

FSRA

Financial Services Regulatory
Authority of Ontario



Ontario

Proposed Statement of Priorities 2026-27

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Overview

The Proposed Statement of Priorities (“SOP”) helps ensure that FSRA’s activities and operations are aligned with government direction, FSRA’s strategy and organizational goals, and the unique needs of FSRA’s regulated sectors¹ to successfully fulfill its mandate². It sets out FSRA’s environmental scan of the financial services landscape, as well as FSRA’s strategic priorities and financial outlook.

This year’s SOP also includes a new proposed Strategic Framework that would set FSRA’s direction over the next five years.

Public consultation on the SOP is a key step in shaping the FY2026-29 Annual Business Plan (“ABP”) that FSRA will submit to the Minister of Finance. FSRA will consider feedback received through the consultation and make necessary changes to its strategic direction before finalizing the ABP.

¹ A full list of FSRA’s regulated sectors can be found at www.fsrao.ca/about-fsra.

² FSRA’s statutory objects can be found in [section 3 of the *Financial Services Regulatory Authority of Ontario Act, 2016*](#). FSRA’s website contains a complete list of the [statutes](#), [regulations](#), and [rules](#) which FSRA administers.

Environmental scan

FSRA operates in a dynamic and increasingly complex financial services landscape. To navigate this environment, FSRA continually gathers market intelligence about its regulated sectors and about leading practices in other jurisdictions to inform planning and decision-making.

FSRA has observed many distinct developments and trends relevant to fulfilling its statutory mandate. Two key themes have been:

- Technological advancements and innovation; and
- A prolonged period of economic uncertainty.

Technological advancements and innovation

Technology is rapidly reshaping the financial services landscape. The accelerated adoption of artificial intelligence (“AI”), telematics, embedded technologies, chatbots, advanced analytics, and digital platforms is transforming business models across sectors.

At the same time, financial services regulators are modernizing their supervisory approaches and prioritizing data collection to enable more proactive, risk-based oversight.

While these innovations can drive greater productivity, efficiency and personalization, they also introduce new risks, including data privacy concerns, algorithmic bias, fraud, and reduced interaction with licensed professionals. These shifts have the potential to both enhance and disrupt the services that FSRA’s regulated sectors offer to consumers³.

³ For the purposes of this document, the term ‘consumers’ includes the public, credit union members, pension plan beneficiaries, investors, borrowers, and other key stakeholders. It also includes insurance customers and potential customers. A ‘customer’ refers to an insurance policyholder, which may include a certificate holder, or prospective policyholders with whom an insurer or intermediary interacts, and includes, where relevant, other beneficiaries and claimants with a legitimate interest in the policy.

FSRA must understand these changes: how they affect consumer protection, how they can be leveraged to improve efficiency and reduce regulatory burden, and how they can be integrated into FSRA's own operations.

Prolonged period of economic uncertainty

The global financial services sector has entered a period of sustained uncertainty.

The International Monetary Fund (“IMF”)’s 2024-25 Financial Sector Assessment Program (“FSAP”)⁴ review found Canada’s financial system is sound, but cautioned that intensifying geoeconomic fragmentation and mounting trade risks could dampen growth, drive up unemployment, and affect real estate valuations. The World Economic Forum’s 2025 Global Risks Report⁵ similarly pointed to declining optimism, deepening geopolitical tensions, and rising exposure to natural disasters and economic shocks. The Government of Ontario has identified tariffs imposed by the United States as a significant external risk to the province’s economic outlook. These trade measures are expected to contribute to a slowdown in economic growth, alongside rising unemployment and inflation⁶.

Canada’s economy remains defined by moderating inflation, declining interest rates, and ongoing household financial vulnerability. The Bank of Canada has cut its policy interest rate to 2.25% as at October 2025⁷ amid slowing growth and a softening labour market. While inflation has eased to 2.2% year-over-year⁸, prices remain elevated compared to pre-pandemic levels. Canada’s unemployment rate fell to 6.9% in October 2025. Prior to this decline, the unemployment rate had reached 7.1% in August and September, the highest it has been since 2016 outside of the pandemic.⁹

Rising trends such as cyber attacks and natural catastrophes are amplifying uncertainty, complicating plans for future growth, and posing new risks to desired outcomes for consumers.

