



Pension Investment
Association of Canada
Association canadienne des
gestionnaires de caisses de retraite

April 9, 2019

Mark White
Chief Executive Officer
Financial Services Regulatory Authority of Ontario
5160 Yonge Street, 16th Floor
Toronto, Ontario
M2N 6L9

Via Email: mark.white@fsrao.ca

Dear Mr. White

**Re: Proposed FY 2019-20 FSRA Priorities and Budget Consultation Document
January 21, 2019**

The purpose of this letter is to provide comments from the Pension Investment Association of Canada (PIAC) on FSRA's proposed FY 2019-20 priorities and budget consultation. We are pleased to have this opportunity to share our thoughts regarding the pension priorities outlined in the document.

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 \$2 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 supports the key priorities highlighted in your consultation paper and we are encouraged by the establishment of concrete objectives and timelines for each priority.

Support Plan Flexibility - PIAC strongly supports the stated approach to address the changing pension environment, particularly for jointly sponsored plans and related mergers of pension assets. Enhancing relationships with larger and evolving plans would be most welcome as well.

Review Prudential Framework - PIAC recognizes the importance of ensuring appropriate assessment of risks and targeting of supervision of prudential pension matters. We urge FSRA to enhance the pension expertise among the team to review your oversight of prudential pension matters.

Focus on Burden Reduction - PIAC has long been a proponent of principled-based regulation. Too often regulation becomes overly prescriptive and does not recognize the wide range of strategies that pension plans use to manage risk and sustainability. We strongly support this focus on burden reduction which will enhance efficiencies and encourage employers to create and maintain their pension plans.

We also note that the regulatory burden for national employers operating across multiple jurisdictions is substantial and can be a material disincentive to maintaining defined benefit plans. To this end, we encourage FSRA to work closely in its role within CAPSA to strive for harmonization of legislation across Canada.

Finally, we note your intention to increase senior staff in the pension supervision area and to improve your market intelligence with the pension industry, which are both welcome initiatives. PIAC would be happy to assist with connecting FSRA with our members to the extent that would be helpful.

We appreciate this opportunity to comment on FSRA's priorities, and we look forward to providing support and advice to FSRA as you roll out these important initiatives. And we wish you luck with the official launch of your organization later this year.

Yours sincerely,



Deanne Allen
Chair