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OCT 03 2019

Mr. Bryan P. Davies
Chair
Financial Services Regulatory Authority
5160 Yonge Street, 14th Floor
Toronto, ON
M2N 6L9

Dear Mr. Davies:

I am pleased to write to you in your capacity as Chair of the Financial Services Regulatory Authority of Ontario (FSRA). Pursuant to the requirements of the Agencies and Appointments Directive, this letter sets out my expectations for FSRA for the 2020-21 fiscal year.

The Financial Services Regulatory Authority of Ontario (FSRA) plays a vital function regulating Ontario's non-securities financial services and pension sectors. The people of Ontario depend on you to provide leadership to FSRA's board, management and staff. Together with your board members, the people of Ontario rely on you to establish goals, objectives, and a strategic direction consistent with FSRA's mandate, government priorities, and my directions, when appropriate.

Pursuant to the *Financial Services Regulatory Authority of Ontario Act*, FSRA's mandate includes fostering strong, sustainable, competitive, and innovative financial services sectors. As well as promoting stability, high standards of business conduct, and protecting the rights and interests of consumers and pension plan beneficiaries. As outlined in Ontario's 2019 Budget the government is committed to finding more effective and efficient ways of delivering regulatory services to reduce red tape and regulatory burden.

In keeping with these commitments, I expect FSRA to continue to implement its priorities identified in its previous business plan and to:

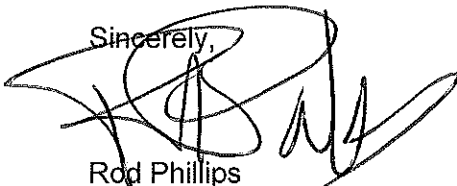
1. Contribute to government-wide burden reduction goals by:
 - Continuing to review inherited guidance and data filing requirements on an ongoing basis based on stakeholder consultations and FSRA's guidance framework;
 - Conducting a thorough cost-benefit analysis when developing rules, and/or other regulatory requirements; and
 - Working with stakeholders to identify innovative, principals-based approaches to regulation that will reduce regulatory burden while protecting consumers.

2. Improve regulatory effectiveness by:
 - Finding efficiencies and implementing modern processes and systems;
 - Enhancing FSRA's regulatory expertise, stakeholder collaboration (including collaboration with other regulators), and transparency; and
 - Implementing meaningful service standards and performance measures and adopting a culture of continuous improvement.

3. Support current and future government reform initiatives for Ontario's financial services and pension sectors, including but not limited to:
 - Implementing a blueprint for Ontario's auto insurance system, including by supporting innovative business models, pricing structures and technologies;
 - Continue working to develop and implement a framework as part of the *Financial Professionals Title Protection Act, 2019*;
 - Implementing recommendations stemming from legislative reviews of the *Credit Unions and Caisses Populaires Act, 1994* and the *Mortgage Brokerages, Lenders and Administrators Act, 2006 (MBLAA)*, the *Co-operative Corporations Act*; and
 - Facilitating the stakeholder engagement process through the creation of technical advisory committees intended to assist with the development of better processes, guidance and approaches to regulation, such as those created for the pension sector.

I thank you and your fellow board members for your service.

Sincerely,



Rod Phillips
Minister of Finance

- c: Mark White, Chief Executive Officer, Financial Services Regulatory Authority of Ontario
Greg Orencsak, Deputy Minister of Finance
Nancy Mudrinic, Associate Deputy Minister, Ministry of Finance
David Wai, Assistant Deputy Minister, Financial Services Policy Division, Ministry of Finance