

FROM BARRIERS TO BREAKTHROUGHS A REGULATORY ROADMAP TO UNLOCK BUSINESS INVESTMENT IN CANADA

THE BOTTOM LINE

Canada cannot afford to wait. Public sentiment is rapidly shifting, and the economic stakes are rising. This is Canada’s opportunity to make decisive changes and build a regulatory system that attracts investment, fuels innovation, and creates opportunity for this generation and the next.

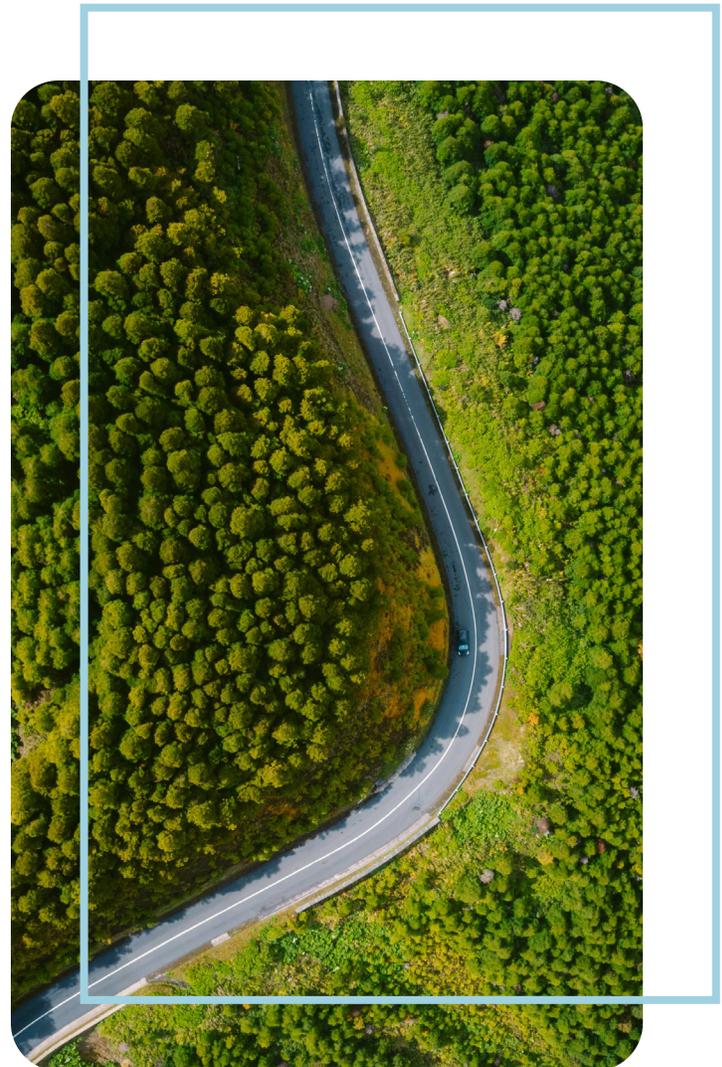
For decades, Canada’s project approval and regulatory system, particularly for major projects, has been the single largest [barrier to business investment](#) and long-term prosperity, contributing to weaker productivity growth, reduced economic expansion, and declining living standards relative to our global peers.

Canadian governments have repeatedly tried addressing the problem. However, past regulatory reforms have been limited, short-lived, and insufficient, leaving the underlying challenges unresolved.

The problem is well understood by governments, regulators, proponents and investors. But what has been missing is a clear and credible plan to fix the system — and deliver lasting results.

This Roadmap provides that. It focuses on two core priorities:

-  Restoring confidence in major project reviews through reforms to the *Impact Assessment Act* and the *Canadian Energy Regulator Act*.
-  Strengthening Canada’s broader regulatory system to support long-term growth.





Together, these reforms set out a clear, actionable path to modernize Canada's regulatory system by cutting duplication, aligning jurisdictions, and increasing efficiency so projects move faster and investors gain greater certainty. This is not about deregulation. It is about building a regulatory system that protects the public interest while enabling prosperity.

At the same time, meaningful reform cannot wait for structural change alone. A complementary near-term action report, *Addressing Today's Regulatory Barriers to Investment*, identifies high-impact regulatory barriers that the federal government can address immediately to deliver early progress and build momentum while larger scale reforms move forward.

This executive summary outlines:

- >> Why Canada's investment performance is falling behind
- >> How regulatory barriers are contributing to the problem
- >> Why this moment creates an opportunity for lasting reform
- >> Immediate actions the federal government can take
- >> Structural reforms needed to restore competitiveness and build lasting prosperity

CANADA IS FALLING BEHIND

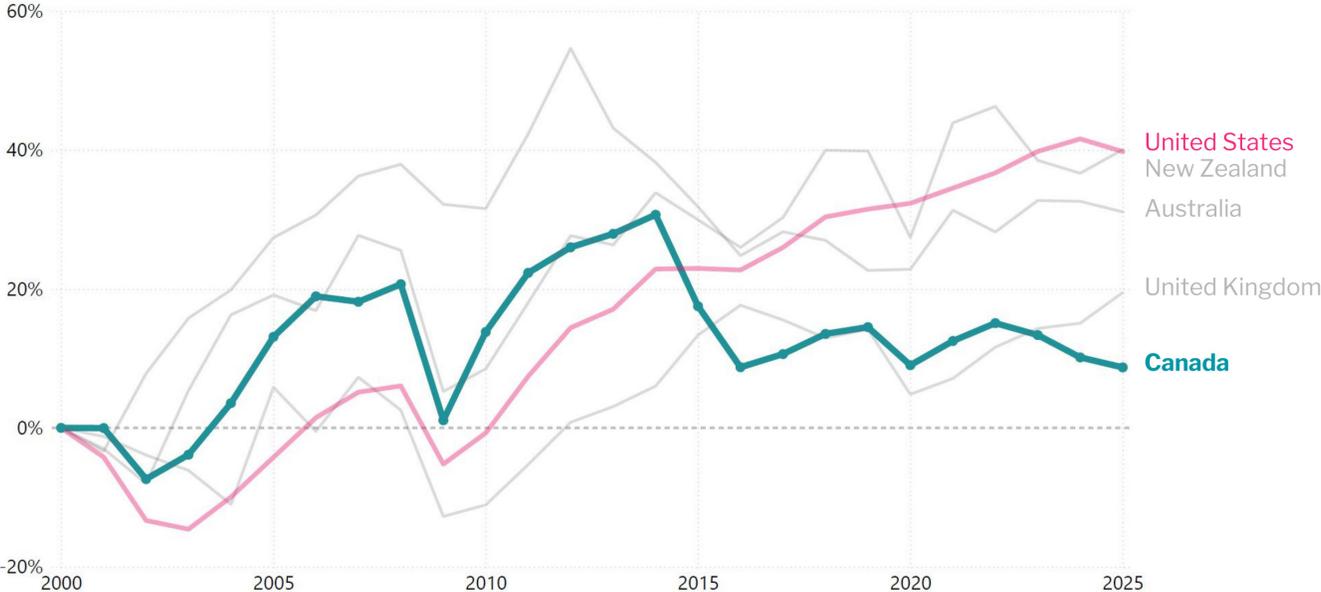
Canada’s recent investment performance demonstrates the scale of the problem.

