

CMA Submission to the Honourable Minister Solomon on Canada's Next Al Strategy

October 2025



Introduction

The Canadian Marketing Association (CMA) is the voice of marketing in Canada and our purpose is to champion marketing's powerful impact. We are the catalyst to help Canada's marketers thrive today, while building the marketing mindset and environment of tomorrow. We recognize artificial intelligence (AI) as a transformative force shaping the future of innovation and strengthening Canada's global competitiveness.

We are pleased to submit our response to the Government of Canada's AI consultation. We commend the government for taking the initiative to update its AI policy in a rapidly evolving landscape.

We support public policies that advance agile, enabling frameworks that encourage the responsible development and adoption of AI, empowering businesses operating in Canada to drive sustainable growth and enhance productivity.

We advocate for strategic investments in AI training, research, and commercialization to ensure that companies operating in Canada remain global leaders in technological advancement and fully harness the potential of AI for both consumers and the wider economy.

CMA AI Policy

Al is a catalyst for innovation and a key driver of Canada's global competitiveness. It enables organizations of all sizes to operate with greater precision, speed, and insight. When used responsibly, Al helps marketers identify and serve consumers more efficiently by streamlining workflows and elevating customer experiences. It holds the potential to transform industries and significantly enhance the productivity and growth of Canadian companies, especially small and medium-sized enterprises (SMEs).

The CMA strongly supports public policies that foster AI innovation and adoption. Our focus is on cultivating an environment where businesses can rapidly develop and deploy AI solutions, ensuring Canada's leadership in this transformative field through market-driven agility.

We support investments in AI training and commercialization to ensure companies operating in Canada remain at the forefront of technological advancement.

We believe public policies should allow AI to thrive and harness its full potential, recognizing that an enabling approach, rather than overly prescriptive regulation, is the most effective path to widespread economic and consumer benefit.

A national harmonized AI framework

The CMA strongly supports a federal framework for AI regulation. Fragmented or province-specific regimes would create unnecessary compliance burdens for organizations that operate nationally and globally, particularly for SMEs. Multiple requirements from different jurisdictions would slow innovation and increase costs without enhancing consumer protection.

A unified federal standard, aligned with global norms and existing privacy and competition frameworks, will help ensure both innovation and accountability.



Responsible Al use and adoption

As one of the most intensive adopters of Al-enabled technologies, with 75% of CMA members using generative Al tools at least weekly, marketers are uniquely positioned to model responsible and effective Al use for the broader Canadian economy.

As AI technologies evolve, the CMA remains committed to helping marketers adopt them responsibly. We promote innovation rooted in ethical principles, transparency, and accountability. The CMA policy framework supports the use of AI in ways that protect consumer privacy, promote equity, and strengthen public trust. Through our comprehensive guidance, resources, and best practices, the CMA is actively equipping Canadian marketers to navigate the complexities of AI responsibly and effectively. This industry-led approach provides the agility and responsiveness necessary to keep pace with rapidly evolving technology, ensuring integrity, fairness, and consumer confidence remain at the core of every marketing initiative without stifling the very innovation and economic growth we collectively seek.

The <u>CMA Guide on AI for Marketing: Using AI Safely and for Positive Business Impact</u> provides a tested, industry-endorsed framework for responsible AI use and adoption. Developed in collaboration with the Vector Institute, the guidelines outline principles and operational standards that align closely with international best practices.

The guide offers practical insights and suggests best practices to help marketers leverage Al effectively and ethically. It was developed by a Committee of senior marketing and technology experts from a cross-section of industry sectors. The Committee monitors Al trends, applications, and regulations in Canada, North America, and globally.

Core principles from the Canadian Marketing Code of Ethics and Standards noted in the guide that marketers should adhere to when using Al include:

Human oversight:

- Organizations should maintain human oversight in the development and deployment of AI systems, especially in customer-facing activities or those with a significant impact on individuals.
- The level of human oversight should be proportionate to the potential risk posed by the AI system.

Transparency:

- Organizations should be transparent with consumers about the use of Al in marketing activities. This includes:
 - Providing clear communication about how AI is used to collect, analyze, and use consumer data.
 - Disclosing the use of AI in making significant decisions that affect consumers, such as personalized content or product recommendations.

Bias and fairness:

- Organizations should proactively audit their AI systems for bias and fairness on an ongoing basis.
- Auditing should include analyzing data used to train AI models and evaluating AI outputs for discriminatory outcomes.
- Organizations should take corrective actions to mitigate bias and ensure fairness, including the use of diverse datasets and fairness-aware algorithms.



Ethical considerations:

- Organizations should ensure that their Al systems align with human-centered values, including:
 - Equality and fairness
 - Respect for the rule of law
 - Promotion of social justice
 - Protection of data protection and privacy
 - Upholding consumer rights and commercial fairness
- Organizations should take steps to prevent their Al systems from being used for manipulation, exploitation, or to perpetuate existing societal biases.

Accountability:

- Organizations are accountable for their customers' experiences with AI, including when using third-party AI solutions.
- Contracts with third-party providers should include provisions requiring compliance with these AI principles.

We urge the Government of Canada to use these principles from the Code as a benchmark for the development of a renewed national AI strategy. The principles represent a balance between innovation and protection, anchored in real-world applications already implemented by leading Canadian firms.

Establishing a National Al Workforce Readiness Program

A National Al Workforce Readiness Program is essential to address Canada's critical skills gap. Canada has invested billions in Al and digital research since 2017, yet one of the biggest current obstacles to Al adoption remains insufficient Al literacy across the workforce. Targeted government investments in comprehensive business training programs and Al literacy initiatives are essential to equip Canadians to responsibly adopt this evolving technology. As highlighted by Prime Minister Carney's mandate letter, timely access to education and training is essential for Canadians to find new rewarding careers created by Al.

