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Ms. Joanne De Laurentiis
Chair
Financial Services Regulatory Authority of Ontario
25 Sheppard Avenue West
North York, Ontario
M2N 6S6

Dear Ms. De Laurentiis:

I am pleased to share our government's 2023-24 priorities for the Financial Services Regulatory Authority of Ontario (FSRA).

As Chair, you play a vital role in helping FSRA achieve its mandate. It is important that your agency's goals, objectives, and strategic direction continue to align with our government's priorities and direction. Agencies are also required to adhere to government policies and directives.

My expectation is that every action, decision, and expenditure made by your agency will be respectful of the interests of the taxpayer and the people we serve.

Per the requirements of the Agencies and Appointments Directive, this letter sets out my expectations for FSRA for 2023-24. These priorities include:

1. Competitiveness, Sustainability and Expenditure Management

- Identify and pursue opportunities for innovative practices and/or improved sustainability.
- Operate within FSRA's approved budget.
- Comply with applicable direction related to supply chain centralization, including contract harmonization for planned and pending procurements, accounting practices and realty interim measures for agency office space.
- Leverage and meet benchmarked outcomes for compensation strategies and directives.

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2. Transparency and Accountability

- Abide by applicable government directives and policies and ensuring transparency and accountability in reporting.
- Adhere to accounting standards and practices, and responding to audit findings, where applicable.
- Identify appropriate skills, knowledge and experience needed to effectively support the board's role in agency governance and accountability.

3. Risk Management

- Develop and implement an effective process for the identification, assessment, and mitigation of agency risks, including COVID-19 impacts and any future emergency risks.

4. Workforce Management

- Optimize FSRA's organizational capacity to support the best possible public service delivery, including redeploying resources to priority areas, where needed.

5. Diversity and Inclusion

- Develop and encourage diversity and inclusion initiatives by promoting an equitable, anti-racist and diverse workplace.
- Adopt an inclusion engagement process to ensure all voices are heard to inform policies and decision-making.

6. Data Collection

- Improve how FSRA uses data in decision-making, information-sharing and reporting, to inform outcome-based reporting and improve service delivery.
- Increase data sharing with Supply Ontario when applicable regarding procurement spending and planning, contract arrangements and vendor relations to support data-driven decision-making.

7. Digital Delivery and Customer Service

- Explore and implement digitization for online service delivery to ensure customer service standards are met.
- Use a variety of approaches or tools to ensure service delivery in all situations, including pursuing delivery methods that have evolved since COVID-19.

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These are the government-wide commitments for board-governed provincial agencies. Please see the attached guide for further details of each priority.

I am also sharing several priorities specific to FSRA:

1. Contributing to cross-sectoral burden reduction goals by continuing to:

- Support long-term burden reduction efforts, data filing requirements and continued engagement and collaboration with stakeholders based on FSRA's guidance framework; and
- Continue to evaluate and refine agency performance measures and effectively evaluate operational performance that supports responsive processing of regulatory matters and facilitates cost-effective regulatory oversight.

2. Improving regulatory efficiency and effectiveness across sectors by continuing to:

- Protect the public interest by enhancing FSRA's regulatory expertise, stakeholder collaboration (including collaboration with other regulators), consumer education initiatives, and transparency;
- Identify and support opportunities to enable innovation and business transformation across sectors;
- Support effective and flexible regulation by modernizing systems and processes to enhance core regulatory operations; and
- Understand and consider consumers' perspectives in FSRA's work through ongoing consumer research and engagement.
- Explore opportunities to collaborate with the Ontario Securities Commission as you fulfill your respective mandates.

3. Supporting government reform initiatives for Ontario's financial services and pension sectors, including but not limited to:

- Ongoing enhancement of market conduct for the life and health insurance sector to protect consumers;
- Support progress on the Blueprint strategy for Ontario's auto insurance system, with a focus on reducing costs, creating more consumer choice, tackling fraud, and enhancing fairness through rates and underwriting reforms and a review of how drivers access benefits;
- Report back to me on your recommendations for auto insurance innovation. This should be an ongoing dialogue;

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- Ensure effective administration of the *Financial Professionals Title Protection Act, 2019*;
 - FSRA will establish and maintain a public registry of individuals who hold approved Financial Planner / Financial Advisor credentials;
- Support the continued implementation of the *Credit Unions and Caisses Populaires Act, 2020*, to reduce burden, boost competitiveness and promote trust and stability in the credit union sector;
- Implement the new licensing regime for the mortgage broker sector stemming from the legislative review of the *Mortgage Brokerages, Lenders and Administrators Act, 2006* that will enhance consumer protections and increase professionalism in the industry; and
- Continue to engage the pension sector through the technical advisory committees and the Retiree Advisory Panel to support the development of better processes, guidance and approaches to regulatory oversight.

I would be pleased to discuss these priorities during our next meeting, and I look forward to hearing how they will be reflected in the agency's upcoming business plan and in ongoing agency operations.

Thank you and your fellow board members for your continued commitment to FSRA. Your work and ongoing support is invaluable to me and the people of Ontario.

Should you have any questions, please feel free to contact Richard Clark, Chief of Staff to the Minister of Finance at (647) 309-5714 or richard.clark@ontario.ca.

Sincerely,



Peter Bethlenfalvy
Minister of Finance

Attachment: Government Priorities for Agency Sector Chart

- c: Richard Clark, Chief of Staff to the Minister of Finance, Ministry of Finance
Greg Orencsak, Deputy Minister of Finance
Nancy Mudrinic, Associate Deputy Minister, Office of Regulatory Policy and Agency Relations, Ministry of Finance
Francisco Chinchon, Assistant Deputy Minister, Financial Services Policy Division, Ministry of Finance
Nicole Stewart, Assistant Deputy Minister, Income Security and Pension Policy Division, Ministry of Finance
Tom McKinlay, Director, Legal Services Branch, Ministry of Finance