Over the past decade, [business investment](#) per worker in Canada has fallen by almost 11%, while in the United States, it has grown by about 45%.

Today, Canadian businesses invest barely [half as much](#) per worker as their U.S. counterparts, and at levels well below the [OECD average](#).

Canada’s investment per worker has barely grown in more than two decades

Business investment per worker indexed to 2000



Source: OECD Economic Outlook 117

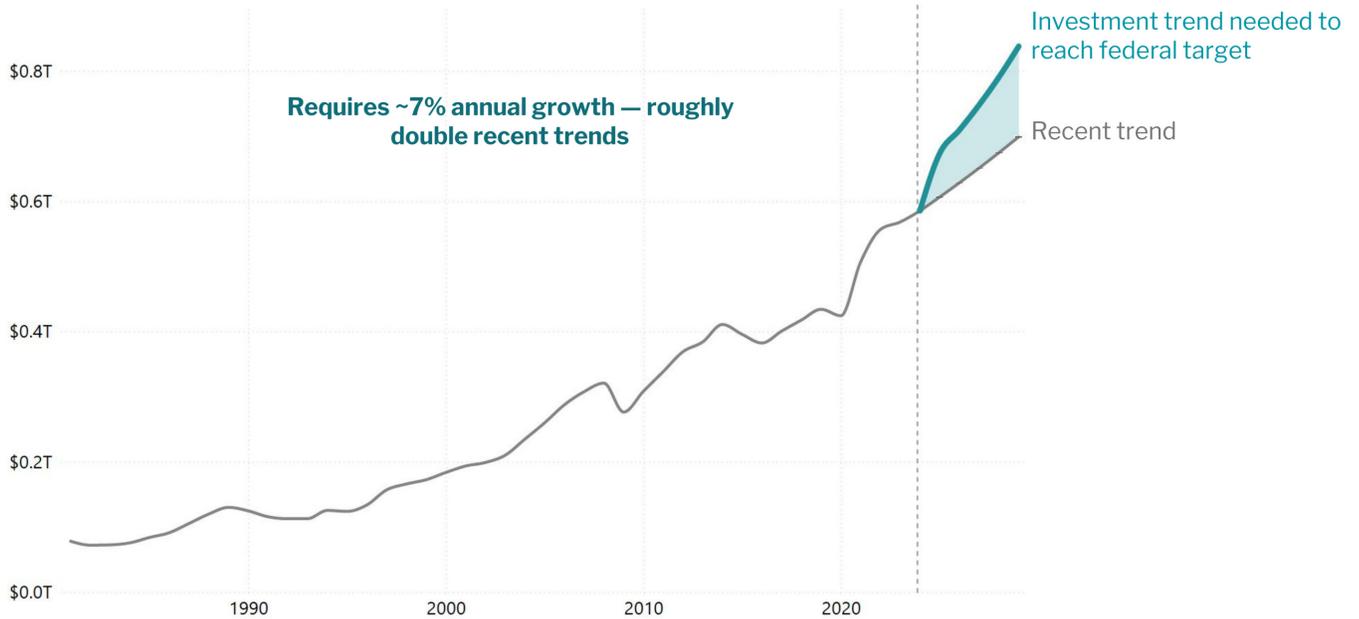


This is not a short-term or sector-specific problem. Weak investment spans across Canadian [industries and regions](#) and has been [building for decades](#). As a result, output per person has stagnated, and Canada has struggled to translate its economic strengths into sustained economic growth.

To reverse this trend, the federal government has set an ambitious target: unlock [\\$1 trillion in total investment](#) over the next five years, including \$500 billion from the private sector – roughly double the pace of recent growth. This will not happen under the current major project approval and regulatory system.

Canada must sharply increase business investment to meet federal targets

Business investment (gross fixed capital formation)



Source: Statistics Canada



CANADA'S REGULATORY SYSTEM IS HOLDING INVESTMENT BACK

Achieving that level of investment requires confronting the barriers that stand in the way. Canada's regulatory system is arguably the most significant of those barriers.

Canada has many of the fundamentals investors seek: abundant natural resources, a highly educated workforce, a stable democracy, and access to global markets. Yet over time, the regulatory environment has grown more complex, costly, and unpredictable, discouraging investment rather than enabling it.

Businesses consistently report that the domestic regulatory burden is the [single most important factor](#) influencing investment decisions, ranking ahead of taxes, labour availability, or access to capital.

International comparisons highlight Canada's relative weakness. The World Bank's Business Ready initiative ranks [Canada's regulatory framework](#) 33rd out of roughly 100 countries, closer to China (34th) than to the United States (5th).



