

October 2025

CCIA Comments on Canada's AI Strategy

In early October 2025, Canada launched a 30-day “AI sprint” public consultation¹ to shape the next iteration of its National AI Strategy. This expedited process underscores Ottawa’s urgency to position Canada as a responsible AI innovation hub. At the same time, much of the debate around data governance, compute localization, cross-border interoperability, assurance frameworks, and intellectual property protections is not unique to Canada but part of a broader global dialogue. Canada should focus on how it can build on existing strengths and adopt policy approaches that protect both innovation and trust, without erecting unnecessary barriers to cross-border collaboration and scalable deployment.

- 1. How does Canada retain and grow its AI research edge? What are the promising areas that Canada should lean in on, where it can lead the world? (i.e. promising domains for breakthroughs and first-mover advantage; strategic decisions on where to compete, collaborate or defer; balance between fundamental and applied research)**

Canada’s edge will be best preserved by interoperability with global norms and a light-touch, risk-based governance layer that does not fragment markets. Aligning with frameworks already used by leading industry developers and deployers—NIST AI RMF 1.0² and ISO/IEC 42001³—will let Canadian researchers collaborate seamlessly with peers and access global evaluation and assurance ecosystems, while avoiding duplicative, overly prescriptive rules. Canada should also continue to participate in multilateral processes (OECD, AI Safety Institutes Consortium) to keep its guidance portable across jurisdictions. For example, Canada’s continued engagement with the OECD’s AI Policy Navigator⁴ will help ensure that Canadian frameworks remain interoperable with emerging international standards. Where possible, the Canadian government should explore the potential to advance mutual recognition agreements (MRAs) for conformity assessment through existing and prospective trade agreements.

Rather than “picking winners” in narrow application domains, Canada can lead in cross-cutting AI safety science and evaluation (benchmarks, red-teaming methods, robustness testing) and standards adoption that benefits the broader market. This plays to Canada’s research strengths without disadvantaging foreign suppliers or fragmenting supply chains. CCIA has urged regulators globally to leverage existing standards, implement targeted accountability (clearly delineating responsibilities between developers and deployers, with an emphasis on the latter), and focus on continuous testing over rigid checklists.⁵ Canada’s established research hubs (e.g. the Vector Institute, the Alberta Machine Intelligence Institute (Amii) and the Mila) already provide a strong foundation for these efforts.

¹<https://ised-isde.canada.ca/site/ised/en/public-consultations/help-define-next-chapter-canadas-ai-leadership>

²<https://nvlpubs.nist.gov/nistpubs/ai/nist.ai.100-1.pdf>

³<https://www.iso.org/standard/42001>

⁴<https://oecd.ai/en/dashboards/overview>

⁵<https://ccianet.org/wp-content/uploads/2024/02/ARTIFICIAL-INTELLIGENCE-CCIA-Comments-to-NIST-on-AI-RFI.pdf>

2. How can Canada strengthen coordination across academia, industry, government and defence to accelerate impactful AI research? (i.e. mechanisms for cross-sector collaboration; integration of public and private research efforts; industry-sponsored research while preserving academic independence)

CCIA supports a multi-stakeholder model with domain regulators retaining their primary remit, rather than erecting a new super-regulator. Existing agencies should apply their sectoral expertise, while a small coordination function maps efforts to the NIST/OECD/ISO toolchain and convenes common practices (e.g. evaluation, incident reporting). This avoids duplication and keeps compliance portable.

Canada already has the right building blocks, including the Directive on Automated Decision-Making⁶ and the Algorithmic Impact Assessment⁷ in the federal service. Extending these instruments to publicly funded AI pilots (with proportionality) can connect research with operational safeguards without forcing Canada-specific compliance that diverges from international norms.

