada, Export Development Canada and Farm Credit Canada, as well as federally regulated banks and trust and loan companies that provide credit to SMEs, make a concerted effort to improve access to venture capital for women-owned businesses and equity seeking groups at all stages of the financing continuum and report with disaggregated data on their progress annually.

Key Observations

The Committee heard consistent testimony that Canada does not face a shortage of capital, but rather a fundamental challenge in accessibility, the allocation, and deployment of capital across the SME lifecycle.

Witnesses emphasized that Canada performs relatively well in supporting business start-ups but faces persistent challenges in supporting firms to scale domestically, particularly in accessing growth-stage and late-stage financing for SMEs. As indicated in Table 1, Canada lags behind peer jurisdictions with respect to innovation outputs, such as productivity, research and development (R&D) intensity, and scaling.

Table 1 - Jurisdictional comparison of innovation outputs

Indicator	Canada	United States	United Kingdom	Sweden	Denmark	Norway
Productivity per hour worked (US =100)	~73	100	~80-85	~90	~92	>115
R&D Intensity (% of GDP)	~1.8%	3.3%	2.9%	3.4%	3.0%	~2.0%
Startup-to-scale conversion	0.3%	2.2%	~1.7%	3.2%	~2.0%	~1.2%-1.5%
Late-stage capital depth (index)	40-50	100-130	~80	80-90	70-80	60-70
Enterprise AI Adoption	Low-mid	High	Mid-high	High	High	Mid-high

Source: Written brief submitted by Peter Bowie, [*Canada Tech Scale-Up and Anchor Company Strategy*](#), p. 4.

Canada is optimized for startup formation. Governance must now optimize for scale conversion and anchor retention. [...] Without stronger scale governance, Canada risks remaining a startup nursery for foreign anchor firms.

Peter Bowie, as an individual

Canada's commercial banking framework has become highly optimized around stability, but less effective at supporting broad-based SME dynamism and scaling. Canada's SMEs are underbanked and overcharged: in Canada in 2021, 11.6% of outstanding loans were made to SMEs, compared to the 44% average among countries in the Organization for Economic Co-operation and Development (OECD). In 2022, the average SME interest rate was 6.2% in Canada, where the OECD median is 4.4%.

Evidence presented to the Committee highlighted a disconnect between the perspectives of financial institutions, which reported strong availability of credit, and SMEs, which frequently experience barriers to accessing financing, particularly in the absence of tangible collateral or sufficiently established cash flow. The Committee surmises that many SMEs are turned away at the door, so loan application fulfillment is not a true reflection of SME approaches to banks.

The Committee observed a structural gap in 'scale-up capital', often referred to as the 'missing middle', which contributes to Canadian firms being sold prematurely to foreign owners, and thereafter being relocated outside Canada.

The Committee observed that large pools of domestic capital, including pension funds and other institutional investors, are under-deployed in supporting Canadian SMEs, with a significant proportion of investment directed toward foreign markets. The "Maple Eight" public sector pension funds managed \$2.3 trillion in assets at the end of 2024, with domestic investments less than half of the industry's global average. Deferred plans,³ annuities, miscellaneous pension assets and tax-free savings account (TFSA) pools were estimated to have a value of \$2.397 trillion across Canada in 2023, with limited ability to be deployed to Canadian private companies.

Testimony highlighted structural challenges within Canada's public markets, including low liquidity, high compliance costs, and declining listings of SMEs, reducing their effectiveness as a pathway for growth and capital raising. Between 2002 and 2025, the number of operating companies listed on the TSX Venture

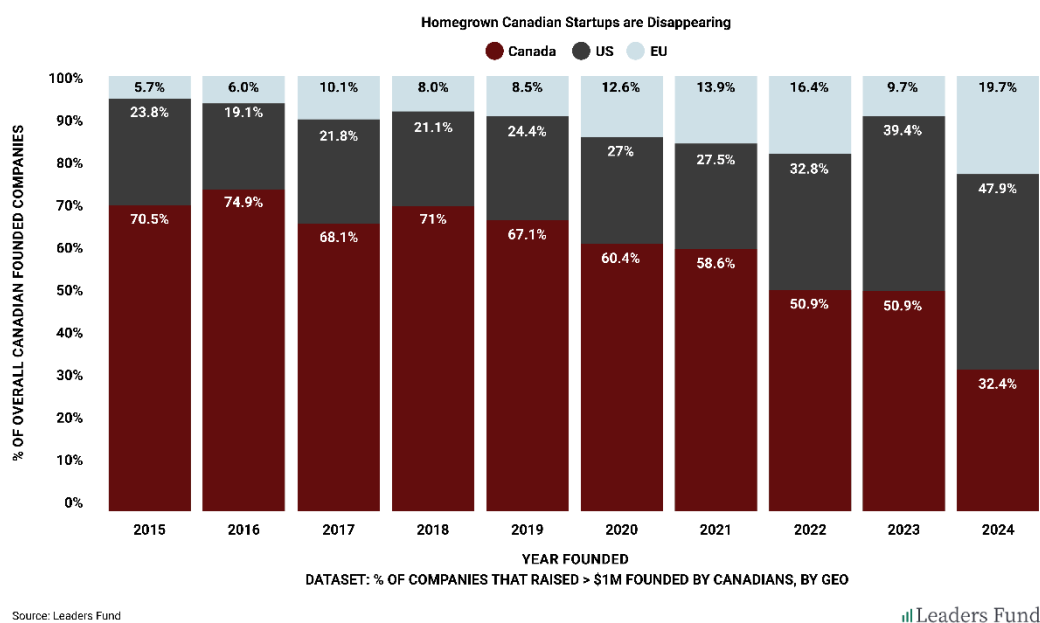
³ Deferred plans include Registered Retirement Savings Plans (RRSPs) and Registered Retirement Income Funds (RRIFs).

Exchange (TSXV) fell from 2,329 to 1,362. Furthermore, the number of companies graduating from the TSXV to the TSX dropped from a high of 72 companies in 2007 to just 11 in 2025.

The objective is to strengthen Canada's ability to support firms that can start, scale, and remain in Canada. In an economy increasingly organized around intangible assets, countries that fail to build the institutional conditions for domestic ownership and scaling will increasingly finance prosperity elsewhere.

Jim Balsillie, Council of Canadian Innovators

Figure 1 – Canadian Start-Ups are Leaving Canada



Source: Written brief submitted by Jim Balsillie.

The Committee notes that recent public discussion and policy proposals have addressed the following in relation to capital formation for SMEs:

- Businesses in Canada need to be able to excel, to rapidly scale, to grow and to draw in global talent and investment. Yet business investment in Canada has dropped from 14% of GDP in 2014, to 11% in 2024.
- Entrepreneurs and risk takers need clear incentives to take risks.

- Investments in innovation, especially in Canada's start-up ecosystem, can help firms grow and scale. One potential measure is to introduce flow-through shares for eligible Canadian start-ups.

Overall, the Committee observed that improving capital formation for SMEs in Canada requires a coordinated and system-wide approach that addresses structural gaps, enhances institutional diversity, and aligns public policy tools toward long-term economic growth and productivity.

Committee Findings

Figuring out how to recapitalize the country right now is mission critical. It is how we will build wealth, prosperity and sovereignty, ultimately. There is no silver bullet for this.

Benjamin Bergen, Canadian Venture Capital and Private Equity Association

The Committee was fortunate to hear from a wide range of highly qualified and experienced witnesses, which instilled the study with insightful and thought-provoking testimony on the issues affecting SMEs, the cast of relevant regulators, lenders, investment bankers, and investors in the private and public markets in Canada. This testimony revealed that systemic changes are urgently needed to address structural failures with SME financing.

While the Committee's recommendations cannot address all issues that were brought before it during this study, the Committee firmly believes that they can help guide a fundamental transformation in government policy that reflects the businesses and communities that shape Canada and supports them in creating a top-tier innovative, competitive and productive country.

Driving Alignment among Government Programs

The Committee is concerned that Canada currently lacks both a coherent strategy and a centralized leadership and organization to lead the way in addressing the structural problems within Canada's financial system that create barriers or could enhance opportunities for many SMEs in accessing capital. While numerous programs and institutions exist to support SMEs, the evidence suggests that policy decisions are too often uncoordinated and disconnected from the reality faced by entrepreneurs and growing businesses. Canada needs a more coherent structure to convert innovation, through to scale up, to Canadian domiciled enterprises that grow to global leaders and contribute to the nation's overall productivity.

When we look at these types of programs, I think the reality of the entrepreneur needs to not only be taken into consideration; they need to be built around it.