Canada's regulatory framework ranks far below global peers

World Bank's Business Ready Index

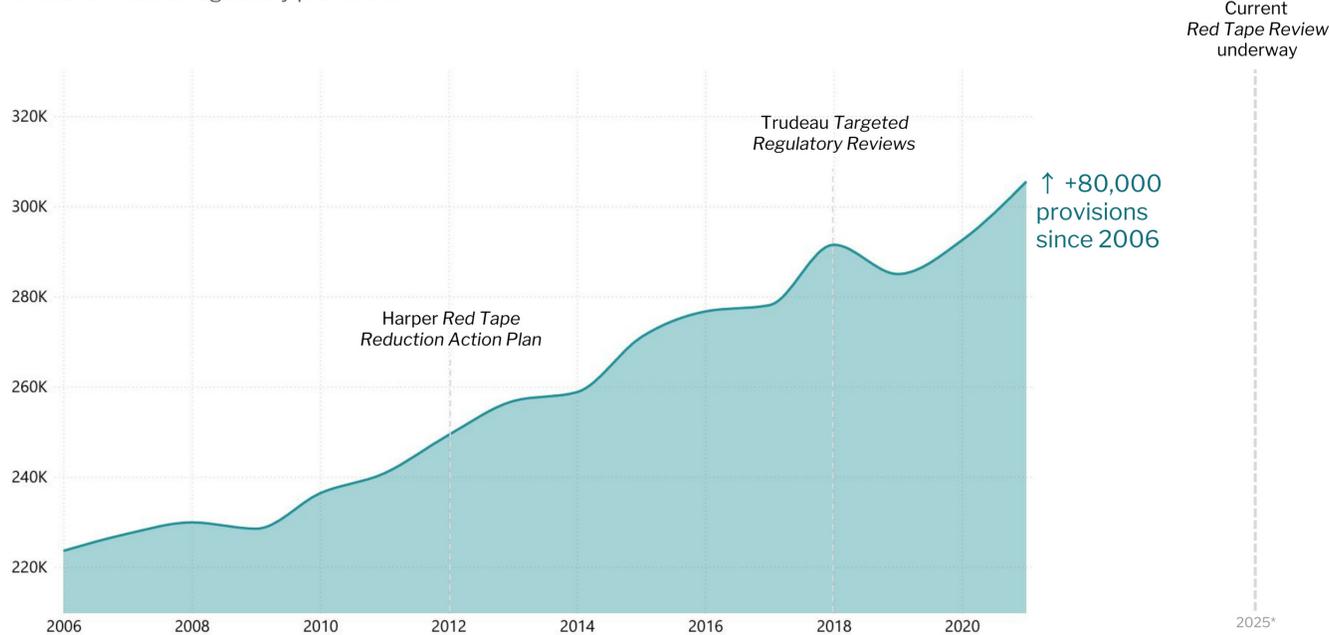
Performance by Pillar	Score	Global Rank*
Pillar 1: Regulatory Framework	71.8	33rd
Pillar 2: Public Services	74.7	8th
Pillar 3: Operational Efficiency	73.9	8th

Source: World Bank's Business Ready 2025.
*Rankings reflect countries released to date.

The regulatory challenge is growing. Between 2006 and 2021, the number of federal regulatory requirements **increased by 37%**, despite **repeated reform efforts**. Over time, overlapping rules and processes have accumulated, forcing businesses to devote more time and capital navigating requirements and compliance instead of investing in innovation, expansion, and job creation.

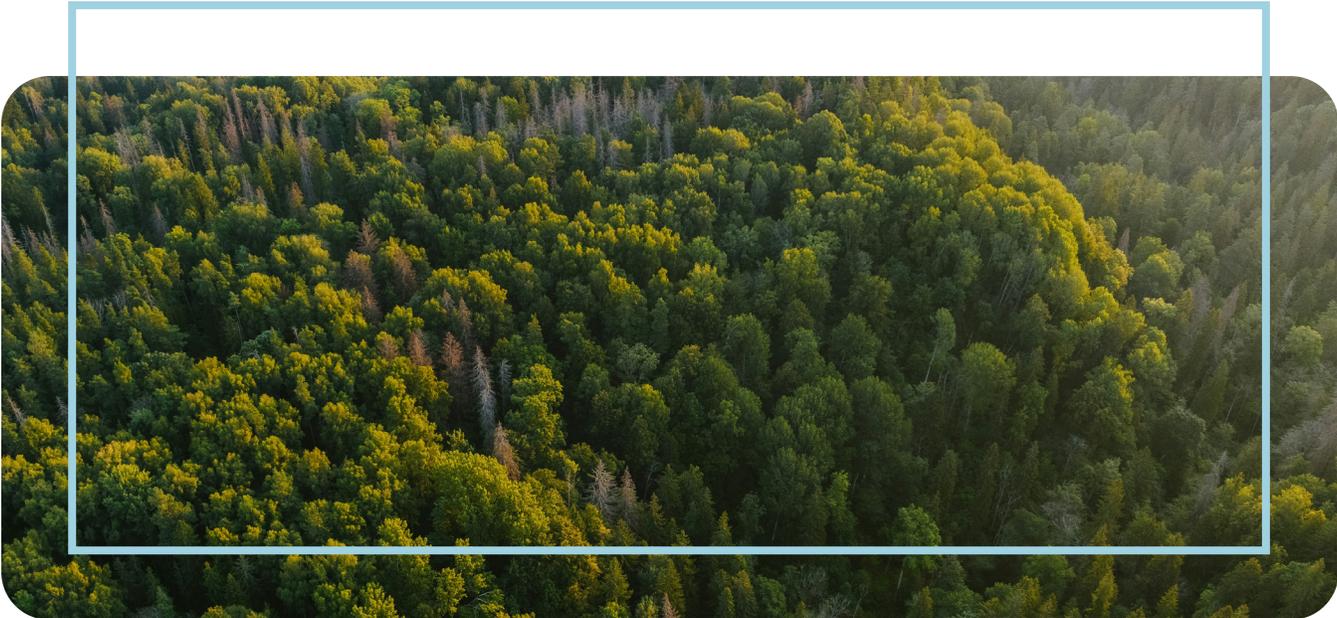
Canada’s regulatory burden keeps rising despite repeated reform efforts

Number of federal regulatory provisions



Source: KPMG and Transport Canada via Statistics Canada
*Available data ends 2021

This impact is especially pronounced in major projects. Prolonged timelines, political interference, and uncertain outcomes are driving capital investment to jurisdictions with greater clarity, certainty and predictability.



WHY THIS MOMENT IS DIFFERENT

With previous regulatory reform efforts falling short and failing to deliver lasting change, it's reasonable for Canadians to ask, "why will it be any different this time?"

What sets this moment apart is rising urgency and global opportunity.

Years of weak growth have made the cost of regulatory barriers unmistakable. Canadians feel it directly in slower income gains, constrained job opportunities, and stagnating living standards.

At the same time, a more volatile geopolitical environment has intensified Canada's need to compete for capital and laid bare the economic risks of falling behind. Regulatory barriers are no longer an abstract policy issue; they shape Canada's ability to compete, build major projects, and secure long-term prosperity.