3. What conditions are needed to ensure Canadian AI research remains globally competitive and ethically grounded? (i.e. infrastructure, talent and governance enablers; ethical standards and risk mitigation; alignment of applied research with business and societal needs)

Canada's AI research competitiveness depends on maintaining alignment with international assurance frameworks, ensuring open cross-border data and compute access to enable collaboration at scale, and adopting risk-based, proportionate transparency that fosters accountability without imposing unnecessary compliance burdens. Policies should promote ethical standards consistent with global norms and facilitate participation in multilateral initiatives like the OECD and G7 processes. These conditions will help Canada support responsible innovation and maintain global competitiveness while avoiding jurisdiction-specific requirements that could hinder cooperation or market access.⁸

4. What efforts are needed to attract, develop and retain top AI talent across research, industry and the public sector? (i.e. differentiated enablers for research vs. applied talent; domestic vs. global talent strategies; targeted attraction programs and priority domains; international collaboration opportunities)

Talent goes where researchers can publish, collaborate internationally, and ship products without navigating bespoke compliance regimes. Interoperability with OECD/NIST/ISO frameworks and clear, technology-neutral enforcement of pre-existing laws reduces friction

⁶<https://oecd.ai/en/dashboards/policy-initiatives/canadas-directive-on-automated-decision-making-2736>

⁷<https://www.canada.ca/en/government/system/digital-government/digital-government-innovations/responsible-use-ai/algorithmic-impact-assessment.html>

⁸https://ccianet.org/wp-content/uploads/2023/11/CCIA_Trade-Principles-Competitive-Global-AI-Market.pdf

and attracts researchers who want mobility across labs and companies. Overly prescriptive, jurisdiction-specific rules deter both inward mobility and industry partnerships.⁹

Building on this principle of openness, Canada's 2023 "Tech Talent Strategy"¹⁰ launched new measures to enhance mobility for highly skilled technology professionals. These efforts reflect a broader commitment across North America to support global flow, strengthen collaboration among innovative firms, and expand opportunities for cross-border partnerships within the region's shared innovation ecosystem.

5. Where is the greatest potential for impactful AI adoption in Canada? How can we ensure those sectors with the greatest opportunity can take advantage? (i.e. high-potential industries like health care, construction and agriculture; lessons from application-specific use cases like inventory management or financial forecasting)

Given Canada's similar economic profile to the United States, the sectors with the greatest potential for impactful AI adoption are likely to align closely with areas where significant gains have already been seen in the U.S., notably in health care (clinical operations, diagnostics, and scheduling), financial services (risk management, fraud detection, and forecasting), and manufacturing, logistics, and retail (inventory optimization and predictive maintenance). Additional opportunities exist in natural resources and energy (emissions monitoring, exploration, and grid optimization) and agriculture (yield prediction and precision inputs). To ensure these sectors can fully capitalize on AI's potential, Canada should focus on scalable enablers: standards-based procurement, sector-specific data partnerships, accessible compute and cloud infrastructure for SMEs, and regulatory sandboxes aligned with international best practices. These measures would help promising applications move from pilot to production while maintaining trust, interoperability, and economic competitiveness.

6. What are the key barriers to AI adoption, and how can government and industry work together to accelerate responsible uptake? (i.e. sectoral vs. cross-sectoral challenges, such as liability and small to medium-sized enterprise constraints; potential government policies, incentives and ecosystem supports)

Key barriers are regulatory fragmentation, data-localization/compute-localization mandates, and uncertainty over liability and transparency obligations. Canada should avoid imposing location requirements that force compute or data to stay onshore and instead ensure safe cross-border movement of data and use of cloud-facilities. Similarly, Canada should avoid domestic procurement requirements that unfairly disadvantage, if not outright exclude, foreign model developers from offering AI services to government agencies (e.g., the recently proposed Sovereign Cloud initiative that only handicaps Canadian access to best-in-class facilities and services). Use international standards to anchor risk controls and publish model-agnostic procurement guidance so SMEs can adopt AI with confidence.

⁹https://ccianet.org/wp-content/uploads/2023/06/CCIA_Understanding-AI.pdf

¹⁰<https://www.canada.ca/en/immigration-refugees-citizenship/news/2023/06/canadas-tech-talent-strategy.html>

Canada should also refrain from policy experiments that discriminate by business model or origin, which can chill investment and service availability. For example, measures like Canada's Online Streaming Act's 5 percent levy on foreign platforms illustrate how origin-based, sector-specific obligations, even outside of the AI domain, can set precedents that deter digital innovation.¹¹ Extending such differentiated rules to AI-enabled tools or generative media systems (e.g., CanCon for generative outputs) would introduce regulatory uncertainty, raise compliance costs, and make Canada a less attractive environment for testing and deploying advanced AI models. Another example is Korea's Basic AI Act,¹² which sets onerous obligations for select AI system developers based on models' compute thresholds or developers' business size, neither of which is an effective proxy for risk.

