

Financial Services Regulatory Authority of Ontario
25 Sheppard Ave W Suite 100
North York, ON
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January 12, 2026

RE: CCUA's consultation response to FSRA's 2026-2027 proposed Statement of Priorities and 5 Year Strategic Framework.

To the Reader(s),

CCUA is pleased to provide our feedback on FSRA's 2026-2027 proposed Statement of Priorities (SOP) and Strategic Framework Consultation. These opportunities to engage on key priorities help ensure alignment and clarity with FSRA's direction and the sector's priorities. We welcome ongoing dialogue on the items outlined within our response and those contained within the SOP and strategic framework presented over the course of the next year.

Our response addresses the sections presented in the document and seeks to both discuss the ideas stated, while also highlighting potential opportunities and considerations to strengthen the priorities through general recommendations. We hope our ideas and feedback help in FSRA's efforts to enhance and deliver efficient regulatory oversight, stability, and consumer protection, while improving relations with credit unions.

Executive Summary

CCUA was pleased to see a highly focused and streamlined Statement of Priorities for 2026-2027, alongside FSRA's five-year strategic plan. As threats and sector challenges evolve, FSRA's role as a principles-based regulator will be important to sector stability and long-term success. We agree with the environmental scan presented and the priority areas for both the SOP and the strategic plan. We are pleased to see FSRA addressing these areas, while also exploring ways to improve the sector through capital realignment, greater access to liquidity support, and extra-provincial opportunities. The details of each priority will be critical as FSRA develops its business and work plans. Additionally, we believe that more opportunities exist for ongoing harmonization across provincial regulators in various areas, and that the work FSRA is doing today can be a catalyst for this.

The framework presented provides a solid foundation for continued success within the credit union sector. Continued attention areas on cost containment, building net benefits from EDC data, harmonization, and effective management of work plan activities will support credit unions and their management of internal resources. We trust that FSRA will



continue to contemplate those elements alongside key priorities to ensure balance and success within the sector.

Environmental Scan

We continue to appreciate FSRA's environmental scans as part of the SOP, which acknowledges the challenges facing not just regulators, but also the sectors they oversee and the broader marketplace. The areas highlighted within the SOP (technology, A.I., tariffs, non-financial risk, etc.) continue to be challenges faced by credit unions and their members daily. CCUA agrees with the views shared that technology and economic uncertainty continue to represent some of the most significant threats and challenges for Ontario credit unions. Credit unions will continue to face threats in 2026 and beyond, and FSRA must remain vigilant and work closely with credit unions as they adapt to meet the growing demands placed on them. We are pleased that FSRA is focusing on understanding how these challenges impact regulated sectors and exploring ways to support from a regulatory perspective.

Recommendations:

1. FSRA needs to remain flexible and adaptable to changing economic and technological threats both as an organization and within its regulatory capacity.
2. They must remain open and supportive of credit unions using A.I. to better support their members with more efficient products and services. FSRA also needs to continue to support new A.I. use cases from credit unions as they emerge through technological advancements, consumer-directed finance, and payment spaces.
3. Consider how real estate declines and changing macroeconomic indicators will impact both short-term and long-term policy decisions, specifically in relation to capital and liquidity framework reviews.

Proposed Five-Year Strategic Framework and Priorities

The three pillars proposed are welcomed in what appears to be an attempt to simplify and minimize the noise around FSRA's key strategic priorities over the next five years. Our views and recommendations on these priorities are highlighted below, organized by section.

Transforming Capabilities

Recommendations:

1. Highlight the internal systems and FSRA Forward solutions that are being developed and implemented, and their impact on regulated sectors. Additional clarity and understanding around items such as the e-discovery solutions would be welcomed.

We feel that FSRA Forward has not been sufficiently advertised to credit unions in a manner that provides them with a clear understanding of what it seeks to achieve and how.

2. As the EDC project evolves, it would be welcomed by members to get insights back from FSRA to better support actions, long-term decision making, strategies, and potential benchmarking. Credit unions have been informed that FSRA would offer ongoing insights once platforms were operational; this would certainly be welcomed in 2026-2027.
3. Robust data from EDC, along with ongoing dialogue and reviews with members, should create operational efficiency in areas such as merger reviews, subsidiary considerations, test-and-learn environment approvals, and new business case reviews. Speed within FSRA reviews and approvals can support growth areas, reduce resource cost, and movement on strategy at a much more rapid pace. We believe that FSRA is in a mature state where this efficiency can be realized in 2026-27 and beyond.
4. We support leveraging technology and data to strengthen supervision, and it will be important to ensure that new platforms remain cost-effective and aligned with credit unions' systems. This approach could minimize future resources needed by both FSRA and credit unions when sharing data and reducing manual inputs.