Economic confidence is [low](#), even as jobs and economic growth rank among Canadians' [top priorities](#). At the same time, Canadians' support is also rising for strengthening [trade](#)

[infrastructure](#), [diversifying trade](#), and pursuing policies that prioritize [economic growth](#), placing Canada squarely in a position to provide the world with the food, fuel and other critical resources that our allies and customers need. Achieving this will require a regulatory system that supports investment.

But public demand alone is not enough. Leadership is required. The federal government must act decisively to implement meaningful reform.

This Roadmap provides that path and moves beyond the isolated initiatives of the past, setting out a comprehensive, system-wide approach grounded in real-world business experience and focused on delivering lasting results.



ABOUT THIS PROJECT

This Roadmap, together with the near-term action report, is the result of more than a year of research, consultation, and analysis. It reflects extensive engagement with businesses across sectors, as well as input from economists, legal experts, policy specialists, and others with firsthand experience navigating Canada's regulatory system.

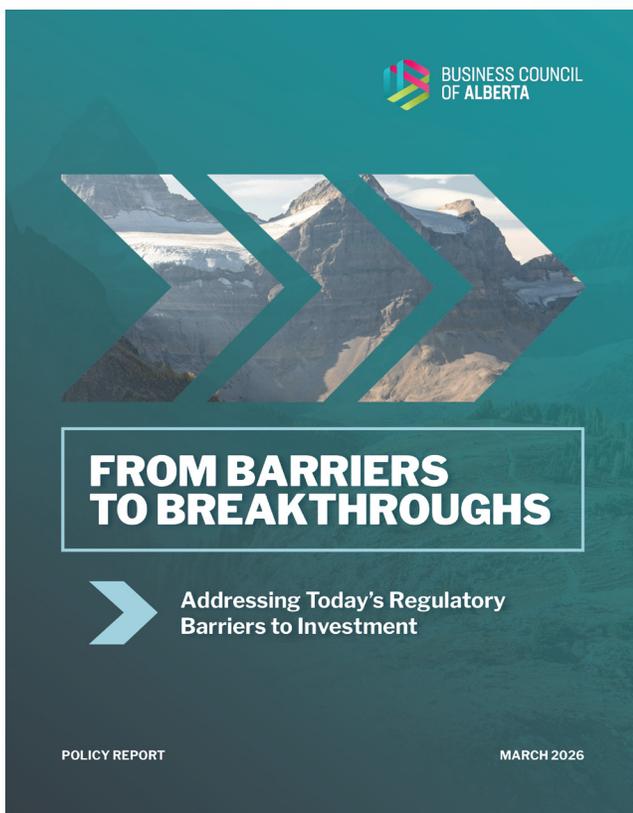
This project is focused on practical, federal-level reform to help Canada reach its investment ambitions and economic potential.

The recommendations draw on real-world investment experience, economic research, international comparisons, and lessons from past reform efforts in Canada and abroad. Together, these reports set out concrete legislative, policy, and administrative changes to restore predictability, competitiveness, and long-term prosperity. The goal is to strengthen regulatory effectiveness, not weaken it, ensuring Canada can both uphold high standards and enable responsible economic growth.

EARLY STEPS TO MAKE REAL PROGRESS

While long-term, systemic reform is essential, immediate action cannot wait. The federal government can take concrete steps now to deliver early progress and build momentum.

BCA's supplementary, near-term action report, **Addressing Today's Regulatory Barriers to Investment**, focuses on addressing significant and well-understood barriers already identified and widely cited by the business community as impediments. The report highlights high-impact regulations that government can repeal, streamline, or modernize to reduce costs, improve certainty, and strengthen Canada's investment environment, delivering early progress.



[READ THE FULL REPORT](#)

Key immediate priorities include:

- >> Repealing the **Oil Tanker Moratorium Act** which prohibits large-scale oil exports off the northwest coast of British Columbia.
- >> Repealing the **greenwashing provisions** in the *Competition Act*.
- >> Directing federal funds toward **port modernization** such as weatherproofing and automation.
- >> Repealing the **Clean Electricity Regulations** to prevent higher costs to consumers and ensure rules apply fairly across all regions.
- >> Repealing **Bill C-58**, which distorts negotiations, reduces incentives for compromise, and is likely to prolong strikes, and appointing a **Special Mediator** for major labour disputes.
- >> Eliminating the **Federal Plastic Registry** which adds onerous and overlapping administrative burdens on any business handling plastic products.

While action on these individual regulations will help deliver early progress, this alone will not be sufficient to reverse the damage done to our investment climate. Lasting change requires addressing the deeper structural flaws in how Canada's regulatory system operates — the factors that have allowed costs, complexity, and uncertainty to accumulate over time.

STRUCTURAL REFORM: A REGULATORY ROADMAP TO UNLOCK CANADA'S ECONOMIC POTENTIAL

This Roadmap sets out a comprehensive plan to reform Canada's regulatory system, restore investment, and unlock economic opportunity for Canadians.

It focuses on two key priorities:

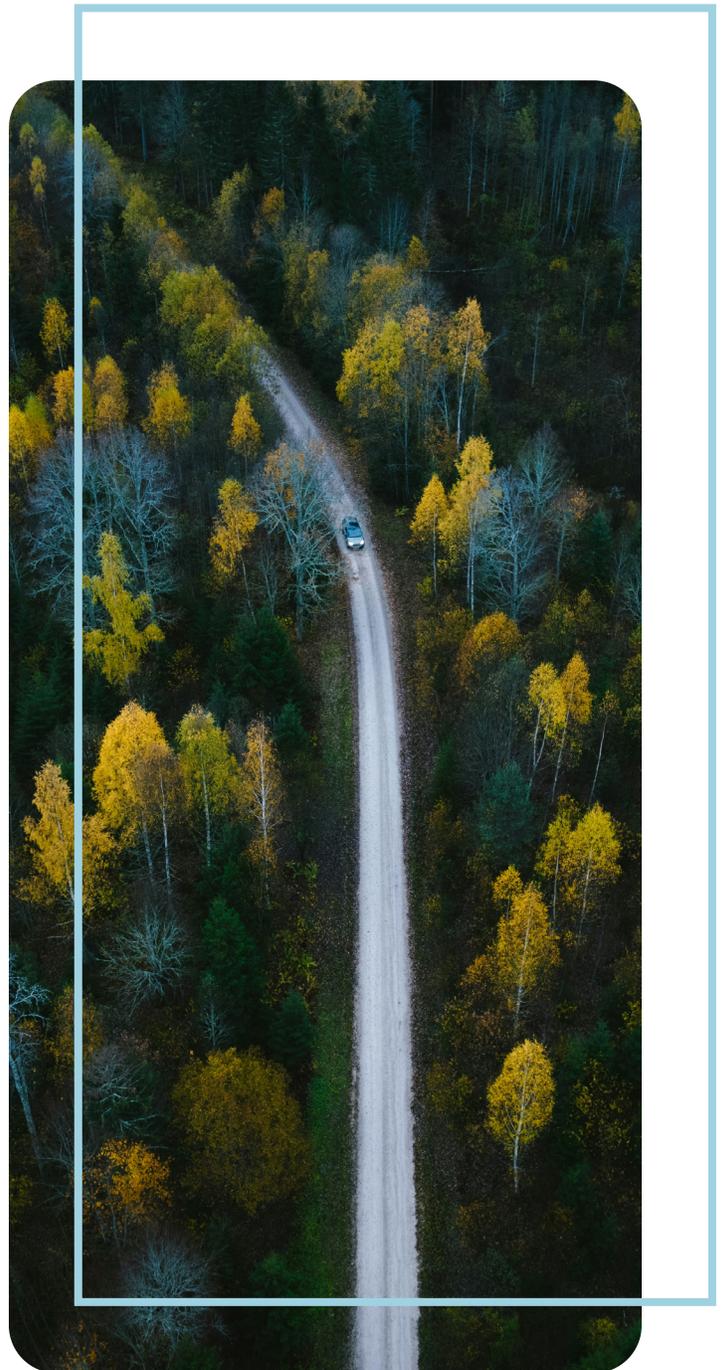


Fixing major project reviews and permitting through reforms to the *Impact Assessment Act* (IAA) and the *Canadian Energy Regulator Act* (CER Act).



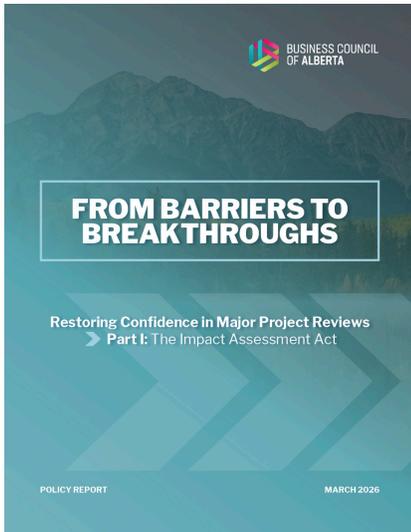
Strengthening regulatory design, implementation, and oversight across the broader system to support long-term growth.

The three summaries — two on the first priority and one on the second — that follow provide an overview of the Roadmap's core components, outlining the problems to be addressed, and the priority actions government can take now to begin delivering meaningful change.



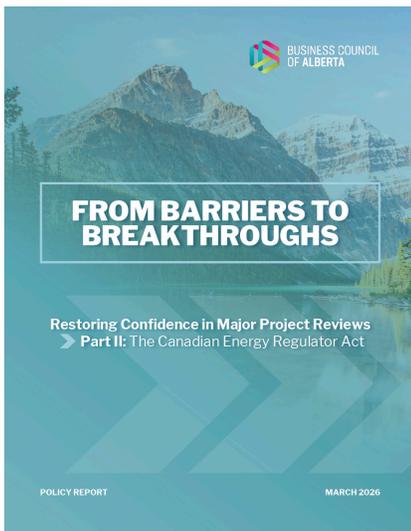
RESTORING CONFIDENCE IN MAJOR PROJECT REVIEWS

These two parallel reports focus on major project review and permitting reforms to two of Canada’s most substantial federal review frameworks — the IAA and the CER Act.



Restoring Confidence in Major Project Reviews Part I: The Impact Assessment Act proposes comprehensive amendments to the IAA and federal project approval and permitting processes to create a more efficient, transparent, predictable, fair, and timely review and permitting framework for all major projects subject to this Act.

[READ THE FULL REPORT](#)



Restoring Confidence in Major Project Reviews Part II: The Canadian Energy Regulator Act proposes targeted reforms to the CER Act to streamline pipeline reviews and reduce approval timelines to 250 days or less.

[READ THE FULL REPORT](#)

Together, these recommendations embed lasting policy changes into their respective legislative and regulatory frameworks while maintaining strong regulatory protections for health, the environment, and broader social and cultural values, including those of Indigenous peoples.

PART I: THE IMPACT ASSESSMENT ACT

THE PROBLEM

Canada's current major project review and permitting systems are the single largest barrier to large-scale capital investment. Slow, costly, and unpredictable processes over the past decades have diverted billions in capital and limited Canada's economic potential.

The need for reform is most acute with the IAA. Investors increasingly lack confidence that projects can proceed through an IAA review and permitting in a predictable manner – preventing projects from advancing in the first place. Canada cannot attract significant new major project investment without fundamental changes to these processes.

The federal government has recognized this problem and begun taking steps to address it. But more needs to be done. Urgently.

This report sets out fundamental changes to the IAA and permitting processes. Implementing these recommendations will restore certainty, accelerate approvals, and help rebuild business confidence to position Canada to compete for major investment once again.

Key regulatory challenges addressed in this report include:

- >> **Late-stage political decisions** that create uncertainty for proposed projects.
- >> **Overlapping regulators and duplicative reviews** that increase costs and slow progress.
- >> **Long and uncertain timelines** that lower investment returns and make project planning difficult.
- >> **Unnecessarily detailed reviews** that do not consider learnings from past projects.
- >> **Ill-timed and poorly coordinated permits** that create duplication and cause significant construction delays.
- >> **Unclear Indigenous consultation processes** that hamper reconciliation, Indigenous participation, and investor confidence.



PRIORITY ACTIONS

Meaningful reform requires structural changes to the IAA and permitting processes. While the *Building Canada Act* is an important and necessary step to clear a path for select projects, it does not fix the regulatory challenges facing others.

Canada needs a universally applicable, efficient, transparent, stable, and predictable process — one that’s codified in legislation. The following priority actions are designed to create this ideal IAA process:

IMPROVE THE PROCESS FOR SCREENING REVIEWS IN AND OUT OF THE IAA

- >> Ensure projects primarily regulated by provinces are reviewed provincially, not by the federal government.
- >> Assign reviews to the most appropriate regulator under the most appropriate legislation from the start.
- >> Ensure that all federally reviewed pipeline projects in Canada are reviewed by the Canada Energy Regulator.
- >> Enable “one project, one review, one decision” by folding federal expertise into provincial reviews as needed.

