

**Financial and Consumer Affairs Authority
Of Saskatchewan**

**Strategic Plan
2015 - 2018**

Vision

Confidence in Saskatchewan's marketplace.

Mission

Financial and Consumer Affairs Authority (FCAA) promotes confidence by regulating and educating Saskatchewan's marketplace.

Regulatory Principles

FCAA strives to adhere to the following regulatory principles when administering the rules, providing advice or pursuing solutions.

- **Accessibility.** FCAA is open, available, and approachable by consumers and those it regulates.
- **Accountability.** All who are regulated are held to account by FCAA for complying with the rules.
- **Consultation.** FCAA consults those who may be affected by a proposed regulatory change.
- **Cooperation.** FCAA works with regulators in other jurisdictions, self-regulatory organizations, and other entities which share responsibility for market confidence to achieve regulatory efficiency and effectiveness.
- **Equipping Suppliers and Consumers.** FCAA provides tools and information that help suppliers and consumers understand their responsibilities, rights and remedies.
- **Flexibility and Discretion.** Recognizing there are many possible solutions, FCAA exercises its discretion to achieve the most practical and affordable solutions that achieve the intended objective without compromising consumer protection.
- **Harmonization.** FCAA seeks to harmonize rules and systems across sectors and jurisdictions to the greatest extent possible.
- **Proportionate Regulation.** When developing and applying rules, FCAA considers the cost of compliance and the intended results. FCAA's actions are proportionate to the risk posed and focus on addressing risks the marketplace is unable to adequately address on its own.
- **Transparency.** FCAA develops understandable rules that are easy to access. When appropriate, it provides explanations and communicates its decisions.

Values

These values guide our decisions, conduct, and actions as we work towards the vision and mission:

- **Collaboration.** FCAA employees work together internally and with those who are regulated to deliver the best possible solution.
- **Decisiveness.** FCAA employees make clear, timely and responsible decisions.
- **Fairness.** FCAA employees are impartial and unbiased in their decision making. Those in similar situations receive consistent treatment.
- **Initiative.** FCAA empowers its staff. FCAA employees encourage innovation and continuous improvement of business processes and service provision.
- **Openness.** FCAA employees share information and listen receptively. FCAA employees encourage understanding of and involvement in decision making.
- **Professionalism.** FCAA employees exhibit competency as well as a positive and businesslike manner in the workplace.
- **Recognition.** FCAA recognizes results achieved by its employees.
- **Respect.** FCAA employees treat everyone with courtesy, dignity and empathy.
- **Service.** FCAA employees provide quality and timely service by understanding and addressing the needs of stakeholders.
- **Work/life balance.** FCAA recognizes and accommodates employees' needs to balance their responsibilities and interests outside of work with meeting the increasing demands of the workplace.

Our Environment

- Markets are interconnected at a national and global level. Regulators are under pressure to seek mechanisms for cooperative regulatory decision making and information sharing. Legislators are under pressure to seek harmonized marketplace laws.

Saskatchewan has entered into an agreement with some other jurisdictions to pursue a cooperative capital markets regulatory system. The cooperative system will have a common regulator administering a single set of regulations. Responsibility for securities regulation will be transferred from FCAA to the cooperative capital markets regulatory authority. This will have a significant impact on FCAA's operations and budget, particularly FCAA's revenue.

- Non-traditional service providers have entered into the marketplace and existing market participants have expanded into new geographic markets, new product distribution systems and new product lines. Now, financial affairs are managed from living rooms and grocery stores. This has created more choices for consumers, but has increased the complexity of consumers' decision making and the regulation of these activities.
- The costs of disseminating information have decreased, use of the internet has grown exponentially and consumers have access to an overwhelming amount of information. Many consumers lack the financial literacy or time required to properly assess this information, and do not understand the benefits and risks associated with the choices offered to them.
- Defined benefit pension plans have experienced a protracted period of pressure to increase contributions. Plan stakeholders, particularly in the public sector, are demanding fundamental changes in plan design, cost sharing arrangements or funding regulations to address affordability and sustainability.
- The credit union system continues to evolve. The federal government is proceeding with changes to legislation to remove itself from the regulation of the provincial credit union centrals. Provincial authorities will need to consider the oversight of credit union centrals. Within Saskatchewan, credit unions continue to consolidate into significantly larger institutions.
- Saskatchewan is enjoying and expects continued economic growth, with low unemployment and increasing average wage levels. The number of regulated entities is trending upward.

