

COMMUNIQUÉ

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This newsletter is published by the Canadian Association of Pension Supervisory Authorities (CAPSA) to inform interested stakeholders about cross-jurisdictional developments, initiatives and ongoing policy work in the pension sector in Canada.

Members of CAPSA are responsible for the administration of pension regulatory legislation in jurisdictions across Canada. Associate members include senior staff from Statistics Canada, Finance Canada and the Canada Revenue Agency. Debbie Lyon, Superintendent of Pensions, Manitoba Pension Commission is the Chair of CAPSA. The Vice-Chairs are Mario Marchand, Actuaire Principal, Direction des régimes de retraite, Régie des rentes du Québec and Bob Christie, CEO and Superintendent of Financial Services of the Financial Services Commission of Ontario.

CAPSA's mandate is to:

- promote the development of pension policy across Canada;
- promote the simplification and harmonization of pension plan regulation across Canada;
- enhance the security of the pension plan promise; and
- improve communications between pension regulators and the pension community.

This edition of the CAPSA Communiqué announces the release of a new CAPSA Strategic Plan for 2006-2008 and highlights the accomplishments of the association in implementing the 2003-2005 Strategic Plan.

CAPSA ADOPTS 2006-2008 STRATEGIC PLAN

At the 70th semi-annual meeting of CAPSA, held in Montreal on April 3rd and 4th, 2006, the 2006-2008 CAPSA Strategic Plan was formally adopted. The plan outlines the strategic priorities for the organization for the next three years, and the initiatives that will be undertaken in pursuit of these priorities. CAPSA's strategic priorities and initiatives for 2006-2008 are:

1. Simplify and harmonize regulatory requirements while protecting member entitlements:
 - Develop and facilitate adoption by governments of a revised reciprocal agreement for multi-jurisdictional pension plans

- Finalize Regulatory Principles for a Model Pension Law for consideration by governments
2. Promote coordination and information sharing among regulatory authorities
 - Establish mechanisms to promote the consistent interpretation of harmonized CAPSA Guidelines
 - Support regular meetings of compliance officers from member regulators to enhance information sharing and develop common procedures
 3. Support cross-Jurisdictional, cross-sectoral coordination:
 - Participate in the Joint Forum of Financial Market Regulators to address cross-jurisdictional, cross-sectoral pensions, insurance and securities issues across Canada and contribute to the Joint Forum strategic initiatives on:
 - Investment Rules
 - Regulatory Mechanisms for Information Sharing
 - Consumer Information and Education

The CAPSA 2006-2008 Strategic Plan is available for download from the CAPSA website at www.capsa-acor.org. Copies are also available from the Secretariat upon request.

IMPLEMENTATION UPDATE: 2003-2005 STRATEGIC PLAN

During the three-year period from 2003 to 2005 CAPSA successfully embarked on the most significant initiatives that had been outlined in the strategic plan to meet the strategic priorities established by the association. This led to a number of critical successes and notable progress towards the achievement of CAPSA's priorities.

Simplify and harmonize regulatory requirements while protecting member entitlements

- Engaged stakeholders across Canada from January to June, 2004 in consultations on the *Proposed Regulatory Principles for a Model Pension Law*
- Established and worked with a stakeholder task force to finalize non-contentious model law principles based on the feedback from the consultations
- Made significant progress in developing a framework multi-lateral agreement to replace the 1968 Memorandum of Reciprocal Agreement
- Presented recommendations to the federal Superintendent of Financial Institutions regarding the application of the ten per cent concentration limit in the federal investment rules following consultations with stakeholders in 2003

- Developed model regulatory principles for the funding of pension plans and consulted with stakeholders from June to November, 2005 on the *Proposed Funding Principles for a Model Pension Law*

Improve pension plan accountability and transparency

- Released CAPSA Guideline No. 4, *Pension Plan Governance Guidelines and Self-assessment Questionnaire* in 2004
- Issued version one of the *Pension Plan Governance Guidelines Frequently Asked Questions* in 2005
- Maintained regular contact with professional associations to discuss issues related to pension plans

Enhance management of risk and responsibility for pension plans

- Adopted CAPSA Guideline No. 3, *Guidelines for Capital Accumulation Plans*, developed under the auspices of the Joint Forum of Financial Market Regulators
- Developed model principles related to the locking-in of pension monies

Support cross-jurisdictional, cross-sectoral coordination

- Actively participated in the activities of the Joint Forum of Financial Market Regulators, notably in the development of the *Guidelines for Capital Accumulation Plans*
- Shared information with the International Network of Pension Regulators on issues relevant to the regulation of pension plans

CAPSA's plans for exploring the simplification of defined contribution pension plan regulation and developing model regulatory principles for phased retirement were not pursued since available resources were dedicated to the above-noted higher priority initiatives.

CAPSA would like to thank all those who participated in the work of the association in the past three years. The contributions of stakeholders to the various task forces established to assist in our endeavours, the work of staff from our member regulators on project committees, and the broad participation of stakeholders in our consultative processes have been critical to the successful implementation of the 2003-2005 CAPSA Strategic Plan.

CONTACT US

Questions regarding this Communiqué or general inquiries regarding the Canadian Association of Pension Supervisory Authorities should be referred to the CAPSA Secretariat.

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