Patrick Desrochers, Ubiweb Media

In the Committee's view, federal procurement should play an important role in supporting Canadian SMEs. Witnesses emphasized that procurement should be considered a strategic economic development instrument, capable of helping Canadian firms scale, attract investment and retain ownership domestically. However, witnesses expressed concern that the new "Buy Canadian Policy"⁴ with its minimum project thresholds will exclude many venture backed early-stage SMEs from benefitting from this growth capital. The "Buy Canadian Policy" should be modified to include variable financial and sectoral mandates to ensure policy priorities are implemented without overburdening the procurement processes.

The Committee asserts that having a clear definition for a "Canadian-controlled" firm will clarify and complement better articulated and understood innovative growth policies. This can be expected to improve access to capital for SMEs.

Just as the federal government has built a framework for the resource sector — such as critical minerals — one that aligns policy signals, procurement and strategic capital. Canada needs the same for capital and growth companies alignment that we are seeing in other sectors of our economy; a framework that allows government to understand where capital is not reaching viable firms, that allows companies to signal where commercialization barriers are, and that allows capital providers to identify where public policy, such as tax policy, can improve certainty, lower friction and crowd in private investment.

Benjamin Bergen, Canadian Venture Capital and Private Equity Association

The Committee also heard several witnesses suggest that federal organizations' risk frameworks and program structures are poorly aligned with the realities of some types of SMEs. The Committee stresses the importance of reducing the administrative burden and timelines involved in federal programs, and for meeting SMEs where they are.

⁴ In brief, the "Buy Canadian Policy" came into effect 16 December 2025. Its four main policy objectives are:

1. Prioritizing Canadian Suppliers and Canadian Content in Strategic Federal Procurement
2. Prioritizing Canadian Materials in Federal Procurement
3. Supporting small and medium businesses in federal procurement
4. Advancing fair access through reciprocal procurement

For more information, see Government of Canada, [*Buy Canadian-Backgrounder*](#).

...generally speaking, when it comes to small business programs and loans and grants, the experience of the members of the Canadian Federation of Independent Business, or CFIB — and we’ve surveyed them for literally decades — has been quite consistent over the years.

The issue is that we often start with good intentions when we set up a program, but then we tend to forget what is the reality of entrepreneurs, where we mostly have microbusinesses in this country. Half of all our businesses are microbusinesses of fewer than five employees — small operations that don’t necessarily have all the time and resources to fill out countless paperwork and countless forms and try to basically understand sometimes complex criteria.

On top of that, you have programs that too often — and one very recent example is our new tariff support programs that we’ve set up — create barriers to entry for a lot of the smallest businesses. Criteria might be set up at \$2 million in sales or above as well as a certain threshold for the number of employees that the business must have on their payroll of 10 employees and more. So right off the bat, we exclude a lot of businesses.

Simon Gaudreault, Canadian Federation of Independent Business

The Government of Canada has established a Major Projects Office to co-ordinate approval for projects of “national interest”. The Committee also notes that the federal government, quite rightly so, has convened the Canadian Investment Summit, a global conference held in September 2026 to attract foreign direct investment to support major Canadian projects. The Committee believes that similar attention should be paid to supporting SMEs through a centralized federal government entity, under a responsible minister. This is needed now, more than ever, as the federal government renews its focus on productivity.

In response to this testimony, the Committee recommends that:

Recommendation 1

The federal government create alignment and accountability across the many business innovation and growth programs and services intended to support small- and medium-sized enterprises (SMEs) by:

- **establishing a centralized SME Office under a Minister whose sole responsibility is to improve oversight and accountability across all federal**

business innovation and growth support programs and institutions, and ensuring program and policy alignment of governments, institutions and the private sector in ways that demonstrably increases SME access to capital and credit.

- launching a comprehensive national strategy to improve the flow of capital to SMEs, integrating policies suggested throughout this report in relation to access to credit and capital, intellectual property, data, and regional development.
- undertaking a comprehensive review of the tax competitive framework through the lens of domestic capital formation, entrepreneurial reinvestment, long-term scale-up, and ownership retention. This should ensure that the tax system more effectively supports long-term capital formation in SMEs, particularly firms with high growth potential and those operating in innovation-driven sectors.
- adopting a strategic procurement framework that leverages federal purchasing power to support the growth and commercialization of Canadian-controlled SMEs.
- streamlining federal SME financing across current and future programs to provide a more market-based, seamless, accessible and timely experience for SMEs seeking federal support throughout their growth lifecycle.
- ensuring that federal business investment programs assess value creation as a core performance indicator, alongside job creation, equipment and technology, workforce skills and training and other measurable productivity outcomes when evaluating program outcomes and effectiveness. Value creation measures could include new equity investment as well as increased sales and exports.

Taking Action to Support the Canadian Ownership, Retention, and Commercialization of Intellectual Property

The government spends \$7.5 billion per year on research, \$4.2 billion to the granting councils and \$3.3 billion internally with absolutely no strategy whatsoever to generate and corral that research money into intellectual property that has positive spillover for Canadian companies.

Jim Balsillie, Council of Canadian Innovators

The Committee heard that Canada's financial system has been structured for stability and efficiency. While these are important objectives, the Committee is particularly concerned that Canada frequently fails to capture the long-term economic benefits of its innovation ecosystem, resulting in loss of intellectual property (IP), often at the expense of local decision-making, community development and SME growth.

The evidence is very clear: When a company scales and is in that rapid growth phase, that is the phase of an economic cycle in which the greatest employment growth happens and in which the greatest investment happens. So when companies sell to foreign interests, all of that benefit is being transferred to foreign countries.

L. Daniel Wilson, University of Calgary

Furthermore, the Committee is troubled that innovation programs fail to ensure that IP developed as a result of federal grants or programs stays in Canada over the long-term, learning that foreign companies often acquire these valuable assets and reap the economic benefits of taxpayer funds. Witnesses highlighted that publicly funded research institutions frequently partner with foreign corporations without adequately protecting Canadian ownership of resulting IP. Witnesses suggested that a coherent national strategy for technology transfer, data governance, artificial intelligence development and sovereign control of strategic IP is needed.

Canada's world-class universities and research institutions, our IP generation engines, were largely oriented toward collaboration with foreign multinational corporations. These firms had effectively filled the vacuum left by the decline of Canadian technology champions such as Nortel. The result is a structural issue. Canada produces exceptional talent and world-class innovation, but much of the resulting intellectual property is captured, owned and monetized outside the country. We have, in effect, built a system that excels at generating IP but not at retaining or scaling its value domestically.

Hamid Arabzadeh, Ranovus

Witnesses from the venture capital and private equity sectors also emphasized the need to create conditions that allow Canadian firms to scale globally while remaining headquartered in Canada.

We just had the government announce some very good measures for the Scientific Research and Experimental Development tax credit, or SR&ED ...Why do we give this credit to foreign-based companies whose intellectual property is not owned in Canada? We don't benefit from it. It is an old reference to job creation. We are one of the only countries in the world that award [research and development] tax credits to foreign-based companies who don't have their IP here.

John Ruffolo, Maverix Private Equity

The Committee strongly agrees that more needs to be done to ensure that IP financed by Canadian taxpayers is used for the benefit of Canadians and the Canadian economy.

Based on these concerns, the Committee recommends that:

Recommendation 2

The federal government take action to strengthen the commercialization and retention of intellectual property created by Canada's most innovative SMEs, most of which rely substantially on intangible assets, by:

- **enacting measures to ensure sovereign control of intellectual property, particularly when federal grants and programs provide support for their creation.**
- **implementing measures to incentivize and strengthen the continued domestic ownership, retention, and commercialization of intellectual property and intangible-asset-rich companies generally, but particularly where public funding is involved, with a focus on long-term value creation and reinvestment.**
- **requiring stronger partnerships between Canadian universities and research institutes and the private sector to increase the intellectual property portfolios of Canadian companies, ultimately increasing their equity value. This could include expanding innovation hubs, accelerators, and commercialization programs that have data demonstrating their effectiveness and impact.**
- **applying stronger conditions on government grants to encourage companies receiving public funding to stay and grow in Canada, such as a**

variable rate of claw back or repayment mechanism on funded intellectual property should a company sell or move that intellectual property offshore.

- enacting measures to limit Scientific Research and Experimental Development credits to only Canadian-controlled companies.

Enhancing Tax Competitiveness and Supporting SME Growth through Changes to Tax Policy

We need to candidly examine tax policies that could be more appropriately tailored to encourage the flow of capital, including the valuable flow of capital from experienced and high-value individual investors, back into the Canadian SME economy.

Hans Knapp, Yaletown Partners Inc.

The Committee believes that tax reform should be one of the key policy tools used by the federal government to attract Canadian investors to SMEs and to scale and retain SMEs in Canada. A variety of measures should be introduced that provide tax incentives to investors and better enable private and publicly listed SMEs to raise and retain more capital. The Committee has confidence that its recommended changes to the tax system will make Canada's SMEs more competitive in today's global economy and provide the federal government with a significant return on investment.

