

# ISED CANADA BRIEFING NOTE

## ADDRESSING TODAY'S REGULATORY BARRIERS TO INVESTMENT

### ABOUT THE REPORT

Canada's regulatory environment is a barrier to business investment. This report takes a first step toward addressing that challenge by identifying the most significant, high-impact regulatory barriers that businesses and other organizations consistently cite as constraining investment, and sets out a practical path to address them.

### THE SPECIFIC BARRIERS HOLDING INVESTMENT BACK

Many of the regulations businesses face are overly stringent, burdensome, unclear, and/or unpredictable. While some individual regulations can have a significant impact on investment decisions, it's their cumulative effect that matters most. Together, these requirements create a "death by 1,000 cuts," making investment riskier, more difficult, and more expensive.

Drawing on extensive research and engagement with businesses, this report identifies the most problematic regulations that can be addressed immediately. Targeted action in these areas would begin to shift Canada's regulatory system toward one that better supports economic competitiveness and growth.

Key themes in this report include:

- Regulations with overly stringent requirements and excessive compliance burdens
- Regulations that cause delays and limit productivity
- Regulatory processes that are slow and lack transparency
- Regulations that are inconsistently applied

This briefing note summarizes the key recommendations from *Addressing Today's Regulatory Barriers to Investment* that either directly fall within ISED's mandate or connect to aspects of that mandate. It does not represent a comprehensive list of all regulatory challenges impacting business investment today. However, addressing these priority areas would represent a significant step forward and pave the way for a more competitive, investment-friendly regulatory environment in Canada.

## PRIORITY ACTIONS

Addressing these problems requires a fine-tuned approach to tackle specific irritants head-on. These actions are designed to be the most impactful by serving as the primary “needle-movers” acted on in the short-term.

ACTION	DETAILS
<b>Intellectual Property Rules</b>	<ul style="list-style-type: none"> <li>• Provide guidance to businesses on IP enforcement; clarify access to remedies, particularly for SMEs.</li> <li>• Coordinate with provinces to advance the adoption of a Canadian Uniform Trade Secrets Act; ensure protection from “mere misuse” of IP.</li> </ul>
<b>Adapting Regulations to Technological Change</b>	<ul style="list-style-type: none"> <li>• Authorize pilot programs for automated inspections; allow automated inspection technology to replace manual requirements if safety equivalency is demonstrated.</li> <li>• Require early disclosure of PMRA risk assessments to stakeholders prior to final regulatory decisions to enhance transparency and discussion of the scientific methodology used.</li> <li>• Allow electronic signatures for agricultural inspections, such as Health Certificate endorsements of live animal exports.</li> </ul>
<b>Port Modernization</b>	<ul style="list-style-type: none"> <li>• Direct federal funding toward port modernization such as weatherproofing, automation, and resilience.</li> <li>• Enable the creation of inland ports and expansion of permissible port activities via amendments to the Canada Marine Act.</li> <li>• Increase or remove port authority borrowing limits.</li> </ul>
<b>Greenwashing Provisions in the Competition Act</b>	<ul style="list-style-type: none"> <li>• Refine the greenwashing provisions to protect businesses’ aspirational goals and future-oriented climate statements.</li> <li>• Issue guidance on “adequate and proper substantiation”, with tailored requirements on statement type and target audience.</li> <li>• Ensure business are not subject to conflicting compliance obligations resulting from the TCFD.</li> </ul>

## WHAT SUCCESS LOOKS LIKE

- High-impact regulatory barriers are removed or actively reduced by the end of the year.
- Businesses report that they face less burdensome regulations, clearer rules, and greater certainty, encouraging more investment at the margin.
- Targeted regulatory reforms in the short-term demonstrate a shift toward a framework focussed on growth, competitiveness, and productivity, while protecting health, safety, and the environment.