



Pension Investment
Association of Canada

Association canadienne des
gestionnaires de caisses de retraite

June 4, 2015

Brian Mills
Chief Executive Officer and
Superintendent, Financial Services (Interim)
Financial Services Commission of Ontario
5160 Yonge Street, Box 85
Toronto, Ontario
M2N 6L9
Via email priorities@fSCO.gov.on.ca

Dear Mr. Mills,

Re: FSCO 2014-17 Agency Business Plan

This submission is being made by the Pension Investment Association of Canada (PIAC) to provide our comments on the 2014-17 Agency Business Plan of FSCO.

PIAC has been the national voice for Canadian private and public pension funds since 1977 in matters related to pension investment and governance. Senior investment professionals employed by PIAC's member funds are responsible for the oversight and management of over \$1 trillion in assets on behalf of millions of Canadians. PIAC's mission is to promote sound investment practices and good governance for the benefit of pension plan sponsors and beneficiaries.

We have shared our views on policy issues through past submissions to the Ministry of Finance, and most recently in our presentation to CAPSA in March 2015. We recognize that the Agency Business Plan is more focused on operations and efficiencies and consequently we will restrict our comment to one key issue that we have raised many times with FSCO - that is, harmonization of policies and regulation.

We note on page 26 of the report that there are a number of CAPSA initiatives in which FSCO is and will continue to be involved. To the extent that these initiatives draw Canada closer to harmonized policies, procedures and practices, we strongly encourage FSCO to find the common ground. As PIAC has pointed out in the past, these efforts to harmonize

existing and future legislation across Canadian pension jurisdictions will help ensure a strong and robust private sector pension industry.

PIAC urges FSCO to take a leadership role at CAPSA to increase harmonization of legislation across Canada. While full harmonization is unlikely, we urge FSCO to share their regulatory development work with other CAPSA members in order to facilitate even higher levels of harmonization.

Regulatory requirements on pension plans require simplification. With each passing year the legislative requirements are getting more complex and onerous. This does not help with stemming the decline of, let alone increasing, pension plan coverage rates in Canada.

We trust these comments are useful to the Commission and would be pleased to clarify our thoughts further if required.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Dan Goguen', with a long horizontal flourish extending to the right.

Dan Goguen
Chair