Introducing measures that would benefit SMEs across all sectors is the first step in creating a more attractive business climate. To this end, lowering both the small business deduction tax rate and the personal income tax rates will help free up capital and attract and retain talent. Allowing select sectors of SMEs to immediately deduct innovation-related expenses is a measure that is easy to implement and is already offered to businesses for clean energy capital expenditures. As well, removing any tax disadvantages faced by junior public companies over those that remain private should also be explored to ensure all of Canada's SMEs have capital to reinvest in their enterprises.

...perhaps most importantly right now, reducing the overall cost of doing business through lower taxes — such as with a more competitive small business tax rate — and regulatory simplification would free up capital that SMEs could reinvest in equipment, technology, staff, training and innovation.

Simon Gaudreault, Canadian Federation of Independent Business

The Committee also heard from many witnesses that SMEs in innovative sectors have similar challenges in raising capital as those in the resource sector; that being they have high capital expenses and a long period before revenue is generated. In the Committee's view, expanding flow-through shares, a successful "uniquely Canadian" tax policy that helped build Canada's oil and gas and mining industries, to other sectors would be a notable way to provide a strong boost to a wide range of Canadian companies.

Flow-through shares are a uniquely Canadian policy tool that has successfully de-risked investment in high-risk sectors, like mining, and helped to establish Canada as a global leader in mineral exploration financing. Expanding this mechanism to other emerging industries, like [artificial intelligence] or defence, would help unlock new investment and support innovation across the Canadian economy.

Andrew Creech, TSX Venture Exchange

The Committee agrees that providing capital gains deferrals and tax relief to investors could be an effective incentive to activate private capital and guide these funds back into the SME economy. The Committee suggests that the federal government consider introducing a broader capital gains rollover that can be claimed by investors for shares where reinvestment of funds is made within a limited time period in select private or publicly listed SMEs.

Capital gains deferrals when reinvested, especially when reinvesting in your own community, activate the large pools of private capital sitting on the sidelines — family offices, foundations and private wealth — and direct them towards Canadian entrepreneurs and innovation because private capital needs to drive the markets.

Shelley Kuipers, The51

Witnesses suggested several ways investment tax credits could be designed to attract investors to Canada's private and public markets, ranging from angel investor tax credits to the federal government providing a 25% tax credit for specific types of shares purchased on the Canadian public markets. However, others warned the Committee of investment tax credits that failed or were phased out, as they were costly or provided little return to investors due to poor design or fund management.

The Committee understands that more needs to be done to attract early-stage investments and that providing a properly targeted and structured tax credit for the purchase of shares in a Canadian SME is a persuasive tool that could provide long-term support for SMEs. The Committee believes that more research needs to be done to ensure that any investment tax credit that is offered by the federal government is properly designed and meets the needs of SMEs, Canadian investors and Canadian taxpayers.

We need more money in the public markets. We need more investors in the public markets. That can easily be tax incented. I can imagine a system where somebody writes a dollar into the public markets into these growth sectors — however you define them, which I could do — and they get 25 cents back from the government. That's simple. If they make money, great. They will pay the 25 cents back. If they lose money, it's 75 cents on the dollar. The spin-off effect of that 75 cents on the dollar or that dollar, obviously — there are things we can do.

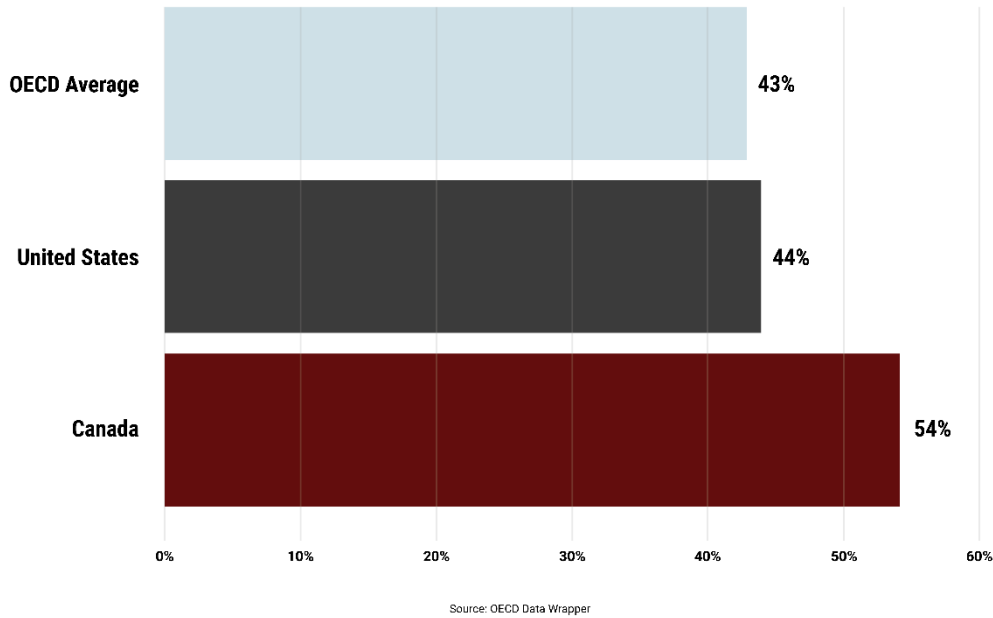
Dan Daviau, Canaccord Genuity Group Inc.

The Committee heard that without the right support, many companies risk being sold, closed or transferred out of Canada, with direct consequences for employment, regional anchoring and productivity.

Canada's tax architecture continues to favour passive capital allocation, particularly residential real estate, over entrepreneurial reinvestment, innovation-oriented capital formation, and domestic scaling.... If Canada is not competitive relative to the United States, investment, ownership, talent, and scaling activity will continue to migrate elsewhere to the benefit of other economies.

Jim Balsillie, Council for Canadian Innovators

Figure 2 – Top Combined Marginal Income Tax Rates



Source: [Written brief](#) submitted by Jim Balsillie.

In the Committee's view, the government needs to focus on business succession and how to incentivize and facilitate SME owners to keep their business in Canada, including using models such as employee ownership trusts and limited rollovers. Enhancing the lifetime capital gains exemption for owners that are selling their business to Canadian buyers is a tax incentive that could be easily implemented and would support the long-term economic resilience of our local economies. The government should also consider using the Business Development Bank of Canada (BDC), Canada Growth Fund or other sources of federal funding to help finance Canadian acquisitions of Canadian companies, particularly in cases of business succession.

Three quarters of Canadian small business owners plan to exit within the next decade. Without a financing pathway for sales to potential new local owners, employees or community trusts, that wave of retirements will accelerate business closures and consolidation into distant ownership. It does, in the end, matter who owns what and where they are.

Zita Cobb, Shorefast

To conclude, the Committee sees these recommendations on tax policy as key steps towards making Canada more globally competitive, more productive, and better able to retain Canadian businesses and talent. They will also activate increased domestic flow of capital into Canadian SMEs. The federal government should also examine other ways by which Canada can improve its tax competitiveness.

In light of these findings, the Committee recommends that:

Recommendation 3

The federal government enhance Canada's tax competitiveness in ways that demonstrably lead to greater productive investment in SMEs and in SME growth by:

- improving the small business deduction with a view to encouraging entrepreneurship, reinvestment, and domestic business expansion of SMEs.
- reviewing the relevant personal income tax measures with a view to retaining Canadian resident talent.
- generally examining tax asymmetries between Canada and peer jurisdictions, particularly the United States, to ensure Canadian competitiveness or advantage.
- introducing or expanding measures allowing for full and immediate expensing of capital expenditures related to modernization, digital adoption, artificial intelligence, machinery, and innovation processes in order to accelerate productivity growth of SMEs.
- amending the *Income Tax Act* to provide investors in SMEs listed on Canada's junior public markets with tax treatment comparable to Canadian-controlled private corporations, in order to improve access to public growth capital.
- expanding the flow-through share regime beyond the resource sector to other capital-intensive industries where early-stage capital requirements precede profitable revenue generation.
- permitting the deferral of capital gains tax derived from the sale of shares of select Canadian SMEs where proceeds are reinvested within a defined time period into other Canadian SMEs, thereby encouraging the recycling of capital within the domestic economy.

- exploring the creation of targeted investment tax credits or targeted capital gains exemptions aimed at supporting SME investment, attracting new sources of capital, and promoting long-term investment horizons.
- strengthening policies that support Canadian family or employee business succession, including by promoting employee ownership trusts, permitting rollovers, enhancing the lifetime capital gains exemptions in appropriate cases, and exploring support mechanisms to facilitate Canadian acquisition of Canadian firms.
- address limitations on deferred account investments in private companies as regulated by provisions in the *Income Tax Act* and the Canadian Investment Regulatory Organization.