7. How will we know if Canada is meaningfully engaging with and adopting AI? What are the best measures of success? (i.e. metrics to distinguish experimentation, integration and transformation; sector-specific benchmarks and indicators of progress)

Canada's meaningful engagement with and adoption of AI should be measured using globally comparable indicators that track both responsible deployment and economic impact. Relevant metrics could include the share of funded projects aligned with NIST AI RMF functions (govern, map, measure, manage) and the number of organizations certified under ISO/IEC 42001, reflecting structured governance and risk management maturity. Voluntary reporting for advanced AI models would further indicate alignment with trusted international frameworks. Broader progress can be benchmarked through global indices such as the Stanford Global AI Vibrancy Index,¹³ which measures talent, research output, and commercial adoption across countries. Complementing these with domestic indicators, such as the percentage of public-sector AI systems completing Algorithmic Impact Assessments or the growth rate of AI-enabled productivity in key sectors, would provide a balanced view of Canada's performance relative to peers and its progress toward safe, scalable AI integration.

8. What needs to be put in place so Canada can grow globally competitive AI companies while retaining ownership, IP and economic sovereignty? (i.e. strategies for attracting investment and scaling internationally; balancing foreign capital with Canadian control of IP and corporate identity; economic security safeguards)

Policies to "retain IP" should not translate into de facto localization mandates or forced disclosure of source code/algorithms. Free data flows, freedom to rely on foreign compute infrastructure (including both access to data centers and the underlying semiconductor capacity that enables them), and protections against compelled disclosure are all critical to scaling companies globally while still enforcing IP rights at home. Preserve TDM exceptions (with practical opt-outs) and adopt proportionate transparency so firms can explain training approaches without revealing competitively sensitive details. A training-data transparency

¹¹<https://ccianet.org/wp-content/uploads/2025/09/Cost-of-Canadas-Online-Streaming-Act.pdf>

¹²[https://www.law.go.kr/%EB%B2%95%EB%A0%B9/%EC%9D%B8%EA%B3%B5%EC%A7%80%EB%8A%A5%20%EB%B0%9C%EC%A0%84%EA%B3%BC%20%EC%8B%A0%EB%A2%B0%20%EA%B8%EB%B0%98%20%EC%A1%B0%EC%84%B1%20%EB%93%B1%EC%97%90%20%EA%B4%80%ED%95%9C%20%EA%B8%B0%EB%B3%B8%EB%B2%95/\(20676,20250121\)](https://www.law.go.kr/%EB%B2%95%EB%A0%B9/%EC%9D%B8%EA%B3%B5%EC%A7%80%EB%8A%A5%20%EB%B0%9C%EC%A0%84%EA%B3%BC%20%EC%8B%A0%EB%A2%B0%20%EA%B8%EB%B0%98%20%EC%A1%B0%EC%84%B1%20%EB%93%B1%EC%97%90%20%EA%B4%80%ED%95%9C%20%EA%B8%B0%EB%B3%B8%EB%B2%95/(20676,20250121))

¹³<https://hai.stanford.edu/research/the-global-ai-vibrancy-tool-2024>

template that balances public disclosure with protection of trade secrets would be an approach Canada could recognize or adapt rather than inventing a Canada-specific format.

9. What changes to the Canadian business enabling environment are needed to unlock AI commercialization? (i.e. barriers such as Canadian-controlled private corporation rules and foreign direct investment constraints; incentives, capital access and liability mitigation; sector-specific and cross-sectoral policy levers)

Canada should prioritize regulatory certainty and non-discrimination over sector-specific subsidies. Avoiding rules that single out digital services or foreign suppliers and ensuring that procurement and compliance tools recognize international standards—rather than bespoke Canadian attestations—will lower the cost of doing business and reduce exit risk for domestic scale-ups. Equally important, incentives should be designed to help firms scale, through growth capital, access to markets, and predictable regulatory treatment, rather than focusing narrowly on early-stage subsidies. Structural rules, such as the Canadian-controlled private corporation (CCPC) status,¹⁴ should be modernized so that AI companies expanding abroad are not penalized for seeking international investment or partnerships. Canada should also minimize the use of discretionary prescriptive obligations imposed pursuant to the Investment Canada Act, particularly with respect to firms from allied countries.

