

The Rise of Finfluencers: How Social Media is Shaping the Duties of Issuers and Capital Markets Participants in the Digital Age

Christopher Horkins

June 23, 2025

Canadian securities regulators are increasingly grappling with the rise of financial influencers on social media known colloquially as “finfluencers.” Finfluencers are online personalities that use social media to offer advice and guidance on investments, including in capital markets.

In response to this growing trend, securities regulators across Canada are developing an increased interest in ensuring transparency in advice provided and mitigating the risks posed by harmful finfluencer content. Issuers must be careful about engaging with finfluencers to promote their securities offerings, as non-compliant activity can result in regulatory consequences for the issuer as well.

Quantifying Finfluencer Harm: The OSC’s Report

The Ontario Securities Commission (OSC) recently released a report exploring and highlighting the relationship between Canadian retail investors and the financial information they consume on social media.¹ The Report, which includes a survey and review of extracted social media data, concluded that “finfluencer content on social media significantly influences retail investors’ attitudes and financial decisions” and while not “inherently harmful” may pose a risk to investors due to low-quality advice, lack of expertise, or ulterior motives of finfluencers.

Thirty-five percent of respondents to the OSC’s survey reported making a financial decision based on advice from a finfluencer. Those respondents were in turn 12.2 times more likely to have been scammed on social media and were 2.3 times more likely to have experienced significant investment losses in the past.

As part of the Report, the OSC also identified strategies that were effective in reducing the proportion of investors that purchased finfluencer-promoted assets. One of those strategies – the imposition of statutory disclosure requirements for finfluencer statements made on behalf of an issuer – was at issue in a recent decision of the Alberta Securities Commission (ASC), as further detailed below.

Re Floreani: The ASC Weighs in on Finfluencer Disclosure

In *Re Floreani*, [2025 ABASC 41](#), the ASC found that a finfluencer had breached the *Securities Act* (Alberta)² for engaging in investor relations activities on his social media posts without disclosing they were paid advertisements.

The respondent, Floreani, admitted to being a finfluencer who presented himself as knowledgeable despite lacking formal education in finance and investing. Over the span of two years, Floreani had managed to build a sizeable audience on social media under the channel name “Jayconomics”, including YouTube, Patreon, Instagram, and X (formerly known as Twitter). Four Alberta issuers approached Floreani to make posts about their securities to his audience in exchange for payment. Floreani agreed and received over \$100,000 collectively from the four companies in exchange for promotional posts to his more than 50,000 subscribers.

In applying section 103.1(2) of the *Securities Act* (Alberta), the ASC determined that Floreani’s posts promoted or could reasonably have been expected to promote the purchase or sale of the issuers’ securities and failed to clearly and conspicuously disclose that they were made or disseminated on behalf of the issuers. Although one of the posts contained a disclosure statement, the ASC found that it was not “clear and conspicuous” as it was placed at the bottom of the YouTube description box and hidden from view.

Having found that Floreani breached the *Securities Act* (Alberta), the ASC directed that the proceeding move to the second phase of determining appropriate sanctions, including potential administrative monetary penalties or prohibitions on regulated activity in the capital markets.

Prior Guidance on Clear and Conspicuous Disclosure: The BCSC Decision in *Re Stock Social Inc.*

In assessing the sufficiency of the respondent finfluencer’s disclosure statements in *Re Floreani*, the ASC adopted guidance from an earlier decision of the British Columbia Securities Commission (BCSC) in *Re Stock Social Inc.*, [2023 BCSECCOM 52](#).

In that case, the BCSC considered the equivalent investor relations activities disclosure provision under section 52(2) of *Securities Act* (BC).³

The respondents had made promotional posts on behalf of five British Columbia issuers without disclosing they were made on behalf of the issuers. Although some of the posts contained certain disclaimers or disclosures, the BCSC found that those disclosures were not “clear and conspicuous” as required by the *Securities Act* (BC). To satisfy the clear and conspicuous requirement, the BCSC held that a disclosure statement should be in “plain language in a prominent spot and in prominent font designed to catch the

attention of the reader”. The disclosure statement should also be close to the beginning of a post or close to the substantive portion of the post.

Given the adoption of the BCSC’s guidance by the ASC in *Re Floreani*, it is likely that other Canadian securities regulators will adopt similar views on the disclosure requirements imposed on influencers by equivalent securities legislation in other provinces.

Key Takeaways

Influencers exercise considerable influence over how retail investors engage with capital markets. Among other mitigation strategies, Canadian legislators and securities regulators have identified mandatory clear and conspicuous disclosure as an effective tool to help investors assess the objectivity of the information they find on social media and avoid the risks associated with harmful influencer content. To grant investors more transparency, security regulators require that the disclosure is in plain language and in prominent view.

As securities regulators scrutinize information disseminated on social media more heavily, influencers should be cognizant of their duty to disclose when making recommendations or promotions on behalf of issuers. Critically, for issuers who enter into agreements with influencers to promote their securities, the legislative provisions at issue in *Re Floreani* and *Re Stock Social Inc.* impose a similar duty on issuers to ensure that statements disseminated on their behalf are compliant.

¹ [Social Media and Retail Investing: The Rise of Influencers](#) (the Report).

² Securities Act, [R.S.A. 2000, c. S-4](#) (Securities Act (Alberta)).

³ Securities Act, [R.S.B.C. 1996, c. 418](#) (Securities Act (BC)).