Enabling and Encouraging Lending to SMEs

Canada's financial system must not only remain resilient in this environment but also support growth, innovation and competitiveness. The Office of the Superintendent of Financial Institutions, or OSFI, is adapting its approach to help ensure Canadian financial institutions do both. We seek to avoid the stability of the graveyard in which a docile, risk-averse financial system impedes prosperous growth. OSFI is an actor in our financial ecosystem, and we have an obligation to ensure our own risk appetite does not fall into this trap.

Peter Routledge, Superintendent of Financial Institutions

With respect to access to credit and capital, the Committee is deeply concerned that existing financial institutions continue to direct a disproportionate share of capital toward low-risk assets, particularly real estate, while innovative and growth-oriented SMEs, particularly those based substantially on intangible assets, face persistent financing gaps. Canada's commercial banking framework has become highly optimized around stability, but less effective at supporting broad-based SME dynamism and scaling, which would result in improved overall Canadian productivity.

Across Canadian companies, the share of intangible assets to total market capitalization reached 53% in 2021;⁵ however, lenders have failed to act on this and

⁵ Economist Impact, "[The Scale and Potential of Ontario's Intangible Economy](#)," CPA Ontario, 2022.

follow suit. In response to a question which highlighted this gap in banking facilitation, witnesses appearing on behalf of the Canadian Bankers Association advised the Committee that:

“While personal guarantees are recognized as a form of credit risk mitigation subject to certain requirements in the [Capital Adequacy Requirements] Guideline, intellectual property is not similarly recognized. This is unfortunate as the innovation economy is increasingly driven by intangible assets such as patents, data, software, trademarks, and proprietary technologies.

Yet the current prudential framework applicable to banks treats intangible collateral as high risk, which materially restricts SME access to competitive financing and limits Canada’s ability to scale innovative firms based on intellectual property.

*A World Intellectual Property Organization (WIPO) Canada Country Report... confirms that intangible assets now play a central role in the value creation of Canadian enterprises. Banks therefore face capital regulatory constraints when lending against IP, with limited relief even under advanced internal models. This makes IP backed amortized term loans capital intensive and economically uncompetitive, suppressing financing for innovation driven SMEs.”*⁶

The Committee recognizes that banks’ overall capital strength does not eliminate the prudential constraints attached to particular loans. However, banks, regulators and governments should address capital rules, risk models and collateral requirements that unnecessarily restrict financing for viable intangible-asset-based SMEs and succession financing.

Even where banks do agree to lend to innovative firms, interest rates are higher than is found in comparable jurisdictions.

Canadian SMEs might face relatively high borrowing costs compared to those in other major OECD countries. The average interest rate spread between large and small businesses was 1.05% for those countries, and in Canada it was 2.26%. To this point, the interest rates charged appear to be higher for innovative firms.

Miwako Nitani, University of Ottawa

⁶ Canadian Bankers’ Association, “[*Capital for Canada: Financing the Growth and Stability of Small- and Medium-Sized Enterprises*](#),” Submission to the Competition Bureau, 27 February 2026.

SMEs account for 98% of Canadian businesses and more than half of private sector employment, yet roughly half of their financing requests face rejection or partial financing. Banks are concentrating these days on lending to larger, collateral-backed transactions. High-quality, asset-light companies in the service, technology, defence and health care industries cannot access the growth capital they need and are too often forced into premature exits as a result.

Jeffrey Deacon, Private Debt Partners

The Committee believes that greater competition and diversity within the financial sector is required and that competition should be assessed, not only by the number of lenders in the market, but also by whether businesses have meaningful access to credit and capital through alternative sources of financing. While the Committee supports greater competition, it does not believe it should be created through federal Crown corporations and programs lending in competition with private sector lenders. Federal programs should instead either directly support the private sector or act as complementary sources of financing by the private sector.

If we want to foster competition and reduce costs, we need to think about how we do smarter regulation. We have a lot of regulations and a very safe and sound system. If we want to have more risk capital available to small businesses, we need to think holistically about our tax system, our regulatory approach and our capital requirements. How do we unlock and enable small- and medium-sized banks? There's a lot to do there.

Anthony Ostler, Canadian Bankers Association

The Committee also heard from a number of witnesses of the need to establish specialized small business or community development financial institutions. Reference was made for consideration of comparative global models such as the Small Business Administration in U.S., the British Business Bank in the U.K., and KfW Development Bank in Germany.

The Superintendent of Financial Institutions acknowledged that it can be difficult to adjust banks' mindsets so that they accept more risk in their lending operations. He indicated that more competition in the banking sector as well as government officials publicly encouraging the banks to do more SME lending could drive a shift in banking perspectives. He also noted that OSFI is implementing reductions in its capital intensity rules for larger banks. For example, he indicated that for a \$100

loan to an SME, OSFI is reducing its risk-weight for that loan from around \$55 to \$40. The Committee welcomes these changes and calls for the federal government to play a greater role in influencing change in banks' lending strategies.

...if you look at the way our capital regime works and the way we oblige banks to allocate capital across different assets or loans, it tends to advantage loans backed by property and, therefore, on a relative basis, it disadvantages loans to small- and medium-sized enterprises.

So for a large systemically important bank that allocates capital on their own internal models, you'll see the capital required for a \$100,000 equipment loan is five times the capital required for a \$100,000 uninsured mortgage. That's a fair criticism of our system in that it could unintentionally lead to misallocation of capital. It's something we've been worried about for the last few years.

Peter Routledge, Superintendent of Financial Institutions

In response to this testimony, the Committee recommends that:

Recommendation 4

The federal government take action to cause financial institutions to increase and encourage lending to SMEs to levels above the G7 average by:

- **examining policy and regulatory options to increase lending to SMEs by federally regulated financial institutions (banks, insurers, and credit unions), including a review of "capital intensity" requirements to ensure they appropriately support SME lending, in particular to intangible asset-based SMEs, while maintaining financial stability.**
- **taking steps to increase financial sector competition and institutional diversity by reducing barriers to entry for smaller institutions and financially supporting the growth of alternative lenders especially SME-focused institutions with risk models, mandates, and financing tools designed specifically to support growth-oriented Canadian SMEs.**
- **enhancing competition and access to innovative financial services companies in ways that will pressure Canada's financial conglomerates to improve their services and offerings available to SMEs, while also requiring them to limit the costs for SMEs to switch to another financial institution.**

- expanding government-backed risk-sharing and loan guarantee programs, with particular attention to supporting innovative, community-based lenders and underserved market segments through new and existing entities (for example, the Business Development Bank of Canada, Export Development Canada and Farm Credit Canada) or programs (for example, the Canada Small Business Financing Program and the Venture and Growth Capital Catalyst Initiative). Special effort should be made to not compete with, but complement or support, innovative private sector institutions with similar objectives.
- publicly advocating for increased bank lending to Canadian SMEs and requesting the banks publicly disclose SME data on whether they are increasing SME lending, and in what ways lending is helping the Canadian economy grow and adapt to emerging challenges, such as artificial intelligence and cyber-risks.
- assessing the extent to which the practice of bundling financial products and services across financial conglomerates may limit competition, impede market entry by smaller and alternative financial service providers, and constrain the availability of investment capital.

Mobilizing Capital Towards SME Scale-up and Growth

Canada's pension funds are considered some of the best-performing institutional investors in the world, with over \$4 trillion in pension assets.⁷ However, in becoming so large, witnesses have said that these pension funds, for practical reasons, cannot manage smaller investments. Similarly, the large Canadian financial institutions have indicated that they cannot engage in riskier investments because banking regulations prevent them from doing so. Determining how to encourage institutional investors to play a more substantial role in supporting Canada's SMEs must be a priority for the government.

Canada needs to treat capital deployment as a core component of industrial policy. Specifically, pension funds and chartered banks, institutions that benefit from public policy and taxpayer support, should play a more active role in financing Canadian scale-ups.

Hamid Arabzadeh, Ranovus

⁷ Thinking Ahead Institute, [*Global Pension Assets Study 2025*](#), 2025.

Federally regulated financial institutions and the Canada Pension Plan investment board (CPPIB) are not, in fact, legally restricted from supporting SMEs. They simply choose not to, primarily for reasons of risk or scale. The federal government should be proactive in addressing legislation and the mandates of these institutions to require them to proactively engage more in support of SMEs. For example, the objects of the CPPIB provide that its board is to “invest its assets with a view to achieving a maximum rate of return, without undue risk of loss, having regard to the factors that may affect the funding of the Canada Pension Plan and the ability of the Canada Pension Plan to meet its financial obligations on any given business day.”⁸

There is nothing in the above statement suggesting in any respect that this federally created agency is legally limited in its engagement with SMEs. The CPPIB and other federally regulated financial institutions should give greater consideration to support the Canadian financial ecosystem in exchange for the significant benefits they garner from the tax and regulatory status provided to them. Similarly, provincially regulated financial institutions should give greater consideration to the Canadian and their respective provincial financial ecosystems; and many already do so.

