Ontario Chamber of Commerce Submission: Enhancing Trust in AI through Increased Transparency

September 23, 2026

Ontario Chamber of Commerce

Purpose	ISED is seeking public feedback to understand how transparency can help businesses make informed decisions about the AI products they adopt and give governments and organizations the information they need to develop policies and research that shape Canadians' experience with AI.
Submission Date	September 23, 2026

Overview

The Ontario Chamber of Commerce (OCC) welcomes ISED's consultation on advancing AI transparency in Canada. As AI adoption accelerates across the economy, businesses, creators, and consumers increasingly need clear, trustworthy information about how AI systems are developed, trained, and deployed to make informed decisions about their use. Transparency is increasingly recognized as foundational to public trust and responsible, widespread adoption.

The OCC believes clear and practical transparency measures are the prerequisite for responsible AI adoption. These measures should improve accountability and public confidence, remain proportionate to organizational capacity (particularly for SMEs), and balance the need for visibility against the protection of commercially sensitive information, intellectual property, and innovation incentives.

Drawing on our consultations with OCC members, the following responses and recommendations address the questions raised in this consultation.

Information about AI Systems

A 2026 RSM Canada survey of over 1,000 senior business leaders found that data quality and availability issues (34 per cent) and security and privacy concerns (30 per cent) remain the top inhibitors to AI deployment. Canadian firms also continue to trail U.S. peers in AI integration and return on investment. PwC Canada's 2026 Trust in AI survey similarly found that 61 per cent of businesses cite unclear or evolving legal and regulatory requirements as a major challenge for AI implementation. Businesses feel caught between waiting for clarity (and falling behind) or building ahead of it (and risking rework).

The gap is particularly acute for SMEs. Statistics Canada found that only 19.2 per cent of Canadian businesses used AI to produce goods or deliver services in the second quarter of 2026, up from 6.1 per cent two years earlier, but still well behind international peers. The BDC's June 2026 report found that Canada's GDP could grow by nearly 14 per cent ($350 billion) if all SMEs operated at a mature level of AI and digital adoption. Even modest improvement across the roughly four in five businesses not yet using AI would generate material economic impact.

Businesses require accessible, practical information about how AI systems function, the data and methodologies used in their development, potential risks and limitations, and the safeguards in place to ensure responsible use. Currently, many organizations, particularly SMEs, lack the governance capacity, technical expertise, and resources required to assess AI systems independently. This can create uncertainty around procurement, compliance, intellectual property protection, privacy obligations, cybersecurity risks, and ethical deployment. Transparency should therefore focus not only on disclosure requirements for AI developers, but also on providing businesses with the tools, guidance, and educational resources needed to adopt AI responsibly.

To support responsible adoption, Canada should prioritize practical guidance, sector-specific best practices, and standardized reporting mechanisms that help organizations understand how AI systems operate without requiring disclosure of proprietary trade secrets. Measures should be adaptable, recognizing that SMEs often face resource constraints that limit their ability to implement extensive governance or compliance frameworks. This concern was echoed in the G7 SME AI Adoption Blueprint, which identifies regulatory and governance uncertainty as an ecosystem-level barrier slowing SME experimentation and scaling.

Recommendations

1. Fund and deliver practical guidance, toolkits, and self-assessment templates through existing business-support channels (e.g., regional innovation centres, chambers of commerce, sector associations) to help SMEs assess and adopt AI responsibly without needing to build in-house expertise.
2. Establish sector-specific communities of practice, convened jointly with industry associations, to share responsible AI use cases, benchmark practices, and troubleshoot common implementation challenges.
3. Scale requirements to organizational size and capacity. This may mean lighter-touch attestation for SMEs versus fuller disclosure requirements for large-scale AI developers and deployers.

Transparency Frameworks

Canada's approach to AI transparency must align with existing provincial, territorial, and international frameworks to avoid fragmented and duplicative requirements. Provinces are moving at different speeds and using different tools to embed responsible practices in disclosing AI use. Ontario, for example, already governs disclosure for public-sector AI use through its Trustworthy AI Framework, while Quebec requires disclosure when a decision about an individual is made exclusively through automated processing.[1] Without a shared federal reference point, businesses operating nationally risk having to comply with a patchwork of differing provincial rules on what counts as an automated decision or AI-generated content, rather than one consistent national standard.

[1] See section 12.1

This fragmentation exists internationally. Standards and principles from bodies like the OECD and G7 are already shaping other jurisdictions' approaches, and Canada risks adding a third, uncoordinated layer if federal measures don't account for them from the outset. Coherence is best achieved not by overriding these provincial approaches, but by establishing a shared federal reference point that they can align to.

Moreover, clearer mechanisms are needed to distinguish AI-generated content from human-created material. While various technical approaches to tracking content origin and labelling exist, none has yet emerged as a mature, universally reliable standard. This gap is where consumers and businesses trying to identify AI-generated content today run into the greatest difficulty, and it means voluntary, disclosure-dependent approaches alone will not close it.

For businesses, particularly SMEs, this means procuring or deploying AI tools today without a reliable way to verify content origin and build compliance around it. Requirements should be proportionate and practical, particularly for SMEs facing additional implementation challenges, rather than imposing the same verification burden regardless of business size.

As the federal government seeks to accelerate AI adoption and position Canada as a global AI leader, transparency measures should be paired with a broader governance framework that builds trust and enables responsible innovation. International models such as the EU AI Act demonstrate how risk-based transparency, accountability, and oversight measures can support adoption while maintaining public confidence. Businesses of all sizes are already implementing internal AI governance frameworks to manage risks, improve productivity, and support responsible deployment; the federal approach should recognize and build on this existing practice, rather than duplicating it with parallel or conflicting requirements.

Recommendations

- Establish a federal-provincial-territorial working group to align AI transparency definitions and disclosure thresholds, referencing OECD AI Principles and G7 Hiroshima Process as a starting reference point rather than developing definitions independently. This group should consider possible recommendations for the Regulatory Reconciliation and Cooperation Table (RCT) to increase harmonization, under the process established by the Canadian Free Trade Agreement (CFTA).
- While regulatory harmonization efforts are pursued, facilitate the development of an industry-led voluntary code of conduct for AI transparency, with government providing a reporting or disclosure mechanism industry can report into.
- Direct existing innovation and procurement programs to prioritize investment in that verify the origin and authenticity of digital content and detect AI-generated or manipulated contents. Review federal procurement criteria to ensure they can account for provenance standards as they mature.

Conclusion

Transparency is a key precondition for AI adoption. Right now, Canada's businesses, particularly SMEs, face unclear regulatory expectations, a fragmented jurisdictional landscape, and technical standards that are still maturing, all of which slow adoption rather than support it. The OCC's recommendations are guided by one consistent principle: transparency measures should be practical, scalable to a business's size and capacity, and coordinated with existing provincial, national, and international frameworks rather than layered on top of them.