Al literacy represents a critical foundation for successful Al integration across Canadian businesses and society. Building comprehensive understanding of Al capabilities, limitations, and risks through accessible business training programs is essential to address current knowledge gaps and maintain the consumer trust necessary for widespread Al adoption. The CMA is actively contributing to this need. We offer a wide range of training programs, including several on the ethical and effective use of Al.

The Digital Marketing Skills Canada (DMSC) program launched by the CMA, in partnership with Jelly Academy and Growclass is supported by funding from Upskill Canada, powered by Palette Skills, and the Government of Canada. The DMSC program offers fully funded, industry-recognized training for marketing professionals at all career stages. Following a strong first year where more than 1,500 marketers were upskilled and over 700 SMEs were supported, the program continues to equip learners with the latest tools, strategies and credentials, including access to the CMA's Chartered Marketer (CM) program, which offers Canada's only professional marketing designation.

In April 2025, the CMA launched its <u>Al Mastery Series of weekly playbooks</u> to equip marketers with the knowledge and skills to navigate Al's opportunities and challenges. Next week, we will release the 30th playbook in this series. The CMA's proven approach of translating complex Al



concepts into accessible, actionable business guidance, delivered through multiple formats including virtual synchronous training, asynchronous learning modules, on-demand resources, and live in-person sessions, demonstrates how AI literacy programs can be scaled effectively beyond technical specialists to address the critical knowledge gaps across Canada's broader workforce.

Building on the success of these initiatives, the CMA is well-positioned to play a vital role in providing businesses of all sizes and their workforce with the necessary literacy and technical skills education to responsibly adopt AI. With appropriate federal support, this initiative can scale to thousands of workers across sectors, ensuring Canada's workforce remains competitive in an AI-driven economy.

A National AI Workforce Readiness Program would empower Canadian workers, foster innovation, strengthen Canadian businesses, and ensure we remain a competitive and thriving G7 nation in the digital and AI-driven global economy.

This holistic approach to workforce readiness and AI literacy positions Canada to capture the immense economic potential, enhance productivity, and improve consumer experiences. However, realizing these benefits depends on a national strategy that promotes responsible innovation, federal leadership, and human accountability.

Innovative Canadian Al solutions

The government has indicated that Canada's approach should ensure control over critical data and infrastructure while maintaining access to global AI innovation. The CMA appreciates the government's desire to increase protections for cross-border data flows.

At the same time, it is vital to recognize that Canadian businesses require the use of cuttingedge AI technologies to remain competitive in the global marketplace. Total AI sovereignty is economically and technically unfeasible. Canada should develop data safeguards based on contextual considerations and risk assessments that consider management of critical elements, such as data and cloud technologies, while embracing global technology partnerships.

This sovereign not solitude approach enables Canadian organizations to leverage international Al platforms, while ensuring Canadian data meets appropriate Canadian regulatory requirements.

A successful Canadian AI strategy must support and attract, not restrict international companies to establish Canadian operations, creating jobs and fostering innovation while operating under clear Canadian data governance frameworks. This approach positions Canada as a global leader in responsible AI governance, ensuring we leverage the innovation and economic benefits.

Canada Al growth and innovation tax credit

To strengthen Canada's position as a leader in responsible AI innovation, the CMA recommends the creation of a Canadian AI growth and innovation tax credit, which can be modeled after Canada's successful Flow-Through Share Program used in the junior mining sector. A Canadian AI growth and innovation tax credit could be designed to provide investors with an immediate tax credit of up to 30% on eligible AI-related investments, stimulating private capital flow into domestic innovation and technology development.



Canada can draw lessons from international best practices such as the United Kingdom's Enterprise Investment Scheme and Seed Enterprise Investment Scheme, which offer investors tax reliefs ranging from 30% to 50% while exempting qualified investments from capital gains tax within defined holding periods. Such programs have been proven to attract early-stage capital and foster high-growth technology ecosystems.

A Canada AI growth and innovation tax credit could mobilize private investment in AI startups and ensure that innovation and intellectual property remain anchored within Canada.

In closing

The CMA urges the Government of Canada to adopt a national AI strategy that fosters innovation while ensuring responsible and ethical use of AI.

Recognizing Al's transformative impact on marketing and economic growth, the CMA emphasizes the need for an agile, principles-based federal framework aligned with global standards to avoid fragmented regulation that encourages the responsible development and adoption of Al, empowering businesses operating in Canada to drive sustainable growth.

For questions or to discuss our submission, please contact:

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About the Canadian Marketing Association (CMA)

The CMA is Canada's largest marketing association and the voice of the marketing profession. We are the catalyst to help Canada's marketers thrive today, while building the marketing mindset and environment of tomorrow. We represent virtually all of Canada's major business sectors, and all marketing disciplines, channels, and technologies.

Our purpose is to champion marketing's powerful impact. We provide opportunities for our members from coast-to-coast to develop professionally, to contribute to marketing thought leadership, to build strong networks, to meet consumer needs and provide meaningful, trust-building relationships with their customers, and to strengthen the regulatory climate for business success.

Our Chartered Marketer (CM) designation signifies that recipients are highly qualified, with the skills they need to help businesses grow and up to date with best-in-class modern marketing practices, including those reflected in the Canadian Marketing Code of Ethics and Standards and our Consumer Centre helps Canadians better understand their rights and obligations.