To help strengthen Canada’s venture capital funds and to support Canada’s private lenders that need more capital, witnesses suggested that the federal government assist in aggregating private capital into SME-focussed investment vehicles, which would help address the structural issues currently inhibiting institutional investors from investing domestically. These vehicles could involve institutional investors making one larger investment to match funds raised by venture capital firms or private lenders. The federal government should also participate financially in a complementary fashion to help crowd-in capital from other domestic sources or by providing federal guarantees to de-risk investments. One witness analogized such federal government support to its role through the Canada Mortgage and Housing Corporation where 20.2% of the Canadian residential mortgages are already underwritten by this Crown agency.⁹ The Committee believes that allowing the private sector to manage the assets and make investment decisions would be an efficient way to address the practical issues government pension funds and other large pools of capital have with making smaller investments.

⁸ [*Canada Pension Plan Investment Board Act*](#), S.C. 1997, c. 40, section 5 (c).

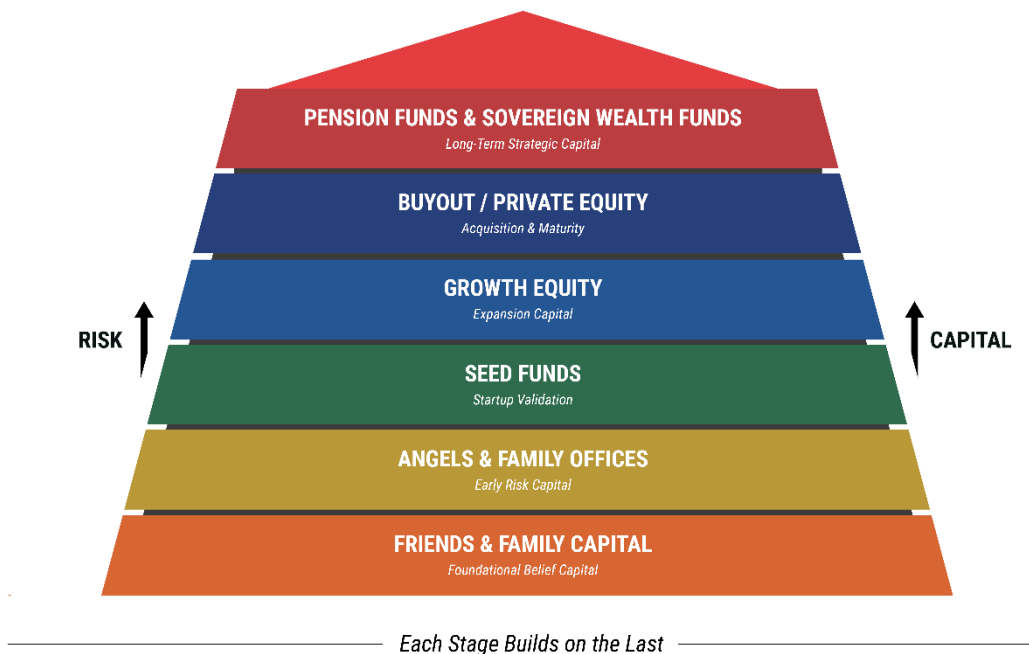
⁹ Canada Mortgage and Housing Corporation, [*Quarterly Financial Report*](#), 31 March 2026, p. 14.

Canada must treat the capital life cycle as a connected system. Early-stage investment, growth capital and the liquidity that comes from institutional investors are sequential stages, not separate ones. A weakness at any one stage compounds across the others.

Claudio Rojas, National Angel Capital Organization

John Ruffolo further illustrated the links between the various stages of capital growth in Figure 3.

Figure 3 – Capital Formation Ladder for SMEs



Source: Written brief submitted by John Ruffolo, [*Rebuilding Confidence: Why Canada Must Fix Its Capital Formation Gap.*](#)

Right now, if you look at the investment capabilities of all the different funds in Canada, a lot of funds, when they have success, go to the next layer. They are going to invest a minimum of \$25 million in a business, but the businesses that need between \$2 million and \$5 million in investment are still there and still exist. So the funding is a bit like venture capital; they tend to move up when they have success and grow

in size. If you have a \$500 million fund, you can't do 100 investments. You have to do lesser investments. So when we see that, we are creating funds to invest in smaller businesses because we see a need, and that is providing capital to those who can't have access to it through normal channels at a decent price.

Jean-Yves Bourgeois, Desjardins

The Committee recognizes that the federal government is taking steps to try and bridge this gap between institutions, investors and venture capital funds and currently underfunded SMEs. Witnesses noted that while the federal Venture Capital Catalyst Initiative has for the most part been successful, the deployment of capital from these funds often takes many years. The federal government needs to work with the BDC and other intermediaries that offer support to determine how to streamline the process, whether by running components of the programs in parallel or allowing more emerging asset managers to manage those funds, so that these large pools of capital can be distributed more efficiently.

The government, if it follows through with its current \$1 billion announcement for venture growth, that capital has typically gone to BDC, and then BDC has gone out with a request for proposal, and there are these businesses called fund of funds. They would receive the capital — let's say \$100 million per fund — and then they have to raise an additional \$200 million or \$300 million, depending on whatever the government program is. Then they allocate to businesses in the sector that they've been entitled to allocate it in, which in the past has always been venture.

Factor one, it's cumbersome. By the time the government makes the decision, then it goes to BDC and BDC goes to fund of funds, fund of funds raises the money, it's years. One of the problems is the efficiency at which capital can reach the SME. You're talking multiple years from the idea to the implementation.

Dino DeLuca, Canadian Venture Capital and Private Equity Association

Rather than using the BDC or other government entities to deploy capital, some witnesses suggested using open public-private lending platforms, where private lenders or investors would fund a portion of a loan or investment and institutional investors could co-finance the balance.

In the Committee's view, the federal government needs to consider novel ways to encourage the more rapid mobilization of capital in the economy, and a public-private platform is one way to achieve this.

As a result, the Committee recommends that:

Recommendation 5

The federal government create incentives that will more rapidly mobilize capital pools in Canada towards SME scale-up and growth by:

- considering policy, regulatory and legislative initiatives to encourage pension funds and other large pools to deploy more significant amounts of their capital into SMEs – either – directly or through co-investment – with venture capital or private debt institutions.
- supporting the establishment of aggregation investment vehicles designed to facilitate institutional investment in SMEs, including through favourable tax treatments, co-investment structures and the potential use of federal guarantees.
- in collaboration with federal programs and Crown lending agencies, including the Business Development Bank of Canada and Farm Credit Canada, streamlining, targeting gaps, and accelerating the deployment of capital through new and existing programs, including the Venture Capital Catalyst Initiative.
- developing and expanding public-private co-investment and co-lending platforms to more rapidly mobilize capital toward SME scale-up and growth.

Introducing Public Market Reforms

Canada has an ecosystem for junior companies on the venture exchanges, which doesn't exist in the United States in any meaningful form. That part of our ecosystem is very advantageous to SMEs and gives an opportunity for graduation to more senior levels

Grant Vingoe, Ontario Securities Commission

In the Committee's view, Canada should take greater advantage of its robust junior public market structures to enable SME scale-up capital activity and improved Canadian productivity.

Regulations placing the stability and soundness of the financial sector ahead of all other economic priorities has resulted in stifled productivity in all areas of capital formation and investment, including the public markets. Testimony highlighted the structural challenges within the public markets such as overregulation, low liquidity, high compliance costs and declining participation of SMEs.

Canada's competitiveness problem is not a shortage of ideas or start-ups; it is that too few Canadian firms make the leap from promising start-up to global champion, importantly while staying Canadian. In this country, more than most, the route to scale has traditionally run through our public markets. When that route narrows, we don't just lose listings; we lose the chance to build and to own world-class companies in this country.

Ari Pandes, University of Calgary

Stock exchange leadership and securities regulators appear to be aware of the dilemma they face in balancing investor protection while meeting the needs of entrepreneurs that are struggling to raise capital. In introducing layers of rules and regulations to safeguard investors with consequential costs to SMEs, they have pushed Canadian businesses away from the public markets. Between 2002 and 2025, the number of operating companies listed on the TSX Venture Exchange (TSXV) fell from 2,329 to 1,362. Furthermore, the number of companies graduating from the TSXV to the TSX dropped from a high of 72 companies in 2007 to just 11 in 2025. The regulatory structure has also created a regime that imposes high administrative burden and costs on dealers trying to attract investment to Canadian SMEs and support public listings. Governments need to take a step back and refocus on how to balance making sure Canadians are well informed and protected when making risky investments while supporting the creation and growth of strong, innovative Canadian businesses.