10. How can Canada better connect AI research with commercialization to meet strategic business needs? (i.e. determining government's role in linking academia, start-ups and industry; retaining Canadian-developed intellectual property; prioritizing sectors like life sciences, energy and defence for commercialization support)

Canada can accelerate commercialization by using standards-based procurement and interoperable assurance frameworks as the bridge from lab to market. Government sandboxes should accept internationally recognized artifacts and avoid Canada-unique formats, so solutions proven in Canada are exportable abroad and vice versa. Stronger coordination between national AI institutes (Vector, Amii, Mila), federal labs, and industry should prioritize commercialization-ready initiatives, like applied fellowships, co-funded research chairs, and large-scale demonstration projects, over exploratory pilots.

11. How does Canada get to more and stronger AI industrial champions? What supports would make our champions own the podium? (i.e. barriers to scaling, including mentorship needs; effective mechanisms for transitioning between federal programs; tailored support across early-, mid- and late-stage growth)

To grow more AI industrial champions, Canada must reduce barriers to scaling, including mentorship gaps, spin-out compliance burdens, and talent flight. Smoother transitions between federal programs (e.g., SR&ED to the Growth Fund) and tailored support for firms at different growth stages would create a clearer path from start-up to global leader. Success stories such as Cohere Inc.,¹⁵ a leader in enterprise large-language-model development, and

¹⁴<https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/corporations/type-corporation.html#ccpc>

¹⁵<https://betakit.com/cohere-bringing-ai-into-public-sector-through-partnerships-with-canadian-uk-governments/>

Shopify, which is integrating AI across its e-commerce platform while expanding globally, show what's possible when firms can scale internationally while remaining rooted in Canada; policy should ensure that environment is the rule, not the exception.

- 12. What changes to Canada's landscape of business incentives would accelerate sustainable scaling of AI ventures?** (i.e. alignment of business incentives and programmatic improvements to support scaling firms; mechanisms to retain and champion high-potential Canadian companies)
- 13. How can we best support AI companies to remain rooted in Canada while growing strength in global markets?** (i.e. strategies for long-term retention of scaled firms; balancing global competitiveness with domestic economic impact; government's role in championing Canadian AI success stories)

Support predictable, interoperable rules and open digital trade. Maintain strong IP enforcement while preserving TDM/fair-dealing uses crucial for model training; resist localization and code-disclosure mandates that would cut firms off from global supply chains and partners. Mechanisms such as “open work-permit streams”¹⁶ (as seen in Canada’s Tech Talent Strategy) help ensure that companies headquartered in Canada can recruit globally without relocating abroad.

- 14. What lessons can we learn from countries that are successful at investment attraction in AI and tech, both from domestic sources and from foreign capital?**

- United States: A voluntary, risk-based posture anchored by NIST AI RMF and profiles has high industry uptake and lowers compliance friction across sectors.
- European Union: Rushing implementation of complex, prescriptive rules has triggered calls—even from European industry—for a pause until guidance is clear; uncertainty deters investment.
- Japan: Light-touch, risk-based approach towards AI regulation that defers to sectoral regulators and industry best practices, while ensuring access to necessary cross-border inputs to advance broader innovation targets.
- G7/OECD: Shared Guiding Principles/Code of Conduct and the OECD’s monitoring pilots show how interoperability can scale trust without balkanizing markets.

- 15. How can Canada build public trust in AI technologies while addressing the risks they present? What are the most important things to do to build confidence?** (i.e. risks posed by AI tools and services; drivers of public and business mistrust; educational and literacy strategies to foster informed confidence)

Back proportionate transparency that informs users and regulators without compromising safety or trade secrets. CCIA has cautioned against one-size-fits-all disclosures and urged balanced templates for training data summaries. Combine this with continuous testing and red-teaming across the AI lifecycle and with deployer responsibilities, not just developer

¹⁶<https://cipcana.com/work-permits/>

obligations. Public-sector adoption visibility (via the federal AIA and DADM programs) helps build trust, as does third-party assurance aligned with ISO 42001 and NIST RMF.