- In the past five years, FCAA has changed its name (from Saskatchewan Financial Services Commission), expanded its mandate (by adding responsibilities for general consumer protection legislation), and changed its organizational status (by becoming a Crown corporation). A key priority of FCAA is to raise public awareness of FCAA and its role in the marketplace.
- FCAA is dedicated to prudent fiscal management. In order to meet growing regulatory demands while maintaining control of our expenditures, FCAA needs to make better use of our licensing data to identify areas of marketplace risk and to allocate our resources accordingly.
- FCAA relies on some key partners for licensing and regulation, including:
 - Credit Union Deposit Guarantee Corporation
 - Funeral and Cremation Services Council of Saskatchewan
 - General Insurance Council of Saskatchewan
 - Hail Insurance Council of Saskatchewan
 - Investment Industry Regulatory Organization of Canada
 - Life Insurance Council of Saskatchewan
 - Mutual Fund Dealers Association of Canada
 - Saskatchewan Real Estate Commission
- FCAA must effectively oversee the activities of these organizations to assure the government and the public that these organizations are well governed and managed, are adequately staffed, and achieve their public interest objectives.

Strategic Action Items for 2015-18

Goal 1: Establish and support effective rules for Saskatchewan's marketplace.

FCAA makes or supports changes to legislation, regulations and policies (the rules) to reflect evolving market requirements, increase harmonization with other Canadian jurisdictions and remove unnecessary regulatory burden for both those regulated and the regulators.

Develop and implement, with other participating jurisdictions, uniform provincial legislation and regulations in support of the Cooperative Capital Markets Regulatory System.

Implement *The Insurance Act*, when passed by the Legislative Assembly, and develop regulations pursuant to the Act. The new legislation will modernize insurance law in Saskatchewan, address emerging insurance issues and harmonize legislation with Alberta and British Columbia.

Develop and implement legislation to regulate the financial activities of SaskCentral. The federal government will repeal Part XVI of the *Cooperative Credit Associations Act* (Canada) which permits the voluntary registration of provincial credit union centrals under the federal regulatory regime for financial institutions. As a result, the regulation of SaskCentral will become a provincial responsibility.

Develop regulations under *The Consumer Protection and Business Practices Act*. The Act was proclaimed September 1, 2014. The legislation repeals several business licensing statutes. The proclamation of the repealing sections will occur as licensing regulations are passed over the next few years. Regulations will cover:

- consumer contracts
- prepaid purchase cards
- motor dealers
- direct sales
- credit reporting
- auctioneers
- charitable fund-raising
- collection agents

Goal 2: Administer the rules in Saskatchewan's marketplace

Those regulated should be held to account to follow the rules. FCAA implements effective compliance requirements and enforcement to ensure regulated entities follow the established rules. This includes facilitating remedies or resolution, introducing or changing compliance programs to reflect new rules, and applying appropriate sanctions and/or penalties when rules are breached.

Provide advice, take regulatory action or develop legislation to resolve funding issues faced by some public sector pension plans.

Develop and implement a supervisory framework and the operational capacity to administer the legislation regulating SaskCentral.

Review the administration of Saskatchewan's cemeteries legislation. Topics of review include the role of a managing administrator of an insolvent commercial cemetery; the role of the Funeral and Cremation Services Council with respect to cemetery oversight; and the requirement for cemeteries to place funds aside for ongoing care and maintenance.