The traditional IPO is dead, and it's not coming back for small- and medium-sized companies.

Richard Carleton, Canadian Securities Exchange

The above comment does not bode well for our capital markets, and the Committee hopes that the government and other governing entities would be out to prove this is wrong.

Many essential capital market services are concentrated in the investment bank subsidiaries of the six big banks. The Committee strongly believes that more needs to be done to limit (i.e. tied selling) or deconsolidate and decentralize the banks control over these services and also support smaller and alternative financial service providers.

Our financial industry is highly concentrated within the six large banks. More than 90% of Canadian wealth is managed by those six banks, and not just their wealth, but also loan portfolios extend to the same companies that are looking for capital or considering going public. Their banking relationships with those clients often dictate how they go public or whether they qualify to go public.

Jim Dale, Leede Financial Inc.

Several witnesses underscored the theme of broadening retail investment participation through market democratization. The Committee agrees that modifying or removing barriers to investment banking and investing that are based on an investor's level of wealth would be an effective way to make investment in SMEs accessible to more Canadians. The Canadian Securities Administrators should work with the provinces/territories and the securities regulators to coordinate the reduction of these investment limits and roadblocks.

We have seen a migration of how early-stage capital formation takes place away from the IPO to the non-offering prospectus. What happens now in just about every case where a company is going public is that it will raise the money privately using, typically, the exempt investor or accredited investor — depending on whether you're in the United States or Canada — exemption to the prospectus requirement. That money is raised, in effect, from wealthy people and, in many respects, from offshore as well.

Richard Carleton, Canadian Securities Exchange

The “accredited investor” investment exemption has very onerous financial requirements which were commented on by numerous witnesses. The Committee believes this should be modified in a manner which retains both investor protection

and market integrity. Consideration should be given to unqualified maximum permitted financial investment amounts in individual instances (i.e., per company) and annual limits; say \$5,000 or \$10,000 and \$25,000, respectively. The limits could be increased if investments are made on the advice of investment dealers, including exempt market dealers,¹⁰ who in any event must exercise their advisory diligence under applicable Know-Your-Client rules.

The Committee maintains a belief that minimal levels of individual investments should be permitted without regulatory barriers. However, the Committee recognizes steps taken by a number of provincial regulatory authorities to modify barriers to accredited investor financial requirements by allowing investors to self-certify, based on their education or experience. Furthermore, there is a current movement to harmonize amongst a broader group of regulatory authorities, to expand the basis on which individuals can self-certify and to increase the investment cap to a \$50,000 annual limit in a calendar year.¹¹

Numerous witnesses commented on the outdated nature of regulations controlling, some might say protecting, investors who invest in private companies where the risk of financial loss to the investor could be a concern. Most focused on the wealth-based “accredited investor” regulation and its limiting effect to only the wealthiest Canadians.

Middle class Canadians can now legally participate without any monetary limit or training in online sports wagering, including both single-game wagers and in-game and multi-game parlay bets. Middle class Canadians are also increasingly investing in derivative instruments that have become more easily accessed through online trading platforms, again with the freedom to lose significant capital without any effective investment limits or specialized training in the unique risks associated with these complex and volatile instruments. Moreover, middle class Canadians have, for years, been investing extensively in a never-ending succession of high-risk crypto-currency assets, as securities regulators seek to catch up with a continuously evolving market. The remaining investment market where middle-class

¹⁰ An “exempt market dealer” (EMD) is a category of regulated dealer that generally acts as a dealer/broker by trading a security that is sold under prospectus exemptions or private placements.

¹¹ Currently, the provinces of Alberta, Saskatchewan, Manitoba, , and Ontario have provisions for self-certification up to certain thresholds The Canadian Securities Administrators’ “[Notice and Request for Comment](#)” dated September 25, 2025 (and closed for comment on January 5, 2026) proposes to establish a new national instrument 45-111 title “Self-Certified Investor Prospectus Exemption” which expands the underlying basis for self-certification, harmonizes rules across the country (other than British Columbia and Quebec), and sets an annual aggregate investment limit per investor of \$50,000.

Canadians cannot directly invest in the private company finance market, which, ironically, is the only one of the high-risk investment segments where allowing middle class Canadians to invest serves a broader, and clearly beneficial, societal purpose. Unlocking more sources of domestic capital to support start-up company origination and growth benefits all Canadians, offering the prospect of increased job creation and enhanced competitiveness. Also, unlike sports gambling and options trading, private company investing does not require a “loser” in order for a “winner” to make a profit on the other side of a zero-sum equation. When a private Canadian company succeeds, everyone wins.¹²

L. Daniel Wilson, University of Calgary

The Committee recognizes recent post-hearing actions taken by the Canadian Securities Administrators which include the creation of a pilot reporting program for the voluntary election to provide semi-annual financial reports by eligible venture issuers on the TSXV and Canadian Securities Exchange markets¹³. On 16 July 2026, the Canadian Securities Administrators issued consultation paper 51-406, entitled *Modernizing the Regulation of Public Companies*.¹⁴ As part of their goal of supporting the competitiveness of Canadian capital markets, the consultation paper proposes to examine, relative to public companies, proportionate regulation, alternative financial reporting requirements, changes to “material change” reporting, U.S. regulatory developments, and any other changes or initiatives that could advance public companies’ ability to raise capital and improve the efficiency of Canadian capital markets while appropriately balancing investor protection. The consultation expires 13 November 2026. Market democratization should be considered in this consultation where consideration is given to alleviation of existing “accredited investor” rules or greater enfranchisement for investor participation in SMEs.

The Committee also heard from a number of witnesses about the lack of a coordinated national securities regulatory structure¹⁵, and how this situation creates additional costs, filing requirements and timing inefficiencies. Ontario is currently the only Canadian jurisdiction that does not participate in the national “Passport

¹² L. Daniel Wilson, “[Protecting Who from What? The Case for Opening Up Private Company Finance to all Canadians](#),” *Manitoba Law Journal*, Vol. 48, Issue 7.

¹³ Canadian Securities Administrators, “[Canadian securities regulators announce adoption of semi-annual financial reporting pilot](#),” *News Release*, 19 March 2026.

¹⁴ Canadian Securities Administrators, “[CSA seeks comment on modernizing the regulation of public companies](#),” *News Release*, 16 July 2026.

¹⁵ In the Supreme Court of Canada’s 2011 decision [Reference re: Securities Act](#), the Court ruled that federal attempts to establish a national securities regulator were unconstitutional.

System,”¹⁶ but has recently committed to do so. All other provinces and territories recognize and defer to the “principal regulator”, where the market participant has its head office or principal place of business.

The Committee was particularly concerned to hear of the decline in the number of independent investment firms in Canada, primarily due to the regulatory burden of client-focused reforms, as well as big-bank aggregation of dealers. Witnesses pointed out that the time and resources dedicated to Know-Your-Product due diligence forces independent brokers to focus on larger, more mature businesses, and not recommend shares in SMEs to their clients. The Committee agrees that these rules need to be examined with the goal of balancing consumer protection with Canadian SME growth through supporting independent investment and exempt market dealers.

Typically, and probably historically, there are the smaller investment dealers, which are the ones that, historically, had actually managed the capital raising for those small early-stage companies. A concern was raised that because there are not as many of those small independent dealers, then that distribution channel is really shrinking. One of the things we also heard is for those small dealers, the costs of either becoming a small dealer or maintaining that small dealer are extremely high.

Kevin McCoy, Canadian Investment Regulatory Organization

In considering these various issues, the Committee believes that the federal government should play a leadership role in convening the provincial and territorial governments, securities regulators, investment dealers, Canadian businesses, and other relevant stakeholders to discuss possible solutions to the important problems facing the Canadian public markets.

Improving the quality of our public markets will take significant effort from governments and regulators. Most importantly, it will take a mental shift from running our public markets with an exclusive concern

¹⁶ On 15 July 2026, Ontario’s Minister of Finance, Peter Bethlenfalvy, announced that he had “directed the Ontario Securities Commission to build upon discussions for Ontario’s full participation” in the securities regulatory Passport System.

for investors to running them with a view to making them more attractive to entrepreneurs.

Bryce Tingle, University of Calgary

Therefore, the Committee recommends that:

Recommendation 6

The federal government work with the provinces to modernize Canada's public markets so that they become once again a viable alternative for SMEs looking to create liquidity and raise growth capital by:

- establishing a standing round table that meets on the competitiveness of Canada's public markets, involving federal and provincial governments, securities regulators, stock exchanges, investment dealers, including exempt market dealers, and other industry stakeholders. The standing round table should report annually on its progress and recommend actions to improve liquidity, access, and participation in Canadian public markets for SMEs.
- addressing the concentration in capital intermediation by reducing reliance on a small number of large institutions, by supporting diversified channels for SME financing, including small dealers, smaller-scale private investment firms, and other alternative platforms.
- encouraging the provinces and territories and their respective securities regulators, including the Canadian Securities Administrators, to democratize the investment market, by removing or reducing barriers to the use of prospectus exemptions for investors including reducing financial requirements for investing in treasury shares, relying on personal financial limits, expanded self-accreditation, and broker Know-Your-Client rules.
- encouraging the review of the Know-Your-Product rules that have made it almost impossible for stockbrokers to recommend SME stocks to their clients, and that have removed the economic incentives for financial firms to pursue anything but wealth management.

