

Financial Services Regulatory Authority  
25 Sheppard Avenue West, Suite 100  
Toronto, ON M2N 6S6

May 30, 2023

To the Reader(s),

**RE: CCUA Feedback on Proposed Guidance for Administrative Monetary Penalties.**

The Canadian Credit Union Association (CCUA) welcomes the opportunity to provide feedback on FSRA's proposed guidance on Administrative Monetary Penalties (AMPs). As the trade association for Ontario's credit unions and caisses populaires, we are committed to ensuring that the regulatory environment supports a competitive and sustainable credit union sector.

We appreciate and support FSRA's efforts to provide guidance on administrative monetary penalties (AMPs) and to clarify the process for imposing them. The proposed guidance will help ensure a fair, transparent, and consistent approach to AMPs, which are essential for maintaining trust and confidence in Ontario's financial sector. As the process is implemented over time, we hope that FSRA will share key learnings back to regulated entities to help them understand details and expectations moving forward around AMP use.

One of our takeaways from the consultation is the importance of open and transparent communication between credit unions and FSRA. We appreciate that FSRA is clear that hardship is not an appropriate rationale for AMP avoidance. We believe that open and honest dialogue between the regulated entity and FSRA, along with expedient correction should be a consideration in any potential AMP case. This type of dialogue should also support greater compliance long-term and avoid the need for AMP consideration entirely.

We are pleased to see that FSRA will consider mitigation and remedial actions taken by credit unions in specific circumstances before issuing or considering the amount of an AMP. A case-by-case process is critical to ensuring a fair and transparent process for regulated entities. Again, good faith actions and previous administrative history should be considered by FSRA within any situational review. We agree with FSRA's view that AMPs should not cause undue financial stress or hardship onto credit unions. We will monitor AMP cases for our members and continue to work with FSRA to ensure the principles presented within the consultation are adhered to.

We agree with FSRA's approach that AMPs should be considered through statutory requirements and expectations, this will help ensure consistency in sector understanding of when an AMP would be issued. We do have some concerns around FSRA's comments that *"Not all of the considerations identified are present in every case and the basis for determining whether one of the Statutory Purposes is met varies depending on the nature of the AMP, the severity of the contravention or non-compliance, and the unique circumstances of the case."* We trust that FSRA will take a principled approach to dealing with these circumstances and provide the sector with feedback should such situations arise to create



greater clarity around usages of AMPs. To this end we would ask that FSRA consider annual reporting on AMP usage and provide benchmark data back to each sector around their use and the amounts. Should principles or approach shift in any way, we trust that FSRA will seek to update the guidance or speak to each sector to ensure clarity around forward-looking expectations.

In summary, we recognize that AMPs will be a case-by-case review and consider multiple factors and elements before a decision is handed down. We trust that FSRA will work with regulated entities to ensure fair and appropriate outcomes while working with the entity to correct the infraction or issue as quickly as possible. We hope that FSRA will share learnings and insights from its AMP process to all regulated sectors through an ongoing process, as we believe this will create a stronger credit union sector, while increasing overall stability.

If we can support our consultation feedback further, please do not hesitate to reach out, we would be pleased to do so.

Sincerely,



Brent Furtney  
Regional Director – Ontario Government Relations  
Canadian Credit Union Association