Embracing and Embedding Principles-Based Oversight

Recommendations:

1. The sector would welcome a stronger understanding of FSRA's desire to develop "quasi-criminal enforcement approaches", including understanding how these approaches would impact credit unions and align with the Credit Union and Caisses Populaires Act, 2020.
2. The Capital Rule review presents a great opportunity to help lower capital requirements, better align risk, and direct more capital into the hands of Ontarians, businesses, and communities. We continue to support FSRA's goals around lowering capital risk weights in appropriate areas, while also advocating for the need to compete against federal counterparts on commercial weightings. We also believe that FSRA needs to continue to be mindful of economic developments and how they will impact data points and the ability of credit unions to compete across all marketplaces.

Promoting Proactive and Collaborative Partnerships

Recommendations:

1. We are pleased to see FSRA placing emphasis on collaborative partnerships. As the national trade association for Canada's credit unions, we value collaboration in building a more sustainable sector and strongly believe in a proactive relationship with FSRA.
2. CCUA interprets Priority 4c. to indicate that FSRA remains committed to supporting and working with the provincial government and the sector on extra-provincial opportunities. This is welcomed by CCUA, and we are pleased to see FSRA seeking to work alongside the government in reducing operational barriers for Ontario credit unions to grow beyond provincial boundaries. Ensuring a fair environment for extra-provincial operations is important to our members, and seeking harmonization opportunities through it should also be considered. We would also note that the opportunities need to include merger possibilities, various models, and other partnership options for credit unions to further work together.
3. As part of extra-provincial operations and activities the need for greater harmonization across provincial regulators will be necessary to creating the needed efficiencies for credit unions. These can include areas of deposit insurance, principles-based approaches/mindset, consumer protection, and capital risk weights and requirements. We believe that faster harmonization around these areas will create for better conditions to allow extra-provincial activities to flourish and develop without regulatory burden.
4. We welcome FSRA's comments around securing ELA/STLF access through the Bank of Canada, while also supporting current measures relating to emergency liquidity support (if needed). We look forward to continuing advocacy on this file and working with FSRA to find a path towards ELA/STLF access for credit union members in Ontario.
5. As part of its collaborative priorities, we believe that FSRA should continue to push for stronger partnerships and connections with federal regulators and agencies to ensure enhanced coordination within FSRA's approach. This was called out within the recent IMF report as an opportunity for enhancement, and we believe there would be significant benefit from greater collaboration between federal and provincial agencies. One such example is FINTRAC. As FINTRAC pushes credit unions around AML expectations for processes, this is an area where FSRA can help support and ensure alignment between AML requirements and general risk management practices. We believe this type of collaboration would ensure information sharing, insights, and stronger awareness between regulators,

agencies, and Ontario credit unions. This is only one example of coordination efforts and alignment whereby we believe FSRA would be well served to build relationships with various agencies and partners to better support regulatory efforts and alignment within the province.

6. If CCUA can support any review or discussion around FSRA's website and external communications, we would be happy to support. Building stronger brand awareness around the safety and security of credit unions within a well-regulated environment is desired and can foster a stronger marketplace for credit union products and services.
7. As FSRA contemplates how it will collaborate and engage through new frameworks, CCUA would be pleased to support those reviews through any public or private engagement opportunities. We are pleased to see, within the SOP, that FSRA is putting forward ideas and building frameworks around stronger engagement with stakeholders.

Concluding Thoughts

FSRA can play a key role within the credit union sector to support stability, growth, and risk management. Our members seek an effective, efficient, and collaborative driven regulator. The document seeks to create that alignment, which is highly welcomed by the sector.

CCUA would again like to thank FSRA for their efforts in presenting a strong and focused SOP and strategic plan document for its regulated sectors. As noted earlier this is an opportunity to ensure strategic alignment between the work FSRA is doing and where the sector seeks to move towards.

We look forward to reviewing FSRA's Annual Business Plan and collaborating throughout 2026/2027 to advance the sector's priorities and goals for their members and all Ontarians.

Please do not hesitate to reach out and contact CCUA if we can further support our response or the SOP and strategic plan.

Kind Regards.



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