Thomson Reuters Regulatory Intelligence

COVID-19 COVERAGE - CANADA

September 21, 2020

The COVID-19 pandemic has created unprecedented challenges for compliance professionals around the world, including those in Canada. The following is a selection of federal and provincial legislative and regulatory actions as well as news and analysis articles compiled by the Thomson Reuters Regulatory Intelligence editorial staff. The selection includes Regulatory Intelligence and Reuters news coverage. More COVID-19 news and information can be found via the TRRI platform's search facility.

Additional COVID-19 resources are also available on the Thomson Reuters COVID-19 Resource Center. For a regularly updated list of U.S. federal regulations related to the COVID-19/novel coronavirus update, please visit the Skopos Labs Coronavirus Policy Tracker.

You can create your own custom **My Updates** through the **Create a Custom My Updates** link on the Regulatory Intelligence homepage. Select your geography and/or content types you would like resources from and include the following keyword search: **covid! or corona-virus**.

IN THIS OVERVIEW

[1] This COVID-19 Coverage was compiled by Thomson Reuters Regulatory Intelligence editorial staff and other contributors.

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FEDERAL AND PROVINCIAL REGULATORS – COVID-19 UPDATES

Provincial Regulators

Insurance Council of Manitoba

Frequently Asked Questions during COVID-19 (September 15, 2020)

The Insurance Council of Manitoba has issued an update to its Frequently Asked Questions (FAQs) relating to COVID-19. The purpose of the FAQs is to provide some guidance to questions that have arisen following the rapidly evolving circumstances around COVID-19, specifically in regards to the disruption of business and business continuity plans which have been activated at many workplaces. For more information see the link here.

SROS, EXCHANGES AND SECURITIES REGULATORS

Investment Industry Regulatory Organization of Canada (IIROC)

IIROC Notice 20-0190 – Best Practices for Electronic Proceedings (September 15, 2020)

IIROC has issued the IIROC Hearing Committee Best Practices for Electronic Proceedings to provide guidance on the conduct of electronic hearings. The Best Practices also outline the minimum technical requirements for electronic proceedings. Due to the COVID-19 pandemic, in-person hearings at IIROC have been postponed or converted into electronic hearings, proceeding by either telephone or video-conference. For more information see the link here.

OTHER NEWS AND SUMMARIES

Canada: OSC rejects challenge to fairness of remote hearings during pandemic
(Regulatory Intelligence) - The Ontario Securities Commission (OSC) on Monday rejected arguments that holding an enforcement-merits hearing by videoconference would unfairly disadvantage the respondents in an alleged fraud case where witness credibility was at issue. OSC leadership adopted a remote-only hearings policy in April, due to the COVID-19 pandemic.[2]

"It should not be presumed, without a persuasive basis for the presumption, that a videoconference hearing cannot be successfully concluded or that it will be unfair," the decision noted. "Respondents offered no such basis."

The case involves First Global Data Ltd., Global Bioenergy Resources Inc., Nayeem Alli, Maurice Aziz, Harish Bajaj, and Andre Itwaru. Regulators alleged in May 2019 that the respondents defrauded investors, illegally distributed securities, traded without registration or exemption, made prohibited representations, and filed misleading and improper financial

[2] Daniel Seleanu, Canada: OSC rejects challenge to fairness of remote hearings during pandemic, Thomson Reuters Regulatory Intelligence (September 15, 2020) at: http://go-ri.tr.com/Ahufza.

statements. OSC merits hearings are held to determines whether enforcement staff can prove allegations in a case.

The respondents (excluding First Global Data) argued that a remote hearing would be unfair, because the format "would not permit an adequate assessment of [witness] credibility," which was a contested matter in the case. Remote hearings were also slower, more expensive, and violated the OSC's policy of conducting proceedings in a just, expeditious, and cost-effective manner, they added.

Witness demeanor and credibility

In denying the motion, OSC Vice Chair and Panel Chair Timothy Moseley "emphatically" rejected respondents' central claim that a witness's demeanour was the "most valuable way of determining that witness's credibility" and that in-person credibility assessments were therefore more reliable.

"I emphatically reject that submission," Moseley said. "It is precisely contrary to established authority on the point."

Moseley cited an Ontario Court of Appeal reference to "a growing understanding of the fallibility of evaluating credibility based on…demeanour". The same ruling noted that "demeanour is of limited value," due to witness culture, "stereotypical attitudes," and the "artificiality" of the courtroom setting.

Balancing enforcement priorities

Responding to the claim that "expediency and cost-effectiveness cannot override a respondent's right to a fair and just hearing," the OSC stressed that concepts of expediency, cost-effectiveness, fairness, and justice were neither absolute nor mutually exclusive.

"In balancing these factors in this case, I do not accept the respondents' submission that the parties are being 'rushed' to a merits hearing," Moseley said, stressing the hearing was scheduled to begin eighteen months after regulators issued the allegations. "While the nature of this case, including the number of respondents and the high number of documents involved, may justify that longer period, this case is by no measure being 'rushed'".

