



Pension Investment
Association of Canada

Association canadienne des
gestionnaires de caisses de retraite

January 25, 2017

The Honourable Charles Sousa
Minister of Finance
Ministry of Finance
7 Queen's Park Crescent
5th Floor, Frost Building South
Toronto, ON M7A 1Y7

Via email: csousa.mpp.co@liberal.ola.org

Dear Minister Sousa,

Re: November 2016 Fall Economic Statement - Announcement on FSRA

The purpose of this letter is to provide comments from the Pension Investment Association of Canada (PIAC) on the announcement in the Fall Economic Statement released on November 14, 2016 on the creation of the new Financial Services Regulatory Authority.

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 \$1.5 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. PIAC's positions on public policy reflect the fiduciary framework in which member funds operate and its commitment to work in the best interests of plan members.

PIAC wishes to congratulate the government on the announcement of its intention to create an independent regulator that will modernize regulation of financial services and pensions. We strongly support the stated intention to make this new regulatory authority more consumer-focused and offer improved protection for customers, investors and pension-plan beneficiaries. Further, as stated in the principles set out in the constituting statute, we urge the government to ensure that there be an emphasis on striking "a balance between strong and effective consumer protection and the fostering of a strong, vibrant and competitive financial services sector."

We note that regulatory requirements on pension plans require simplification and harmonization between jurisdictions and hope that the new Financial Services Regulatory Authority will partner with CAPSA to develop practical solutions to further the coordination and harmonization of pension regulation across Canada.

As the government proceeds with the details of the new legislation, PIAC offers our support and assistance to you. For reference, we have attached our letter from November 27, 2015 to the Panel Members who conducted the Review of the FSCO, DICO and FST mandates.

Yours sincerely,

A handwritten signature in black ink, appearing to read "K. M. Fahey". The signature is fluid and cursive, with a large, stylized "F" at the end.

Kevin Fahey
Chair