Rule-Making Overview

October 2018
Introduction to FSRA

The Financial Services Regulatory Authority of Ontario (FSRA) is a new, independent regulatory agency established by the Financial Services Regulatory Authority of Ontario Act, 2016 (FSRA Act) to more effectively regulate non-securities financial services in Ontario.

When operational, FSRA will be an forward-looking, flexible, self-funded regulator capable of responding to the dynamic pace of change in marketplace, industry and consumer expectations.

FSRA is implementing a transition plan to assume regulatory functions currently under the auspices of the Financial Services Commission of Ontario (FSCO) and Deposit Insurance Corporation of Ontario (DICO).
When operational, FSRA will be a principles-based regulator to:

- support business investment, competition and innovation;
- respond to changes in industry and consumer expectations;
- better protect Ontarians who: buy or receive benefits from insurance (e.g., property and casualty including auto; life; health; annuities and life-related investment products); are members of credit unions; do business with credit unions or loan and trust companies; use mortgage brokers; or rely on pension plans for income security;
- Improve market effectiveness and enhance market integrity in Ontario; and
- create effective and consistent regulation across Canada through leadership and advocacy.
What is rule-making?

- Rule-making is the process by which an independent agency, such as FSRA, develops rules which can, when authorized by legislation, do the work of regulations – e.g., rules that will have the force of law.
- Authority for FSRA to make rules is provided by the FSRA Act.
- The legislative process to create regulations is less flexible and more time consuming than rule-making, and does not benefit from the specialized expertise of an expert rule-making body.
- By delegating rule-making authority to FSRA, the Legislature empowers FSRA to use its expertise to create and implement principles-based rules, giving FSRA additional flexibility to respond to market and/or product changes.
Financial Services Regulatory Authority of Ontario

**Rule-making process**

1. **FSRA publishes proposed rule, notice and other reference information on its website and invites written comments**

2. **90+ days**

3. **FSRA considers all comments**

   - **FSRA does not propose material changes to the rule**
     - **FSRA delivers proposed rule and reference information to the Minister and publishes it on its website**
     - **60 days (90 for a funding rule)**

   - **FSRA proposes material changes to the rule**
     - **Publish proposed rule on FSRA website and invite written comments**
     - **15 days unless otherwise specified in the rule**

4. **Minister rejects rule**

   - **Minister approves rule or takes no action**

   - **Minister returns rule to FSRA for further consideration**

Rule comes into force and is published
For more information, visit www.fsrao.ca or email inquiries@fsrao.ca

To receive ongoing updates and information, please subscribe to our mailing list.