



Meridian Credit Union Limited
75 Corporate Park Drive
St. Catharines, Ontario
L2S 3W3

April 29, 2022

Financial Services Regulatory Authority of Ontario
5160 Yonge Street, 16th Floor
Toronto, Ontario
M2N 6L9

Re: Consultation on Proposed Principles-Based Regulation Approach Guidance [ID 2022-006]

Meridian Credit Union Limited (“**Meridian**”) welcomes this opportunity to participate in the above-noted consultation and to comment on FSRA’s proposed Principles-Based Regulation (“**PBR**”) Approach Guidance.

With more than 75 years of banking history, Meridian is Ontario's largest credit union and the second largest in Canada, helping to grow the lives of 375,000 Members and customers. Meridian has \$28.3 billion in assets under management (as at December 31, 2021) and delivers a full range of financial services online, by phone, by mobile and through a network of 89 branches across Ontario, and business banking services in 15 locations.

GENERAL COMMENTS

Subject to our specific comments set forth below, Meridian strongly supports FSRA’s proposed PBR Approach Guidance. We view PBR as a tool for FSRA to adapt regulation in a very rapidly evolving environment and we echo the comments of the Canadian Credit Union Association in their letter dated April 26, 2022.

SPECIFIC COMMENTS

1. Canadian Regulatory Framework

We encourage FSRA to consider how PBR will enable it to cooperate with other domestic regulators to achieve greater consistency and integration in the Canadian financial regulatory framework.

2. Best Practices

*“FSRA may leverage industry best practices when assessing the regulated entity or individual’s chosen approach. These industry practices should not be interpreted or implemented as a compliance “checklist.” Rather, **best practices** will be used to provide regulated entities with valuable insights regarding the identified approaches used by industry peers and **provide a baseline** from which to identify practices that are best suited to their own organization.”*

We question FSRA's reference to "best practices" as a "baseline" and would encourage FSRA to clarify where it will stand on the spectrum between minimum standards and "best practices". More importantly, we encourage FSRA to clarify that when it disagrees with the standard or practices that a credit union has implemented based on its interpretation of PBR in the context of its organization, FSRA will apply its interpretation prospectively and not retrospectively.

We hope our above comments will assist you in finalizing the Guidance. Please let us know if you wish to discuss them further.

Sincerely,

A handwritten signature in black ink, appearing to read "Sunny Sodhi". The signature is written in a cursive style with a horizontal line underneath the name.

Sunny Sodhi
Chief Strategy & Corporate Affairs Officer