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Ms. Caroline Blouin
Executive Vice President, Pensions
Financial Services Regulatory Authority of Ontario
5160 Yonge Street, 16th Floor
Toronto, ON M2N 6L9

Dear Caroline,

2020-2021 FSRA Priorities and Budget (the “Priorities”)

We are the Ontario Teachers’ Pension Plan Board (“Ontario Teachers”). Ontario Teachers’ is the administrator of the Ontario Teachers’ Pension Plan, a jointly-sponsored defined benefit pension plan with over 300,000 active, former and retired members and, as of June 30, 2019, approximately \$201.4 billion in assets. We are Canada’s largest single-occupation pension plan and a significant institutional investor at home and around the world.

Thank you for the opportunity to provide our comments on the Priorities. As further set out below, we agree with and support the Priorities and looking forward to seeing the principles-based and outcomes-focused approach in practice as FSRA continues its stakeholder consultations and begins issuing guidance.

1. 2020-2021 Budget

We support FSRA’s continued investment in sectoral and functional expertise, including with respect to pension relationship management/supervision. We believe that having a collaborative relationship with the pension experts at FSRA is a key ingredient to support FSRA’s principles-based and outcomes-focused approach. We look forward to continuing to develop our relationships with FSRA’s staff as they work on building out the prudential framework and reducing burden.

2. Cross-Sector Priorities

We continue to support FSRA's prioritization of burden reduction and regulatory effectiveness. With respect to FSRA's key initiatives to support those priorities, we are particularly encouraged by the focus on transitioning to principles-based regulation and enabling innovation.

As you point out, there is a need to move from the traditional prescriptive approach (with detailed processes, etc.) to one that supports a principles-based approach that recognizes that one size does not fit all and reflects the understanding that plan administrators and sponsors can achieve the same objective in different ways. Changing the lens with which one regulates and supervises can be a challenging task, but we are optimistic that those who worked under the previous regulatory framework can embrace the principles-based approach, which, as you point out, is generally viewed as more effective than prescriptive regulation.

A principles-based approach also supports enabling innovation. When guidance and regulation are less prescriptive, there is more opportunity for both the industry and the regulator to think about solutions creatively.

3. Pensions Sector Priorities

Though Ontario Teachers' is supportive of FSRA's three pensions sector priorities, we are particularly supportive of FSRA's prioritization of refocusing pension regulation on burden reduction. We believe reducing unnecessary regulatory burdens and low-return regulatory activities can be best achieved with principles-based regulation and guidance. We continue to support ongoing discussions with FSRA and the Ministry of Finance (including with the involvement of other stakeholders as appropriate) to identify legislative and regulatory changes that could reorient the *Pension Benefits Act* and its regulations to better support a principles-based approach.

As FSRA continues the work of the *ad hoc* technical advisory committees for missing members, asset transfers and family law matters, as well as its work with respect to pension investments oversight, we are hopeful that FSRA will be anchored by this priority.

We appreciate the continued dialogue with FSRA and look forward to continuing to work closely in the future.

Yours truly,



Rossana Di Lieto

Senior Managing Director, Chief Compliance Officer & Associate General Counsel