Proceeding by videoconference in the context of pandemic mitigation was consistent with the OSC's goal of conducting proceedings in a "just, expeditious, and cost-effective manner," the decision said.

"The respondents have failed to show that it is likely that proceeding by way of videoconference would cause any of them any appreciable prejudice, let alone 'significant prejudice'," it added.

Staying home: Drop in foreign students bad omen for Canada's labor market

(Reuters) - Travel restrictions and a shift to online learning has dramatically cut the number of international students expected to attend Canadian universities and colleges this fall, and the decline will ripple through Canada's labor market.[3]

[3] Julie Gordon, Staying home: Drop in foreign students bad omen for Canada's labor market, Reuters (September 15, 2020) at: https://ca.reuters.com/article/us-health-coronavirus-canada-universitie-idCAKBN26632B.

New study permits for foreign students issued by Canada fell by 22.3% in the second quarter of 2020 compared with the same period of 2019, amid strict COVID-19 border controls that have blocked many new foreign students from entering Canada.

While fall semester enrollment is not yet finalized, Canadian schools are expecting a "significant" drop in international students, according to their advocacy groups, which will slash billions from college and university revenues.

The decline will also have a ripple effect through the private sector, said Denise Amyot, chief executive of Colleges and Institutes Canada.

"A lot of SMEs (small, medium enterprises) are worried because often those international students are enrolled into fields where they are less domestic students," she said.

This means a potential labor shortage for some employers, with fewer students in the near-term for work placements and internships, and then a longer-term dip in new graduates entering the labor force.

Canada's unemployment rate was near a 40-year-low before the pandemic. While some 3 million jobs were lost at the height of the lockdowns, some two-thirds have since been recouped.

Many foreign students go into in-demand sectors like health services, business administration, mining and manufacturing, and information technology, along with emerging technologies, say educators.

The problem is particularly pressing in rural or remote regions of Canada, where the workforce is rapidly aging and young people tend to leave for major urban centers.

"Immigration and international students are a key part of our population growth strategy in Atlantic Canada," said Joel Richardson, spokesman for Cooke Aquaculture, a fast-growing Canadian seafood producer with operations in 10 countries.

The company was already struggling with a labor gap before restrictions shut the border. Now it has about 100 domestic job openings, and is facing the added strain of less international students on local campuses who it typically hires after graduation for office and skilled labor roles. A worker shortage has prompted the company to also offer part-time and summer processing jobs to students.

"We have a lot of need for people with international backgrounds and multilinguistic capabilities," said Richardson.

TICKET TO CITIZENSHIP
Studying at a Canadian university or college has long been a pathway to citizenship for skilled foreign workers and the lure has grown in recent years, in part due to the political climate south of the border under U.S. President Donald Trump.

New study permits issued to international students by Canada jumped 52.2% from 2016 to 2019.

That boom had been a windfall for Canadian universities and colleges, as foreign students pay far more than domestic ones for the same courses. Foreign students contribute an estimated C$21.6 billion ($16.4 billion) to Canada's GDP each year, according to a 2018 government estimate.

While some students with valid study permits are allowed in to Canada, most first-years are not. College advocacy groups want the rules loosened, with clearer guidelines. Many universities have set up formal quarantine programs for international students who do get in.

Centennial College in Toronto, where international students typically make up 40-50% of the student body, has reworked dozens of its programs to run entirely online for the fall. It expects international enrollment to be 25% below its pre-COVID targets.

"We have an aging population, so we need to bring in skilled people to the country," Virginia Macchiavello, the school's international director, said. "We need to change our mindset from, 'these are just international students.' They're future Canadians."

Manulife to begin offering COVID-19 related travel insurance product

(Reuters) - Canadian insurer Manulife Financial Group MFC.TO will restore some coverage for coronavirus-related trip interruptions in a new travel insurance policy that also includes COVID-19 in its emergency medical coverage.[4]

The policy will launch in October for Canadians traveling domestically and internationally, including to countries subject to a level 3 travel advisory, Canada's biggest life and travel insurance company said on Wednesday.

Canada has a level 3 advisory, which urges avoidance of non-essential travel, for all countries.

Manulife, as well as some other insurers, said in March they would stop covering trip cancellations or interruptions related to the pandemic as the disease was deemed a "known event."

Manulife joins smaller rivals, including Medipac Travel Insurance and the Ontario and Quebec plans of the Canadian Association of Blue Cross, which began offering medical travel insurance including COVID-19 coverage in July. Neither offers pandemic-related trip interruption coverage.

Manulife's policy has a C$5 million ($3.8 million) non-COVID-19 emergency medical coverage limit, and a COVID-19 limit of C$200,000.

It will also cover daily quarantine-related expenses of C$150 per person or C$300 per family for up to 14 days, Manulife said.

If a level 3 advisory is upgraded to level 4, Manulife said it will pay a combined C$500 per person for return airfare, meals and accommodation.

($1 = 1.3184 Canadian dollars)

[4] Nichola Saminather, Manulife to begin offering COVID-19 related travel insurance product, Reuters (September 16, 2020) at: https://www.reuters.com/article/us-health-coronavirus-manulife-idCAKBN26721L.