REMOVE LATE-STAGE POLITICAL DECISIONS

- >> Introduce a two-stage decision process:
 - > An early political decision on *whether* a project can proceed.
 - > A final, independent authorization about *how* it proceeds at the end of the review.

SHORTEN AND STABILIZE TIMELINES

- >> Limit total review timelines to 2 years or less.
- >> Prevent political extensions to timelines.
- >> Combine review stages to eliminate duplication and make reviews more efficient.

FOCUS REVIEWS ON THE MOST IMPORTANT IMPACTS

- >> Require regulators to narrow the scope to major, material impacts.
- >> Avoid reassessing impacts already addressed by existing laws or standards.
- >> Set clear, binding review requirements early so proponents know what is expected.

STREAMLINE PERMITTING

- >> Make the lead review regulator responsible for permit decision-making and coordination.
- >> Align permit decisions with the IAA final decision.
- >> Prevent permit decisions from contradicting IAA approvals.

CLARIFY INDIGENOUS CONSULTATION

- >> Ensure the Crown fully considers and utilizes businesses' engagement as fulfilling procedural aspects of its duty.
- >> To the extent possible, complete consultation within review timelines.
- >> Support Indigenous capacity to participate in, benefit from, and, if desired, own equity in projects.

WHAT SUCCESS LOOKS LIKE

If implemented, these reforms would transform the IAA and permitting framework to become a source of competitive advantage. Success would mean:

- ✓ **Reforms embedded into the law:** Adjustments through policy directives aren't sufficient.
- ✓ **Predictable timelines and outcomes:** Review process and timeline certainty improves to the point they no longer require the expedited project review function for national interest projects under the new Major Projects Office.
- ✓ **Increased investment in major projects:** Improvements made relative to investment projections under the regulatory status quo.
- ✓ **Restored business confidence:** Businesses report confidence in the speed and predictability of IAA reviews.



PART II: THE CANADIAN ENERGY REGULATOR ACT

THE PROBLEM

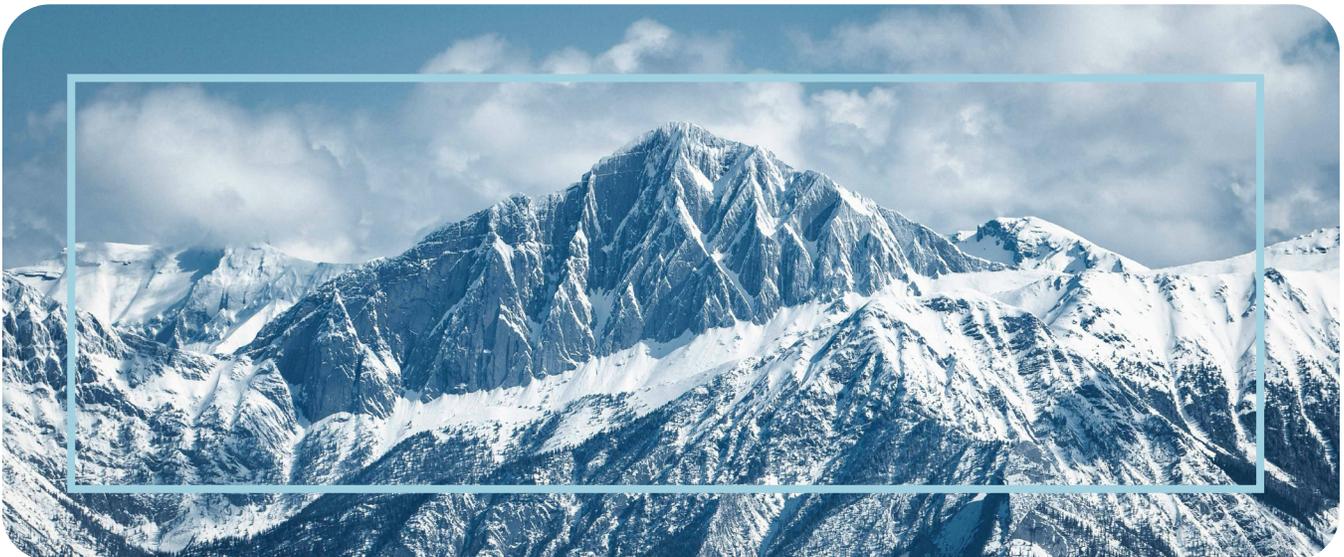
The federal government has established new ambitions to make Canada into an energy superpower and expand access to global markets. Building pipelines of all sizes to move Canadian energy both efficiently and safely to market will be key to achieving this goal.

However, investors lack confidence that federal project review processes are sufficiently fast, predictable, or efficient to support the nation-building investments needed.

Many nationally significant pipelines are already regulated under the CER Act. However, if the changes to the IAA in **Part I** are adopted, all federally reviewable pipelines would fall under this Act. To attract new investment, the CER Act's pipeline review system must actively enable development through clearer processes, shorter timelines, and greater regulatory certainty.

This report identifies several key regulatory challenges within current CER Act review processes:

- >> **Misalignment of the Act** with the federal government's pro-development policy ambitions.
- >> **Political decision-making** that undermines certainty in the review process.
- >> **Excessive and unstable timelines** for both large and small project reviews, with too many opportunities for timeline extensions.
- >> **Overly broad assessments**, with review requirements that don't scale properly with project impacts.
- >> **Unclear Indigenous consultation expectations** where uncertainty creates risks for reconciliation, Indigenous participation, and investor confidence.



PRIORITY ACTIONS

Streamlining pipeline reviews and limiting their maximum timelines to 250 days upon application completion will require legislative changes. Only changes embedded in the law will provide investors with the certainty of predictable processes and timelines.