Ultimately, the major issues affecting Canada's public markets, in the Committee's view, are caused by securities regulations that create significant administrative burden and costs for investment dealers and SMEs. The Committee believes regulation should be calibrated with a mind to serve the SME entrepreneurship

market, rather than burden it with “one size fits all” rules more designed for large firms.

To be transparent, about half of the dealers we represent do not participate in junior markets. When we asked them why, they said it was because of the regulatory burden and because of the high cost, mostly related to the client-focused reforms.

The half that participated did so because, and I quote, “Somebody has to do it.” To them the junior issuers are a critical part of the Canadian economy, and they have to be there for these companies.

Annie Sinigagliese, Canadian Independent Finance and Innovation Counsel Inc.

Conflicting evidence was heard by the Committee as to whether short selling is an issue adversely affecting the Canadian junior public markets, resulting in investors and investment dealers avoiding the markets and the listed issuers. Absent a clearer factual determination and acceptance on this issue, the very belief by many of a short-selling issue has a negative effect on participation in the SME junior public market.¹⁷

Olympia Trust Company, in their written submission to the Committee, expressed concerns on the ability to deploy funds from deferred plans and restrictions contained in the *Income Tax Act*:

“The Income Tax Act should consider replacing the complicated qualification tests of a Small Business Corporation with a clear, size-based standard, so small business securities can sit in RRSPs and TFSAs without heavy cost or the risk of tripping a rule that disqualifies holdings post-distribution. It should further relax the prohibited investment rules to allow participation from the friends, family and community-members of the entrepreneurs seeking an opportunity to participate in Canada’s capital markets.”

Consequently, the Committee recommends that:

¹⁷ The Committee notes that the Canadian Investment Regulatory Organization issued amendments to certain short-selling concerns in [*Amendments Respecting Reasonable Expectations to Settle Short Sales*](#) on 2 April 2026 under Rules Bulletin 26-0067 and on the same date issued a request for comments in Rules Bulletin 26-0066 on [*Proposed Amendments Respecting Client Delivery Obligations*](#) relative to failure to deliver on short sales of listed securities.

Recommendation 7

The federal government encourage the provinces and territories, relevant regulatory bodies and stock exchanges to introduce proportionality to SME regulatory requirements by:

- implementing a more calibrated securities regulatory regime so that disclosure, reporting, and compliance obligations are proportionate to enterprise size, risk, and stage of development rather than a one-size-fits-all approach.
- clarifying and narrowing materiality standards so disclosure obligations focus on information reasonably expected to affect share price or valuation, thereby reducing unnecessary costs that discourage SMEs from accessing public markets.
- reducing ‘check the box’ compliance standards by reviewing the audit, reporting, and governance requirements for public companies with a view to lowering fixed costs that undermine the viability of an SME becoming and remaining publicly listed.
- considering additional regulations on short selling of SME shares, including limitations on share price or bans.

Addressing Community Disparities and Supporting Underrepresented Entrepreneurs

Supporting women and small businesses is not just about fairness. It’s a strategic economic choice. It’s investing in a more robust, local, and resilient economy.

Géraldine Martin, Evol

The Committee notes with concern that few witnesses offered meaningful insights on ways to address the persistent financing gaps that affect SMEs, entrepreneurs and investors led by women and other underrepresented groups. In the Committee’s view, fostering the growth and considerable investment potential of these individuals and businesses should be a strategic priority for Canada’s financial sector.

Our analysis revealed that around 350,000 entrepreneurs lack the financing they need to realize their projects and achieve their ambitions.

Most of these entrepreneurs are from groups under-represented in the portfolios of major financial institutions: businesses in rural and remote regions, women entrepreneurs, Black entrepreneurs, newcomers, and Indigenous entrepreneurs.

Isabelle Hudon, Business Development Bank of Canada

Regarding women-led SMEs, witnesses highlighted there are structural barriers embedded throughout the investment ecosystem that favour sectors, growth patterns and performance metrics commonly associated with male-led businesses. The Committee acknowledges that removing these barriers will require a dual approach: expanding access to commercial lending and modernizing the equity investment ecosystem to better support diverse entrepreneurs and investors.

Testimony heard by the Committee indicates that these barriers occur at several stages of the financing continuum. Géraldine Martin of Evol indicated that more than 60% of women-owned businesses are very small businesses and that in Quebec, women own only 22.8% of private companies. According to the figures in her possession, she also stated that women entrepreneurs pay on average three percentage points more in interest than their male counterparts, while the survival rate of their businesses after five years is comparable. Shelley Kuipers of The51 indicated that in Canada only 4% of venture capital funds go to women. This testimony suggests that the financing gap is not limited to a particular segment of the market but can manifest itself in access to credit for very small businesses as well as in access to the capital needed for faster growth.

The Committee also heard that different financing approaches can help narrow these gaps. Evol reported that it has provided more than \$70 million in loans, supported more than 1,500 projects, and helped create or maintain more than 10,000 jobs, including through a "supported financing" model. The51, for its part, presented models in which public, institutional, private, and individual capital can be mobilized jointly, while noting that the size thresholds applied by some large institutions may exclude emerging fund managers. These experiences illustrate that increasing access to capital depends not only on the volume of financing available, but also on the diversity of intermediaries, instruments, and models through which this capital reaches SMEs.

In 2017, we started tracking the number of women angel investors in our network, and it was embarrassing. It was 14%. But if you don't

measure it, you can't change it. That number has steadily increased, and over the last three years, the number of women within our national network of 4,000 angel investors across the country has been steady in the range of 35% to 37%.

Claudio Rojas, National Angel Capital Organization

With respect to the needs of smaller communities, the Committee strongly believes that many decisions related to SME financing are better made closer to the communities, sectors, and markets in which those SMEs operate. It also maintains that Canada must strengthen support for business succession and ownership transitions to help retain entrepreneurs, businesses and economic activity within their communities and regions. The Committee recognizes that a strong entrepreneurial ecosystem requires investments in financial supports as well as the social and institutional infrastructure that fosters business development, collaboration, and growth.

Roughly 85% of Canadian municipalities do not have a bank branch within their boundaries. Even where a branch remains, credit decisions are made elsewhere. Small business lending is rooted in local knowledge and relationships — and we have systematically removed both. Where lending is available to SMEs, it is expensive and imposes great personal risk: personal guarantees and family homes pledged as collateral. This lack of financial access has made Canada a country of stranded assets.

Zita Cobb, Shorefast

The First Nations Bank of Canada reiterated a concern heard broadly from SMEs, but in this case expressed on behalf of Indigenous businesses when faced with the “one-size-fits-all” regulatory simplicity employed broadly:

“...frustration around the one-size-fits-all approach that we see from the regulators. We have had to increase our regulatory staff dramatically in order to meet the increasing burden that is coming. In terms of financial technology, I think it is an exciting opportunity for us to dig in, but for the Indigenous communities that we serve, this is still very much a face-to-face business.”

The Committee also wishes to recognize the activity of provincial agencies and programs targeting support for SMEs. A comprehensive review of ‘best in class’ programs should be undertaken and supported nationally, or on a province-by-province basis, by the federal government. The Committee found the Fonds de

solidarité FTQ model to be an interesting structure for raising and channelling equity capital to scale up of businesses in a specific province.

Quebecers save through their RRSPs and invest in the Fonds de solidarité FTQ. With our corporate partners, we invest directly in companies. We are governed by the Act to establish the Fonds de solidarité des travailleurs et des travailleuses du Québec, a provincial act. That means that our money is channelled — and Quebecers' savings are channeled — and then we invest directly in partner companies or in investment funds. Local funds are subsidiaries of the Fonds de solidarité FTQ in which we invest, and these regional funds invest in businesses in the regions of Quebec through our 17 regional funds. You have to understand that we make large investments. Our investments in companies start at \$5 million, while regional funds invest up to \$5 million.

Dany Pelletier, Fonds de solidarité FTQ

Lastly, the Committee calls for federal entities, such as BDC and Farm Credit Canada, to incorporate key performance indicators (KPIs) within their mandates that measure and promote enhanced access to credit and capital for SMEs, as well as greater inclusion of underrepresented groups.