Develop and implement, together with other Canadian insurance regulators, a supervisory framework (including regulations and interjurisdictional agreements) to ensure Canada meets the requirements of the International Association of Insurance Supervisors' Insurance Core Principles dealing with market conduct.

Goal 3: Promote an understanding of the rights and responsibilities of consumers and regulated entities

FCAA communicates with consumers and those regulated to help increase awareness of the rules that are in place, and FCAA's powers to enforce those rules. FCAA also strives to educate consumers to make better decisions and to avoid scams.

Execute communications campaigns several times each year to improve public awareness of FCAA and to provide the public with important information on consumer issues.

Develop a communications strategy for FCAA to respond to significant events in the marketplace or issues emanating from FCAA.

Goal 4:FCAA has the people, processes and systems to achieve its regulatory goals

Maximizing use of limited resources while providing effective service delivery remains a strategic priority for FCAA. In some cases, this means relying on others that share responsibility for market confidence.

Establish, with other participating jurisdictions, a capital markets regulatory authority to administer uniform securities legislation and regulations. The capital markets regulatory authority will have an office in Saskatchewan. FCAA employees currently involved in capital markets regulations will be seconded to the capital markets regulatory authority for three years following its establishment, at which time they will be permanently transferred to the capital markets regulatory authority.

Develop and implement a plan to achieve a balanced budget for FCAA after the launch of the capital markets regulatory authority to address the loss of revenue from securities regulation.

Acquire and implement a new regulatory license management system for all regulatory divisions other than the Securities Division. (The Securities Division utilizes national systems developed by securities regulators.) The goals of the project are to streamline and standardize FCAA’s licensing processes, to allow FCAA to identify and focus resources on higher risk entities by making better use of data analysis, to improve client services through online filing and payment services, and to be in a position to add new areas of regulation on a cost-effective basis.

Establish processes to effectively monitor whether FCAA’s information technology service providers are appropriately managing and securing FCAA’s IT systems and related data. This would include having agreements which include appropriate security requirements and security reporting and establishing policies and procedures for taking corrective actions on problems with FCAA’s IT service providers.

Develop corporate-wide processes and policies for data and records management.

Develop, implement and report on a framework of oversight for self-regulatory organizations under FCAA that (1) defines roles and responsibilities, (2) sets out the expectations of a self-regulatory organization, and (3) establishes mechanisms of reporting and control.

Status of Action Items from 2012-15 Strategic Plan

Note: The 2012-15 strategic plan referred to FCAA's predecessor organization, the Saskatchewan Financial Services Commission (SFSC).

Goal 1: Establish and support effective rules for Saskatchewan's marketplace.	
Identify potential changes, consult with stakeholders, and recommend an approach to the regulation of advice, information and tools provided to pension plan members by pension plans which offer the members a choice of investment options.	Completed. Interested pension plans have been informed of FCAA's expectations.
Identify potential changes, consult with stakeholders, and recommend amendments to the rules applied to the funding of public sector defined benefit pension plans to permit plans to better manage the volatility of contribution rate changes.	Amendments were made to <i>The Pension Benefits Regulations, 1993</i> .
Identify potential changes, consult with stakeholders, and recommend more effective regulation of deposit agents.	Deferred.
Identify potential changes, consult with stakeholders, and recommend consolidated consumer protection legislation (while repealing several statutes) to reduce marketplace confusion and to facilitate regulatory consistency.	<i>The Consumer Protection and Business Practices Act</i> passed in 2013.
Develop, with other jurisdictions, the legal framework to permit Pooled Registered Pension Plans.	In 2013, Saskatchewan was the first province to pass Pooled Registered Pension Plan legislation.

Develop, with other jurisdictions, the legal framework to regulate trading in derivatives.	<i>The Securities Act, 1988</i> was amended. Significant work on regulations is complete.
Develop, with other jurisdictions, the legal framework to permit the incorporation of individuals registered under <i>The Securities Act, 1988</i> .	Amendments to the legislation have been made. To date, no other jurisdictions have pursued similar legislation.
Identify potential changes, consult with stakeholders, and recommend amendments to the rules to become fully compliant with the New West Partnership Trade Agreement, the Agreement on Internal Trade and other trade agreements.	Completed.
Identify potential changes, consult with stakeholders, and recommend amendments to <i>The Saskatchewan Insurance Act</i> to ensure harmonization with Alberta and British Columbia.	<i>The Insurance Act</i> was introduced in the fall session of the Legislative Assembly.