⁴ [IMF 2025 FSAP Canada Staff Report](#)

⁵ [WEF 2025 Global Risks Report](#)

⁶ [2025 Fall Economic Statement | Chapter 2](#)

⁷ [Policy interest rate – Bank of Canada](#)

⁸ [Consumer Price Index Portal](#)

⁹ [The Daily — Labour Force Survey, October 2025](#)

- The Global Risk Institute's 2025 Risk Outlook Survey identifies cyber risk as the most pressing issue for Canadian financial institutions¹⁰. Nearly half of surveyed professionals cited it as difficult to manage due to increasing attack sophistication and AI-driven threats.
- In 2024, Canada recorded a record \$8.5 billion in insured losses from weather-related events, including wildfires, hailstorms and floods.¹¹

FSRA must provide stability and build trust as a regulator. FSRA's approach must be clear, predictable, and understandable, while strengthening its knowledge of the perspectives and challenges faced by its regulated sectors and the public.

¹⁰ [Canadian Financial Services Risk Outlook Survey 2025 – Global Risk Institute](#)

¹¹ [Insurance Bureau of Canada](#)

Proposed Five-Year Strategic Framework

Background

FSRA requires new strategic direction that reflects both the dynamic financial services landscape of today and a deliberate transition towards a more mature operating model.

The proposed Strategic Framework sets out a vision that strengthens FSRA's regulatory capabilities, deepens engagement with stakeholders, and enhances responsiveness to a rapidly evolving external environment. It reaffirms FSRA's commitment to excellence, transparency, and continuous improvement as FSRA navigates the complexities of its mandate with greater confidence and clarity.

The development of the proposed Strategic Framework was informed by a comprehensive assessment of FSRA's mandate, operating environment, and government direction. This included an analysis of key risks and emerging trends, consideration of actions undertaken by peer regulators, and a review of relevant macroeconomic factors.

FSRA will finalize a new Strategic Framework through its 2026-2029 ABP, which will be submitted to the Minister of Finance following the SOP consultation.

Implementation and performance

FSRA will develop a comprehensive implementation plan to support the delivery of the Strategic Framework.

To reinforce accountability and track progress, Key Performance Indicators ("KPIs") aligned with the Strategic Framework will be integrated into FSRA's ABP. These KPIs will serve as a foundation for performance monitoring, continuous improvement, and transparent reporting.

Proposed Five-Year Strategic Framework

Purpose – Why we exist
Financial safety, fairness, and
choice for Ontarians.

Ambition – What we strive to be
A modern, agile regulator applying principles-based, outcomes-focused
oversight that fosters stakeholder and public confidence.

Transform our capabilities

FSRA recognizes the need to continuously innovate and enhance organizational capabilities – people, processes, and technology – to efficiently and effectively deliver on its mandate.

- 1.1 Build resilient, modern processes and internal systems (tools and technology)** to enable data driven decisions and seamless interactions
- 1.2 Drive a more connected culture** that fosters an enterprise mindset while orienting staff around accountability and execution
- 1.3 Develop purposeful cross-sector integration** with approaches that leverage FSRA’s collective expertise
- 1.4 Evolve FSRA’s operations** to support the strategic direction with an emphasis on cost-efficiency and long-term sustainability

Embrace and embed principles-based oversight

FSRA’s supervision and regulation focus on providing intended outcomes for stakeholders and the public.