Accordingly, the Committee recommends that:

Recommendation 8

The federal government act to address disparities between communities and underrepresented entrepreneurs in ways that demonstrably improve access to credit and capital by:

- **directly or in conjunction with the provinces and territories, supporting the development of regionally or provincially/territorially focused investment funds with local governance structures, mandates to provide long-term capital and alignment with regional economic priorities, community needs, women-led initiatives and social returns (such as Fonds de solidarité FTQ, The51 and Evol).**
- **implementing policies and programs to expand SME access to commercial lending in rural, remote, northern and underserved communities by strengthening partnerships with community-based**

lenders and financial institutions that are focused on serving women, Black people, other racialized groups and Indigenous peoples.

- supporting the development of entrepreneurship ecosystems, including mentorship networks, peer-to-peer platforms, and sector-specific clusters that bring together capital, talent, and customers in SMEs.
- ensuring availability of robust accountability measures that capture the impact of federal SME programs in ways that link to specific program objectives.
- ensuring that federal Crown corporations that provide financing to businesses, including the Business Development Bank of Canada, Export Development Canada and Farm Credit Canada, as well as federally regulated banks and trust and loan companies that provide credit to SMEs, make a concerted effort to improve access to venture capital for women-owned businesses and equity seeking groups at all stages of the financing continuum and report with disaggregated data on their progress annually.

Conclusion

Canadian governments and regulators are going to have to fundamentally reconsider the foundations of corporate regulation and taxation and be willing to take a risk at implementing a number of innovative reforms in multiple areas.

Bryce Tingle, University of Calgary

Canada has demonstrated a remarkable ability to generate talented entrepreneurs, innovative companies, and world-class ideas. It also has high-performing, large, stable financial conglomerates and powerful pools of capital in our pension plans. However, the Committee heard repeatedly that the country struggles to retain and scale these SMEs, as structural issues within the financial system often limit access to the capital needed for businesses to grow, remain in Canada, and create long-term economic value. The Committee firmly believes that the future productivity, competitiveness, security, sovereignty, and prosperity of the Canadian economy will depend on the actions taken today.

Ultimately, higher productivity is not an end in itself. Greater access to capital should enable Canadian SMEs to invest in their businesses and their people, creating stronger firms, more skilled and productive workers, better employment opportunities and rising living standards for Canadians.

The Senate Committee urges the federal government to promptly implement the recommendations in the report which will foster SME growth and scaling throughout Canada and increase overall national productivity.

Appendix A – Witnesses and Briefs

Witnesses

Wednesday, November 26, 2025

Etienne-René Massie, Assistant Deputy Minister, Small Business and Tourism
Marketplace Services, Innovation, Science and Economic Development
Canada

Isabelle Hudon, President and Chief Executive Officer, Business Development
Bank of Canada

Pierre Cléroux, Vice President, Research and Chief Economist, Business
Development Bank of Canada

Thursday, November 27, 2025

Simon Gaudreault, Chief Economist and Vice-President, Research, Canadian
Federation of Independent Business

Michelle Auger, Director, National Affairs, Trade and Marketplace
Competitiveness, Canadian Federation of Independent Business

Thursday, February 12, 2026

L. Daniel Wilson, Chair in Business Law & Regulation and Associate Dean,
Academic, Faculty of Law, University of Calgary, As an individual

Bryce Tingle, N. Murray Edwards Chair in Business Law, Faculty of Law,
University of Calgary, As an individual

Thursday, February 26, 2026

Annie Sinigaglia, Chief Executive Officer, Canadian Independent Finance
and Innovation Counsel Inc.

Jim Dale, Chief Executive Officer, Leede Financial Inc.

Dan Daviau, Chairman and Chief Executive Officer, Canaccord Genuity Group
Inc.

Thursday, March 12, 2026

Richard Carleton, Chief Executive Officer, Canadian Securities Exchange,
CNSX Global Markets Inc.

Andrew Creech, President, TSX Venture Exchange

Ari Pandes, Associate Professor of Finance, Haskayne School of Business,
University of Calgary, As an individual

Miwako Nitani, Associate Professor, Co-Director of the Microprogram Capital
Markets, Ian Telfer Teaching Fellowship, University of Ottawa, As an
individual

Wednesday, March 25, 2026

Dany Pelletier, Executive Vice President, Private Equity and Impact Investing,
Fonds de solidarité FTQ

Thursday, March 26, 2026

Kevin McCoy, Senior Vice-President, Market Regulation, Canadian
Investment Regulatory Organization

Stan Magidson, Chair, Canadian Securities Administrators and Alberta
Securities Commission

Grant Vingoe, Chief Executive Officer, Ontario Securities Commission

Wednesday, April 15, 2026

Jean-Yves Bourgeois, Executive Vice-President, Business Services, Desjardins
Group

Bernard Brun, Vice President, Government Affairs, Desjardins Group

Sabena Sandhu, Manager, Policy, Canadian Credit Union Association

Bill Lomax, President and Chief Executive Officer, First Nations Bank of
Canada

Thursday, April 16, 2026

Jeffrey Deacon, Co-Founder and Managing Partner, Private Debt Partners

Trevor Simpson, Partner, Private Debt, FirePower Capital

Michael Wallace, Chief Executive Officer, Timia Capital

Hamid Arabzadeh, Chairman and Chief Executive Officer, Ranovus

Ken Bicknell, President and Chief Executive Officer, Adtrackmedia

Patrick Desrochers, Chief Executive Officer and Co-Founder, Ubiweb Media

Wednesday, April 22, 2026

Benjamin Bergen, Chief Executive Officer, Canadian Venture Capital and Private Equity Association

Dino DeLuca, Vice Chair and Board Member, Canadian Venture Capital and Private Equity Association

Hans Knapp, Partner and Co-Founder, Yaletown Partners Inc.

Thursday, April 23, 2026

John Ruffolo, Founder and Managing Partner, Maverix Private Equity

Wednesday, April 29, 2026

Dan Daviau, Chairman and Chief Executive Officer, Canaccord Genuity Group Inc.

Brian Ernewein, Senior Advisor, National Tax, KPMG Canada

Thursday, April 30, 2026

Jim Balsillie, Co-Founder and Chair, Council of Canadian Innovators

Claudio Rojas, Chief Executive Officer, National Angel Capital Organization

Anthony Ostler, President and Chief Executive Officer, Canadian Bankers Association

Darren Hannah, Senior Vice President, Financial Stability & Banking Policy, Canadian Bankers Association

Thursday, May 7, 2026

Shelley Kuipers, Co-Founder and Chief Executive Officer, The51

Géraldine Martin, Chief Executive Officer, Evol

Zita Cobb, Chief Executive Officer and Founder, Shorefast

Thursday, June 4, 2026

Peter Routledge, Superintendent, Office of the Superintendent of Financial Institutions

Briefs

Briefs are available online at this link: [Briefs and Other Documents](#)

Adtrackmedia, Ken Bicknell, Chief Executive Officer

As an individual, Anonymous, Canadian small business owner

As an individual, Ari Pandes, Associate Professor of Finance, Haskayne School of Business, University of Calgary

As an individual, Bryce Tingle, N. Murray Edwards Chair in Business Law, Faculty of Law, University of Calgary

As an individual, Céline Bak

As an individual, L. Daniel Wilson, Chair in Business Law & Regulation and Associate Dean, Academic, Faculty of Law, University of Calgary

As an individual, David Durand

As an individual, Peter Bowie

As an individual, Tara June Misra

Canadian Bankers Association, Anthony Ostler, President and Chief Executive Officer

Canadian Bankers Association, Darren Hannah, Senior Vice President, Financial Stability & Banking Policy

Canadian Bankers Association, Kate Dalglish, Vice President

Canadian Credit Union Association, Sabena Sandhu, Manager, Policy

Canadian Independent Finance and Innovation Counsel Inc., Annie Sinigaglia, Chief Executive Officer

Canadian Investment Regulatory Organization, Kevin McCoy, Senior Vice-President

Canadian Securities Administrators, Stan Magidson, Chair

Canadian Venture Capital and Private Equity Association, Benjamin Bergen, Chief Executive Officer

Catalyst Community Finance, Jo Reynolds, Author, and Geraldine Cahill, Co-Manager

CNSX Global Markets Inc., Richard Carleton, Chief Executive Officer

Council of Canadian Innovators, Jim Balsillie, Co-Founder and Chair

Leede Financial Inc., Jim Dale, Officer

Maverix Private Equity, John Ruffolo, Founder and Managing Partner

Olympia Trust Company, Craig Skaug, Chief Executive Officer

Olympia Trust Company, Phil du Heaume, Chief Strategy Officer

National Angel Capital Organization, Claudio Rojas, Chief Executive Officer

Private Debt Partners, Jeffrey Deacon, Co-Founder and Managing Partner

Ranovus, Hamid Arabzadeh, Chairman and Chief Executive Officer

Social Capital Partners, Michelle Arnold, Policy Manager



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