Goal 2: Administer the rules in Saskatchewan's marketplace	
Develop a compliance framework for Pooled Registered Pension Plans.	Completed.
Develop an approach to scanning the internet to identify unlicensed motor vehicle dealers.	Completed. FCAA's activities led to a successful prosecution and generally raised awareness of the issue.
Detect and disrupt scams faster by developing and implementing a communications strategy to increase the number of tips from the financial services industry to SFSC about possible contraventions of Saskatchewan law.	In progress.
Detect and disrupt scams faster by developing and implementing a communications strategy to create more public awareness of securities fraud and SFSC's enforcement function.	In progress.
Develop a framework of oversight for self-regulatory organizations under SFSC that (1) defines roles and responsibilities, (2) sets out the expectations of a self-regulatory organization, and (3) establishes mechanisms of reporting and control.	Progress has been made. Further work is required with respect to the Saskatchewan Insurance Councils and the Saskatchewan Real Estate Commission.

Goal 3: Promote consumers' and regulated entities' understanding of their respective rights and responsibilities

<p>Develop plain-language compliance guides for those who must apply legislation to help them understand their responsibilities and avoid common mistakes:</p> <ul style="list-style-type: none"> • Pension plan administrators • Administrators of Pooled Registered Pension Plans • Businesses in respect of the consolidated consumer protection legislation 	<p>In progress. As the primary licensor of PRPP administrators, the federal government will prepare any necessary guidelines. Therefore, FCAA did not pursue this initiative.</p>
<p>Develop plain-language guides to help consumers to understand their rights and responsibilities:</p> <ul style="list-style-type: none"> • Retirement products for pension plan members • Consolidated consumer protection legislation 	<p>In progress.</p>
<p>Develop a communications strategy to launch the SFSC brand and to raise public awareness of SFSC.</p>	<p>Completed.</p>

Goal 4:SFSC has the people, processes and systems to achieve its regulatory goals	
Develop a web-based facility to give movie distributors, movie exhibitors and the viewing public access to film classifications.	Completed.
Develop a standard set of legal principles for SFSC decision-makers to consider in ordering sanctions in proceedings to enforce legislation.	Completed.
Research how the Commission and other SFSC decision makers might use information technology during hearings. Implement use of information technology where appropriate.	Completed. Implementation will occur in 2015.
Develop/acquire an IT application that (1) supports risk-based regulation to promote more effective, targeted regulatory activity, (2) allows on-line filings to lower administrative costs for SFSC and filers, and (3) seeks opportunities to facilitate more efficient collection of revenue.	Business requirements have been identified and vendor has been selected. Implementation will occur over next two years.
Develop a Treasury Board Crown corporation.	Completed.
Develop a workforce plan for SFSC addressing (1) corporate culture, (2) leadership, (3) learning and development , (4) performance management, (5) recruitment and retention and (6) diversity	In progress.
Clarify the roles and responsibilities of SFSC, Credit Union Deposit Guarantee Corporation, SaskCentral, and the Corporate Registry of the Information Services Corporation of Saskatchewan in respect of the framework in which credit unions operate in Saskatchewan.	Completed.
Support the enhancement of a publicly accessible database of Saskatchewan's cemeteries by working with community partners.	Completed.
Explore partnerships with the Ombudservice for Banking Services and Investments (OBSI), the General Insurance Ombudservice (GIO), and the Ombudsman for Life and Health Insurance (OHLI) for more efficient handling consumer complaints.	Securities rules recognize OBSI as a dispute resolution service. The new insurance legislation will provide a platform for using GIO and OHLI to help consumers.