This report proposes specific changes to the CER Act, relevant regulations, and service standards to align the Act with industry's and the federal government's ambitions to attract investment and build Canada into a global energy superpower:

PROMOTE DEVELOPMENT AND REVIEW CERTAINTY

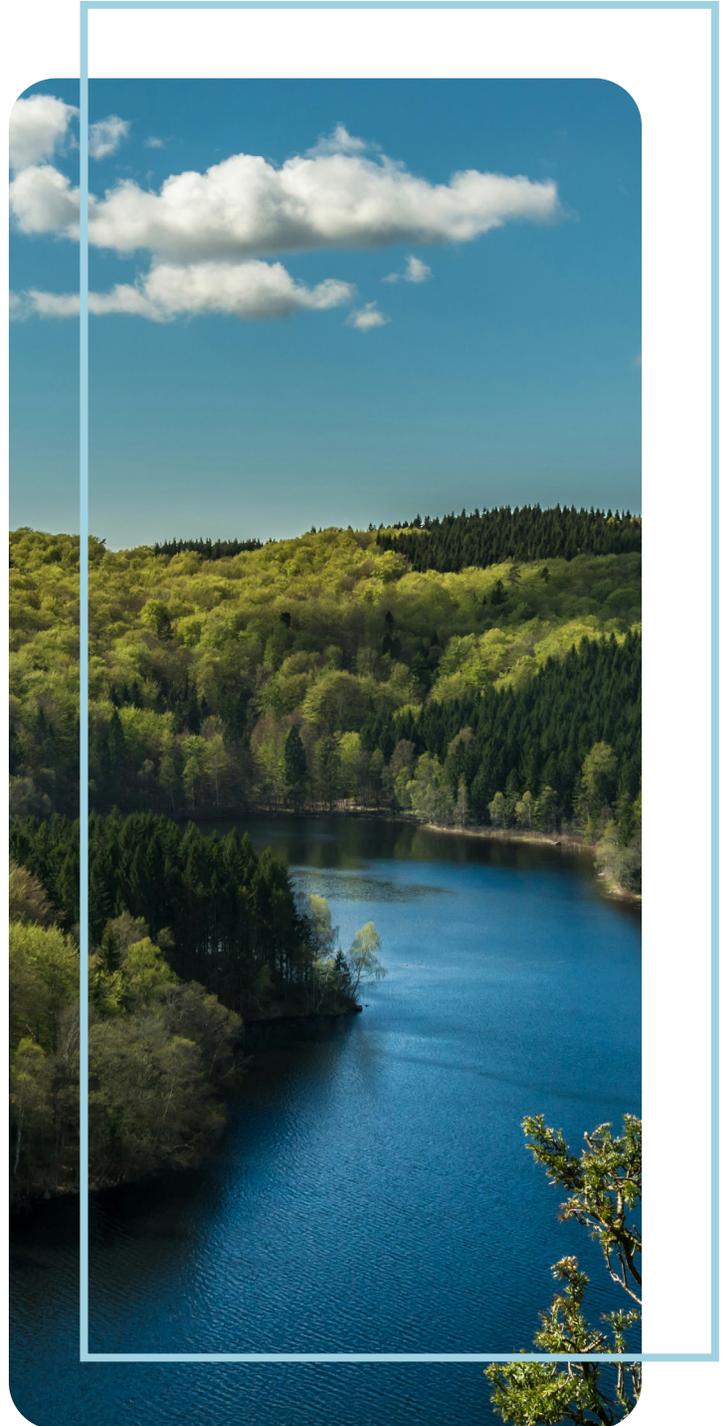
- >> Make economic development and regulatory certainty explicit objectives in project reviews.
- >> Establish the Canada Energy Regulator (CER) as the final decision-maker, removing late-stage political approvals.

REDUCE TIMELINES

- >> Shorten review time limits for short and long pipelines to a maximum of 180 days and 250 days, respectively.
- >> Eliminate opportunities to extend or suspend timelines.

FOCUS REVIEW SCOPE ON SUBSTANTIVE RISKS

- >> Base the review threshold on new right-of-way length rather than total pipeline length.
- >> Avoid reassessing issues already covered by existing rules.
- >> Reduce the burden of conditions on approved projects.



CLARIFY INDIGENOUS CONSULTATION PROCESSES

- >> Ensure the Crown fully considers and utilizes businesses' engagement as fulfilling procedural aspects of its duty.
- >> To the extent possible, ensure consultation occurs within review timelines.

IMPROVE REVIEW EFFICIENCY

- >> Better leverage existing risk-based categories to reduce review timelines for low-risk projects.
- >> Allow delegated officials to handle routine decisions.

WHAT SUCCESS LOOKS LIKE

If implemented, these CER Act reforms would restore pipeline investors' confidence and position pipeline development as a cornerstone of Canada's ambition to become an energy superpower. A reformed CER Act would mean:

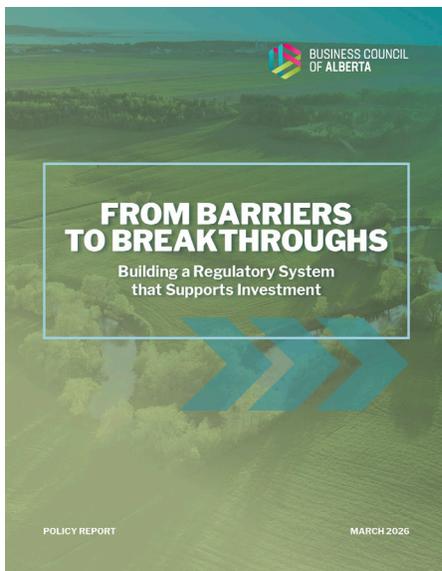
- ✓ **A unified federal framework:** The CER's mandate includes the review of all pipelines, regardless of size.
- ✓ **More projects directed into risk-appropriate reviews:** More pipeline proposals filtered into lower risk review categories.
- ✓ **All pipeline reviews are completed within 250 days or less:** Only the highest impact pipelines would approach 250-day mark upon application completion; there would be renewed ambition to reduce timelines even further to be competitive with the U.S.
- ✓ **A review process viewed by investors as a competitive advantage:** More pipeline proposals and capital investment in Canada.

BUILDING A REGULATORY SYSTEM THAT SUPPORTS INVESTMENT

While the other reports in this Roadmap focus on restoring confidence in major project approvals, this report addresses the overall design and governance of Canada's regulatory system. It focuses on how rules are created, reviewed, and overseen across the federal system.

A well-functioning regulatory system should protect health, safety, and the environment while also supporting economic growth, innovation, and competitiveness. Today, Canada's system does not consistently achieve that balance.

