

Intelligence MEMOS



From: Heather Scoffield
To: Federal Regulators and Treasury Board President Shafqat Ali
Date: July 11, 2025
Re: **A SMARTER, LEANER REGULATORY REGIME IS ESSENTIAL FOR CANADA'S ABILITY TO THRIVE**

Canada's regulatory burden has become the stuff of legend, deterring investment and slowing growth because of rules that overlap, are too vague or too convoluted to follow properly, take too long to implement or even change mid-way through a process.

For years, small and big business alike have pushed lawmakers and regulators to rethink their rulebooks, not because standards are too high but because in too many cases, they are counterproductive and redundant.

Of course, protection of health, safety, environmental protection and respect for neighbours and communities are table stakes for Canadian business. But the compounding of regulations over the years is stifling investment, productivity and job creation.

Leaders of Canada's largest companies consistently place the regulatory burden at the top of their list of factors that influence future investment decisions. Indeed, concerns about regulation even surpass concerns about US trade.

So it was a relief on Wednesday to see political leaders [begin](#) to take action. But regulations number in the tens of thousands, which makes the 60-day deadline for concrete action items contained in this week's Treasury Board announcement seem unrealistic.

Every sector and every region of the country has a laundry list of grievances that pertain only to their particular sliver of the economy. From frequent tweaks to what needs to be written on food packaging and where those words need to be placed, to conflicting timelines in the permissions telcos need to file for, to complex labour standards that require companies to look deep into the workings every single supplier, the regulatory load has many, many tentacles.

There is no quick way to cut or revise regulations so they both maintain public trust and allow business to flourish.

But we need to start somewhere.

There are some easy wins. Archaic, outdated regulations should be eliminated. Overlap and duplication with provinces should be sorted out. Requirements should be simplified, in collaboration with industries that can identify efficient, low-cost ways of protecting Canadian consumers and society.

Beyond those obvious fixes, the Business Council of Canada has informally asked an array of its members for their views on the most irksome regulations, as a way to better understand how to chip away at the pile.

We are not advocating any particular policy shift here, but instead offer 10 suggested starting points:

- **Permitting major projects** – The *Impact Assessment Act* involves much time-sucking duplication and redundancy among federal, provincial and territorial governments. Proponents are often left on their own to navigate complex processes by myriad departments.
- **The Bank Act** – The act is convoluted, overly prescriptive and has not kept up with technology and corporate structures in banking and insurance.
- **Labels on packaging** – Frequent changes to health and nutrition requirements are often unclear, cost retailers millions to implement, and risk confusing consumers.
- **Global minimum tax** – Canada implemented the OECD's Global Minimum Tax last year to prevent profit-shifting to low-tax countries. It applies to Canadian parent companies of large multinationals, and the compliance burden is enormous, requiring a recalculation of international tax. Some provinces are still struggling to align, and global politics make the tax's future uncertain.
- **Regulatory impact statements** – If federally regulated companies want to ask for a tweak to an existing rule, Treasury Board frequently requires a formal proposal that must eventually work its way through cabinet, often taking 18 months, even for mundane changes.
- **Foreign worker permits**
- Frequent changes in the rules, significant backlogs and long processing times mean it's difficult for employers and employees alike to coordinate migration with market conditions.
- **Competing regimes for ESG reporting** – There's the Climate Investment Taxonomy, the Canadian Securities Administrations Corporate Governance Diversity Reporting Rule, the Climate Disclosure Rules through the Office of the Superintendent of Financial Institutions, the anti-greenwashing amendments to the *Competition Act*, the *Modern Slavery Act*, and then there are provincial requirements as well. There must be a simpler, one-stop-shopping way for consumers and investors to know what climate and social responsibility mean to business.
- **Privacy patchwork** – Federal and provincial protections of personal information are increasingly broad and complex as the digital economy and artificial intelligence expand into all areas of life. Provincial rules at times overlap with federal rules or require stricter compliance. Penalties are steep even as some regulations are vague.
- **Paid leave days** – We all want to support sick people to stay home from work, but federal paid sick days were mandated in a rush during the pandemic, and don't always make sense. The rules are inflexible, often don't mesh well with companies' HR regimes, and don't align with rules in some provinces.
- **Building permits** – The construction sector is at the centre of Prime Minister Mark Carney's "build, baby, build" decree but companies face a tangle of requirements in obtaining permits to actually do the work. Complaints include long lead times, multiple levels of government requirements, high compliance costs, outdated processes, backlogs and the need to complete paperwork for every little thing.

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