16. What frameworks, standards, regulations and norms are needed to ensure AI products in Canada are trustworthy and responsibly deployed? (i.e. governance mechanisms for AI oversight; assurance of product integrity and ethical compliance; priority areas where trust issues are most acute)

Canada can promote trust and global competitiveness by formally recognizing NIST AI RMF and ISO/IEC 42001 as acceptable governance baselines and aligning with OECD best practices. Transparency and risk-mitigation requirements should leverage existing templates that inform users while protecting confidential business information.

17. How can Canada proactively engage citizens and businesses to promote responsible AI use and trust in its governance? Who is best placed to lead which efforts that fuel trust? (i.e. public-facing strategies to explain AI systems; inclusive approaches to trust building; balancing transparency with innovation)

18. What skills are required for a modern, digital economy, and how can Canada best support their development and deployment in the workforce? (i.e. enable rapid adaptation to technological change; programs for both AI-focused careers and broader workforce readiness)

19. How can we enhance AI literacy in Canada, including awareness of AI's limitations and biases? (i.e. workplace training programs or credentials; targeted engagements and public awareness campaigns; international best practices)

20. What can Canada do to ensure equitable access to AI literacy across regions, demographics and socioeconomic groups? (i.e. collaboration with other levels of government; role of industry and private sector; educational and literacy strategies to foster informed confidence)

21. Which infrastructure gaps (compute, data, connectivity) are holding back AI innovation in Canada, and what is stopping Canadian firms from building sovereign infrastructure to address them? (i.e. strategies for derisking and promoting investment in different parts of the AI stack; government's role in derisking; partnering with foreign capital)

Canada faces challenges in access to scalable, power-efficient compute and reasonably-priced high-speed connectivity, not in data or compute sovereignty. Policies should encourage investment in cloud and data infrastructure—including foreign-owned facilities—on a technology neutral basis. Localization mandates risk limiting access to advanced compute and deterring global partnerships essential for AI research and development. Canada has recognized this through its “Canadian Sovereign AI Compute Strategy,”¹⁷ which seeks to invest billions to build domestic compute capacity while still enabling global cloud/hybrid access.

¹⁷<https://ised-isde.canada.ca/site/ised/en/canadian-sovereign-ai-compute-strategy>

22. How can we ensure equitable access to AI infrastructure across regions, sectors and users (researchers, start-ups, SMEs)? (i.e. role of hyperscalers; open-source models; edge computing)

Equitable access is best achieved through non-discriminatory cloud credits, shared research testbeds, and open-source or public-access initiatives that remain compatible with international ecosystems. Policy should preserve diversity in infrastructure and model licensing, allowing both open- and closed-source approaches to thrive.

23. How much sovereign AI compute capacity will we need for our security and growth, and in what formats? (i.e. economic models for AI forecasting; comparison of public and private sector demand)

Canada should take a targeted, hybrid approach to AI compute capacity.¹⁸ Disincentivizing the use of global compute or mandating full domestic reliance would duplicate infrastructure investments and risk isolating Canadian innovators from the scale and specialization available through international partnerships. “Sovereign” compute should be reserved for clearly sensitive functions, such as core defence competencies, while research and commercial workloads should freely leverage foreign cloud and high-performance computing providers. This balanced model preserves flexibility, reduces cost, and ensures access to the scale and specialization of global compute networks without compromising national interests.

24. What are the emerging security risks associated with AI, and how can Canada proactively mitigate future threats? (i.e. current and downstream risks posed by AI technologies; anticipated needs in national security and defence; strategic foresight for evolving threat landscapes)

25. How can Canada strengthen cybersecurity and safeguard critical infrastructure, data and models in the age of AI? (i.e. establishing policies and programs to protect sensitive assets, including data; building resilience into AI systems; leveraging international collaboration and partnership to meet global risks)

AI governance should integrate with existing cybersecurity standards and incident-response systems. Mapping AI-specific risk controls to ISO/IEC 42001 and NIST AI RMF promotes consistency. Canada can also coordinate with allies on AI vulnerability disclosure frameworks to share threat intelligence and strengthen resilience without imposing conflicting national requirements, including through related work at the OECD.

26. Where can AI better position Canada’s protection and defence? What will be required to have a strong AI defensive posture? (i.e. coordination across public and private sectors; security-focused standards and frameworks; long-term preparedness for AI-driven security challenges)

¹⁸ <https://ccianet.org/library/canadas-sovereign-cloud-initiative/>