This report sets out practical reforms to strengthen how regulation is designed, evaluated, and managed — ensuring it protects what matters, remains proportionate to risk, and delivers meaningful public benefit without imposing unnecessary costs on Canada's long-term prosperity.



[READ THE FULL REPORT](#)

THE PROBLEM

Canada's regulatory challenges are not the result of any single problem or deficiency. They stem from how the system as a whole operates and has evolved over time.

Although economic growth is recognized as a regulatory objective, the system is not designed to prioritize it. Regulatory decisions often over-emphasize risk avoidance without fully weighing economic impacts. Meanwhile, few regulations are systematically reviewed to ensure they remain necessary or effective.

The result is a growing stock of prescriptive and overlapping requirements that businesses must navigate — steadily undermining Canada's competitiveness and discouraging investment.

These problems reflect deeper structural challenges within the regulatory system itself:

- >> **Strong incentives to introduce new regulations** and weaker incentives to review or remove outdated ones.
- >> **Limited oversight and accountability** for whether regulations achieve their intended outcomes and do so more effectively than alternative approaches.
- >> **Insufficient measurement of regulatory costs** and impacts on businesses and the economy.
- >> **Processes that often prioritize compliance** rather than real-world results.

PRIORITY ACTIONS

This report sets out practical steps to reset how the regulatory system operates by focusing on three key goals:

REDUCING THE REGULATORY BURDEN

- >> Strengthen tools to ensure regulatory costs are measured, tracked, and reduced over time.
- >> Improve transparency so governments and businesses can clearly see where burdens accumulate.

STRENGTHENING REGULATIONS TO DRIVE RESULTS AND GROWTH

- >> Embed economic growth and competitiveness as a core regulatory objective.
- >> Strengthen analysis to ensure rules deliver meaningful benefits relative to their costs.
- >> Encourage flexible, outcome-focused approaches that adapt to changing technologies and economic conditions.

IMPROVING ACCOUNTABILITY AND ALIGNMENT

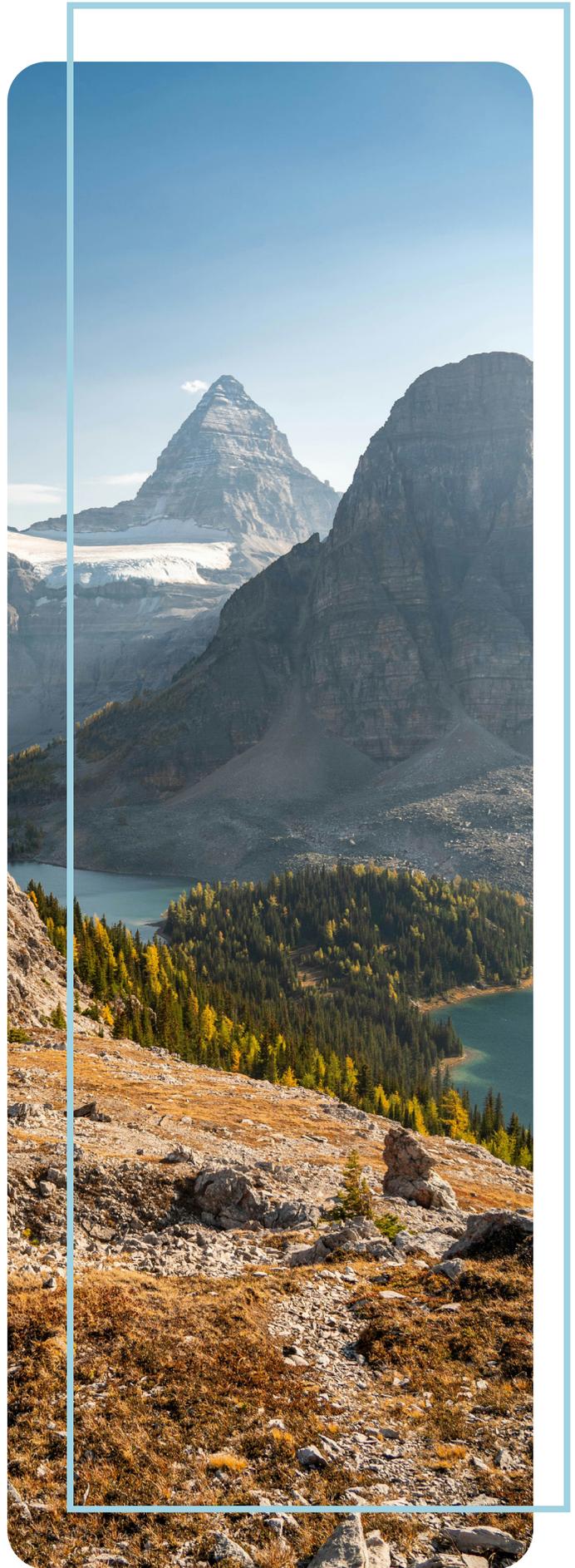
- >> Strengthen central oversight to hold departments accountable for sound regulatory design and decision-making.
- >> Introduce independent review of major regulations to ensure they are necessary and evidence-based.
- >> Improve coordination across federal and provincial regulators to limit overlapping requirements.



WHAT SUCCESS LOOKS LIKE

If implemented, these reforms would create a regulatory system that supports sustained investment and economic growth. That would mean:

- ✓ **Regulatory costs are actively managed:** Costs are consistently measured, transparently reported, and reduced over time rather than allowed to accumulate.
- ✓ **Stronger economic analysis of new regulations:** Rules are designed with clear objectives and rigorous cost-benefit analysis to ensure they deliver meaningful public value.
- ✓ **A shift toward outcome-based regulation:** Requirements focus more on results and less on prescriptive processes, allowing flexibility and innovation in how compliance is achieved.
- ✓ **Greater business certainty and confidence:** Clearer requirements and more predictable processes strengthen confidence to invest and grow in Canada.



THE PATH FORWARD

Canada has the assets, talent, and opportunity to compete and lead in a rapidly changing global economy. What has been missing is a major project approval and regulatory system capable of turning those advantages into investment, growth, and prosperity.

BCA's Regulatory Roadmap series of reports outlines clear, actionable recommendations that can be pursued to achieve the investment outcomes both the government and the business community are striving to achieve.

The moment now calls for decisive leadership. With clear reforms and sustained execution, Canada can move from managing decline to enabling investment and growth — ensuring greater opportunity, stronger living standards, and long-term prosperity for Canadians.

For more information, find BCA's [full papers here](#).