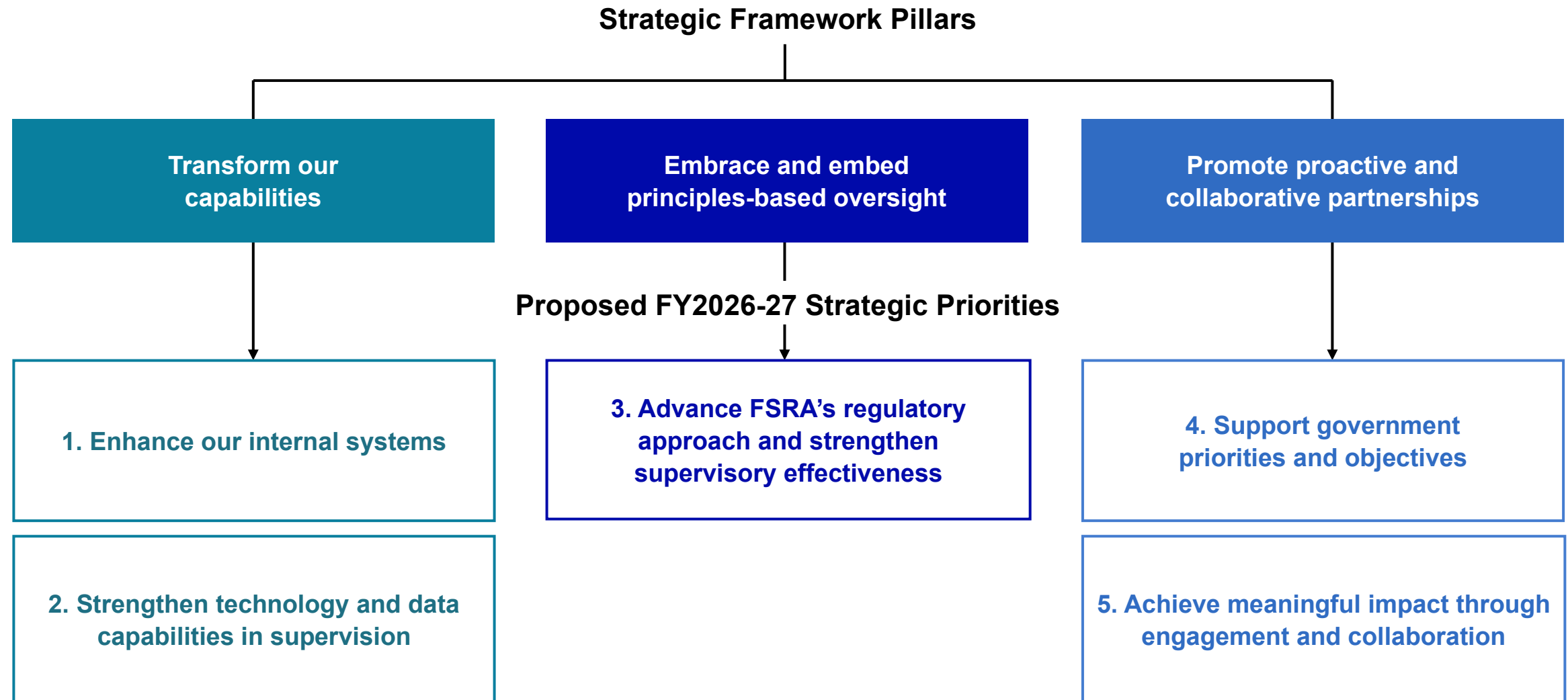
- 2.1 Develop and implement a decision-making framework** that consistently defines how FSRA will apply **principles-based, proportional, risk-based, and outcomes-focused regulation**
- 2.2 Effectively exercise judgement**, including in the application of supervisory tools
- 2.3 Influence and engage stakeholders** to motivate achievement of intended outcomes

Promote proactive and collaborative partnerships

FSRA works collaboratively with the government, stakeholders and the public to strengthen trust and reinforce its reputation as a credible, insightful and forward-looking regulator.

- 3.1 Ensure effective alignment with government priorities and objectives**
- 3.2 Develop and implement a FSRA-wide stakeholder engagement strategy** to cultivate relationships with key stakeholders and allow for collaborative problem-solving
- 3.3 Refine and amplify FSRA’s external perception** by communicating the organization’s impact and regulatory approaches with stakeholders and the public

Proposed FY2026–27 Strategic Priorities



FSRA's proposed strategic priorities communicate FSRA's areas of strategic focus for FY2026-27. They are not an exhaustive list of the activities and operations FSRA will undertake.

FSRA has already refined how it identifies and frames strategic priorities to align with the proposed Five-Year Strategic Framework. As longer-term work on developing a comprehensive implementation plan for the Strategic Framework takes shape, FSRA is committing to a set of targeted initiatives in the upcoming fiscal year. These initiatives will immediately begin advancing FSRA's new direction and will lay the groundwork for the long-term success of the Strategic Framework.

Pillar 1 – Transform our capabilities

Priority 1: Enhance our internal systems

By modernizing systems and integrating data, FSRA aims to improve efficiency, decision-making, and collaboration across the organization. This will foster a more connected, data-driven culture that enables FSRA to deliver on its mandate with greater impact and transparency.

In FY2026-27 FSRA will:

- a) Continue development of FSRAForward solutions, including the Market Conduct Business Solution, and the enhancement of FSRA's e-discovery solutions.
- b) Develop an enterprise data strategy for FSRA.
- c) Implement improvements to stakeholder and consumer experiences, such as enhancements to accessibility and digital-first communications.

Priority 2: Strengthen technology and data capabilities in supervision

FSRA is committed to leveraging technology to strengthen the supervision of its regulated sectors. By integrating innovative tools, data analytics, and digital processes, FSRA aims to improve the effectiveness and timeliness of its oversight.

In FY2026-27 FSRA will:

- a) Enhance supervision of Credit Unions, promote resilience, inform outcomes-based reporting, and improve analytical capabilities through the Enhanced Data Collection (“EDC”) initiative.
- b) Begin implementing the Fraud Reporting Service for auto insurance.

Pillar 2 – Embrace and embed principles-based oversight

Priority 3: Advance FSRA’s regulatory approach and strengthen supervisory effectiveness

FSRA will continue to evolve its principles-based approach to regulation by developing and refining regulatory frameworks, rules, and guidance across sectors. Through this work, FSRA will build confidence in its regulatory approach, supported by a principles-based approach to supervision.

In FY2026-27 FSRA will:

- a) Continue development of a regulatory approach to individual segregated funds, in alignment with other Canadian jurisdictions.

- b)** Implement the licensing regime for life and health managing general agents (MGAs).
- c)** Develop a consistent quasi-criminal enforcement approach to more effectively utilize FSRA's existing legislative authority.
- d)** Undertake a review of FSRA's supervisory activities and regulatory approach for Ontario-incorporated insurance companies and reciprocals to identify any potential areas for further improvement.
- e)** Support the sustainable growth of Credit Unions through the enhancement of the capital regime, including development of, and consultation on, updates to FSRA's Capital Rule.
- f)** Implement a new supervisory model for auto insurance rates and underwriting.

Pillar 3 – Promote proactive and collaborative partnerships

Priority 4: Support government priorities and objectives

FSRA will provide expert advice to support government-led initiatives. Through this work, FSRA will help ensure that regulatory frameworks remain responsive, robust, and aligned with evolving market needs.

In FY2026-27 FSRA will:

- a) Support the implementation and operationalization of the government’s target benefit pension plan framework.
- b) Support the government with its statutory review of the Pension Benefits Guarantee Fund (“PBGF”).
- c) Support the government in its efforts to remove trade barriers within Canada.
- d) Support the government in the implementation of a pharmacy preferred provider network (“PPN”) framework for group drug insurance plans.
- e) Monitor the adequacy and progress in meeting the new Deposit Insurance Reserve Fund (“DIRF”) target and ensuring that appropriate sources of emergency liquidity are in place.
- f) Continue to support the government’s statutory review of the *Mortgage Brokerages, Lenders and Administrators Act, 2006*.

- g)** Support implementation of auto insurance reform initiatives.
- h)** Support the implementation of new resolution powers introduced in the *Credit Unions and Caisses Populaires Act, 2020*, subject to those powers being proclaimed into force.

Priority 5: Achieve meaningful impact through engagement and collaboration

FSRA will strengthen its regulatory effectiveness by fostering productive engagement and collaboration with stakeholders. Through these initiatives, FSRA will enhance trust, improve transparency, and drive better outcomes across its regulated sectors.

In FY2026-27 FSRA will:

- a)** Strengthen the perception of FSRA through a redesign of FSRA’s website and external communications.
- b)** Develop a comprehensive framework for engaging stakeholders.
- c)** Diversify and enhance how FSRA supports innovation by leveraging insights from various stakeholder engagement activities, leading practices from peer regulators, and findings from a review of FSRA’s approach to using Test and Learn Environments.
- d)** Launch the Auto Insurance Point of Sale Test and Learn Environment pilot.

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